



Vancouver, BC

INTERM CONSOLIDATED FINANCIAL STATEMENTS

**For the Nine Months Ended
June 30, 2009 and 2008**

WESTERN POTASH CORP.

INDEX TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim Consolidated Balance Sheets	<i>Exhibit "A"</i>
Interim Consolidated Statements of Loss and Deficit	<i>Exhibit "B"</i>
Interim Consolidated Statements of Cash Flows	<i>Exhibit "C"</i>
Notes to Interim Consolidated Financial Statements	<i>Exhibit "D"</i>

NOTICE OF NO REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102 - Continuous Disclosure Obligation, Part 4, Subsection 4.3(a), if an auditor has not performed a review of the interim consolidated financial statements, the statements must be accompanied by a notice stating that the interim consolidated financial statements have not been reviewed by an auditor.

Western Potash Corp's independent auditor, A Chan and Company Chartered Accountants, has not performed a review of these interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

The accompanying unaudited interim consolidated financial statements of Western Potash Corp's have been prepared by, and are the responsibility of, Western Potash Corp.'s management.

Exhibit "A"

WESTERN POTASH CORP.
Interim Consolidated Balance Sheets
(Unaudited - Prepared by Management)

	June 30, 2009 Unaudited	September 30, 2008 Audited
Assets		
<hr/>		
Current:		
Cash and cash equivalents	\$ 26,065,687	\$ 34,135,139
GST and other receivables	688,426	321,948
Prepaid expenses	74,322	-
	<hr/>	<hr/>
	26,828,435	34,457,087
Equipment (Note 3)	70,934	76,149
Mineral properties and deferred exploration costs (Note 5)	13,592,641	7,541,676
Investments (Note 6)	2,850,000	2,100,000
Deposit on Investment	330,000	1,505,272
	<hr/>	<hr/>
	\$ 43,672,010	\$ 45,680,184
<hr/>		
Liabilities		
<hr/>		
Current:		
Accounts payable and accrued liabilities	\$ 78,963	\$ 1,091,776
<hr/>		
Shareholders' Equity		
<hr/>		
Share Capital (Note 7)	45,562,601	45,055,121
Contributed Surplus (Note 8)	8,163,090	7,646,368
Deficit, per Exhibit "B"	10,132,644	8,113,081
	<hr/>	<hr/>
	43,593,047	44,588,408
Commitments (Note 11)		
Subsequent Events (Note 10)		
	<hr/>	<hr/>
	\$ 43,672,010	\$ 45,680,184
<hr/>		

Approved by the Directors:

"J. Patricio Varas"

"Troy Nikolai"

- see accompanying notes -

WESTERN POTASH CORP.
Interim Consolidated Statements of Loss and Deficit
(Unaudited - Prepared by Management)

	For the three months ended June 30		For the nine months ended June 30	
	2009	2008	2009	2008
Expenses:				
Accounting fees	\$ 8,105	\$ 3,263	\$ 42,819	\$ 36,474
Amortization	6,825	-	26,148	-
Bank charges and interest	2,538	527	8,816	1,649
Consulting fees	446,264	287,900	976,687	526,981
Filing and regulatory fees	22,479	34,720	65,217	43,220
Foreign Exchange Loss	-	-	296,070	-
Investor relations	138,985	235,154	451,502	348,049
Legal fees	31,141	12,677	86,636	12,677
Office and miscellaneous	31,476	59,182	103,660	67,864
Rent	27,744	-	90,565	-
Salaries	63,955	-	176,575	-
Stock based compensation	516,722	6,604,416	516,722	6,604,416
Telephone	15,566	4,470	26,958	22,500
Travel	119,809	126,318	319,047	228,404
Loss before other item	1,431,609	7,368,627	3,187,422	7,892,234
Other Item:				
Interest income	13,370	256,027	296,790	421,699
Loss before income taxes	1,418,239	7,112,600	2,890,632	7,470,535
Future income taxes recovery	-	-	871,069	-
Net Loss	1,418,239	7,112,600	2,019,563	7,470,535
Deficit, beginning	8,714,405	440,557	8,113,081	82,622
Deficit, ending, to Exhibit "A"	\$ 10,132,644	\$ 7,553,157	\$ 10,132,644	\$ 7,553,157
Weighted Loss per share				
- basic and diluted	\$ (0.014)	\$ (0.092)	\$ (0.020)	\$ (0.134)

- see accompanying notes -

WESTERN POTASH CORP.
Interim Consolidated Statements of Cash Flows
(Unaudited - Prepared by Management)

	For the three months ended June 30		For the nine months ended June 30	
	2009	2008	2009	2008
Operating Activities:				
Net Loss, per Exhibit "B"	\$ (1,418,239)	\$ (7,112,600)	\$ (2,019,563)	\$ (7,470,535)
Adjustment for -				
Amortization	6,825	-	26,148	-
Future income tax	-	-	(871,069)	-
Stock based compensation	516,722	6,604,416	516,722	6,604,416
Changes in non-cash working capital -				
(Increase) Decrease in GST receivable	(106,420)	(213,986)	(366,478)	(261,764)
(Increase) Decrease in subscription receivable	-	30,000	-	1,137,002
(Increase) Decrease in prepaid expenses	(55,422)	6,872	(74,322)	10,880
Increase (Decrease) in accounts payable and accrued liabilities	(17,546)	50,906	(1,012,813)	17,277
Cash flows from (used in) operating activities	(1,074,080)	(634,392)	(3,801,375)	37,276
Investing Activity:				
Acquisition of equipment	(12,178)	-	(20,933)	-
Acquisition of mineral property and deferred development costs	(1,437,330)	(260,114)	(6,050,965)	(2,341,252)
Acquisition of investment	(750,000)	-	(750,000)	-
Increase (Decrease) in deposit on investment	(330,000)	-	1,175,272	-
Cash flows from investing activities	(2,529,508)	(260,114)	(5,646,626)	(2,341,252)
Financing Activities:				
Issuance of share capital, subscriptions receipts and shares subscribed	135,000	24,208,700	2,776,307	39,322,831
Share purchase buyback	-	-	(1,397,758)	-
Cash flows from financing activities	135,000	24,208,700	1,378,549	39,322,831
Net Increase in Cash	(3,468,588)	23,314,194	(8,069,452)	37,018,855
Cash, beginning	29,534,275	17,490,059	34,135,139	3,785,398
Cash, ending	\$ 26,065,687	\$ 40,804,253	\$ 26,065,687	\$ 40,804,253
Non-cash investing activity:				
300,000 shares issued at fair value in pursuant of mineral properties option agreement for the three and nine months ended June 30, 2009 (250,000 shares issued for the three months ended June 30, 2009, and 300,000 shares for the nine months June 30, 2008 ended)	\$ 135,000	\$ 377,500	\$ 135,000	\$ 390,000

- see accompanying notes -

WESTERN POTASH CORP.
Interim Consolidated Statements of Cash Flows
(Unaudited - Prepared by Management)

Exhibit "C"
Continued

	Nine Months Ended June 30, 2009	Year Ended September 30, 2008
<hr/>		
Cash and cash equivalents consist of:		
Cash	\$ 200,035	\$ 3,500
Overdraft	-	(1,385,109)
Bankers acceptances and GIC's	25,865,652	35,516,748
	<hr/>	<hr/>
	\$ 26,065,687	\$ 34,135,139
<hr/> <hr/>		
Supplemental disclosure of cash flow information:		
Interest	\$ -	\$ -
Income taxes	-	-
	<hr/>	<hr/>

- see accompanying notes -

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

1. Nature of Operations and General Information:

- a) Western Potash Corp, "the Company" was incorporated on April 5, 2007 under the British Columbia Business Corporations Act using the name 787604 BC Ltd.
- b) The Company changed its name from 787604 BC Ltd. to Western Potash Corp. on July 10, 2007.
- c) The Company's principal business activities include the acquisition, evaluation, and exploration of mineral properties containing potash in Western Canada. The Company is in process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production.

2. Significant Accounting Policies:

- a) Cash and Cash Equivalents -

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

- b) Equipment

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

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

For the year of acquisition, the rate is one-half of that shown above.

When the net carrying amount of the equipment exceeds the estimated net recoverable amount, the asset is written down to its estimated fair value and a charge is recorded in the statement of income and retained earnings.

- c) Future Income Taxes -

The asset and liability method is used in accounting for income taxes. Future income tax assets and liabilities are computed based on differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax values using the enacted income tax rates at each balance sheet date. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change occurs. The valuation of future income tax assets is reviewed annually and adjusted, if necessary, by use of a valuation allowance to reflect the estimated amount more likely-than-not to be realized. A valuation allowance is recognized to the extent that recoverability of future income tax assets is not considered likely.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

Exhibit "D"
Continued

2. Significant Accounting Policies: (Continued)

d) Flow-through Shares

Resource expenditures for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The tax effect related to renounced expenditures is recorded as a reduction of share capital and an increase in future income tax liabilities unless sufficient previously unrecorded future income tax assets exist to offset such charge in which case the amount is credited to income tax expense.

e) Basic and Diluted Loss Per Share -

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented.

For the year ended September 30, 2008 and the period ended June 30, 2009, potentially dilutive common shares relating to options and warrants outstanding totaling 50,010,155 at September 30, 2008 (September 30, 2007: nil) & 50,585,155 at June 30, 2009 (June 30, 2008: 51,642,555) were not included in the computation of loss per share because their effect was anti-dilutive.

f) Stock-based Compensation -

The fair value of all share purchase options granted is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

g) Mineral Properties -

The Company records its interest in mineral properties and areas of geological interest at cost. All direct and indirect costs relating to the acquisition and exploration of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment of value. These costs will be amortized on the basis of units produced in relation to the proven reserves available on the related property following commencement of production. Mineral properties which are sold before the property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which reach the production stage will have a gain or loss calculated based on the portion of that property sold.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

2. Significant Accounting Policies: (Continued)

g) Mineral Properties - (Continued)

The recorded cost of mineral exploration interests is based on cash paid, the assigned value of share considerations and exploration and development costs incurred. The recorded amount may not reflect recoverable value as this will be dependent on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

h) Financial Instruments -

The Company adheres to the following Canadian Institute of Chartered Accountants ("CICA") accounting standards for Financial Instruments: (i) Handbook Sections 1530, "Comprehensive Income"; (ii) Handbook Section 3855, "Financial Instruments – Recognition and Measurement"; (iii) Handbook Section 3861, "Financial Instruments – Disclosure and Presentation"; (iv) Handbook Section 3862 - "Financial Instruments"; and (v) Handbook Section 3865, "Hedges".

i) Comprehensive Income, Handbook Section 1530:

This standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, gains and losses on certain derivative financial instruments and foreign currency gains and losses relating to self sustaining foreign operations, all of which are not included in the calculation of net earnings until realized. This section had no impact on the Company's financial statements at June 30, 2009.

ii) Financial Instruments – Recognition and Measurement, Handbook Section 3855:

This standard sets out criteria for the recognition and measurement of financial instruments, and requires all financial instruments within its scope, including derivatives, to be included on the balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are to be recognized in either the statements of income or the statement of comprehensive income.

All financial assets and liabilities are recognized when the Company becomes a party to the contract creating the item. As such, any of the Company's outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if these requirements had always been in effect.

All financial instruments are classified into one of the following five categories: held-for-trading, held to maturity, loans and receivables, available for sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

2. Significant Accounting Policies: (Continued)

h) Financial Instruments - (Continued)

ii) Financial Instruments – Recognition and Measurement, Handbook Section 3855: (Continued)

- Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and transaction costs are amortized into net income (loss), using the effective interest method.
- Available-for-sale financial assets are measured at fair value, with unrealised gains and losses recorded in other comprehensive income until the asset is realized, at which time they will be recorded in net income (loss).
- Held-for-trading financial instruments are measured at fair value. All gains and losses resulting from changes in their fair value are included in the statements of income (loss) in the period in which they arise.

All derivative financial instruments are classified as held for trading financial instruments and are measured at fair value, even when they are part of a hedging relationship. All gains and losses resulting from changes in their fair value are included in the statements of income (loss) in the period in which they arise.

In accordance with this new standard, the Company has classified its financial instruments as follows:

- Cash and cash equivalents are classified as held-for-trading which are measured at fair value.
- GST receivable is classified as loans and receivables. They are recorded at cost, which on initial recognition represents their fair value.
- Investments are classified as available for sale. It is recorded at cost, which on initial recognition represents their fair value.
- Accounts payable and accrued liabilities are classified as other liabilities. They are initially measured at fair value.

iii) Financial Instruments – Disclosure and Presentation, Handbook Section 3861:

This standard sets out standards which address the presentation of financial instruments and non-financial derivatives and identifies the related information that should be disclosed. These standards also revise the requirements for entities to provide accounting policy disclosures, including disclosure of the criteria for designating as held-for-trading those financial assets or liabilities that are not required to be classified as held-for-trading; whether categories of normal purchases and sales of financial assets are accounted for at trade date or settlement date; the accounting policy for transaction costs on financial assets and financial liabilities classified as other than held-for-trading; and provides several new requirements for disclosure about fair value.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

Exhibit "D"
Continued

2. Significant Accounting Policies: (Continued)

h) Financial Instruments - (Continued)

iii) Financial Instruments – Disclosure and Presentation, Handbook Section 3861: (Continued)

The Company has chosen to expense all transaction costs in the statements of income and retained earnings on financial liabilities that have been designated as other than held for trading.

iv) Financial Instruments, Handbook Section 3862:

This standard increases the disclosures currently required to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. CICA Handbook Section 3863, Financial Instruments – Presentation, replaces the existing requirements on the presentation of financial instruments, which have been carried forward unchanged. The Company is currently evaluating the impact of the adoption of these changes on the disclosure and presentation within its financial statements.

v) Hedging, Handbook Section 3865:

This standard specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not hold any financial instruments designated for hedge accounting.

i) Adoption of New Accounting Standards -

Effective October 1 2008, the Company adopted three new Canadian Institute of Chartered Accountants (“CICA”) accounting standard: (i) Handbook Section 1400, "Assessing Going Concern"; (ii) Handbook Section 1535 "Capital Disclosures"; and (iii) Handbook Section 3064 "Goodwill and Intangible Assets"

Consistent with the requirements of the new accounting standards, the Company has not restated any prior period amounts as a result of adopting the accounting changes. The main requirements of these new standards and the resulting financial statement impact are described below.

i) Assessing Going Concern

The Canadian Accountability Standards Board (“AcSB”) amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity’s ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on October 1, 2008. The Company is currently evaluating the impact of the adoption of this new section on its financial statements.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

Exhibit "D"
Continued

2. Significant Accounting Policies: (Continued)

i) Adoption of New Accounting Standards - (Continued)

ii) Capital Disclosures

The AcSB issued CICA Handbook Section 1535 "Capital Disclosures" The section specifies the disclosure of (a) an entity's objectives, policies, and processes for managing capital; (b) quantitative data about what the entity regards as capital; (c) whether the entity has complied with capital requirements; and (d) if it has not complied, the consequences of such non-compliance. This new section relates to disclosures and will not have an impact on the Company's financial results. This section applies to the Company's interim and annual financial statements relating to fiscal years beginning on October 1, 2008. See Note 13 for Capital Disclosures

iii) Goodwill and Intangible Assets

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning October 1, 2008. It establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company is currently evaluating the impact of the adoption of this new section on its financial statements.

iv) Financial Statement Concepts

CICA Handbook Section 1000 has been amended to focus on the capitalization of costs that meet the definition of an asset and de-emphasizes the matching principle. The revised requirements are effective for annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The Company is currently evaluating the impact of the adoption of this change on its financial statements.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

2. Significant Accounting Policies: (Continued)

j) New Accounting Pronouncements

i) International Financial Reporting Standards ("IFRS")

In 2006, AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies and partnerships. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the company for the year ended September 30, 2011. While the company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

ii) Business Combinations, Consolidated Financial Statements and Non-controlling Interest

In January 2009, the CICA issued CICA Handbook Section 1582, "Business Combinations", Section 1601, "Consolidations", and Section 1602, "Non-controlling Interests". These sections replace the former CICA Handbook Section 1581, "Business Combinations" and Section 1600, "Consolidated Financial Statements" and establish a new section for accounting for a non-controlling interest in a subsidiary. CICA Handbook Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent consideration and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date.

It provides the Canadian equivalent to International Financial Reporting Standard ("IFRS") 3, "Business Combinations" (January 2008). The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements.

CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, "Consolidated and Separate Financial Statements" (January 2008).

CICA Handbook Section 1601 and Section 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently valuating the impact of the adoption of these sections.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

2. Significant Accounting Policies: (Continued)

k) Use of Estimates -

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in the future, actual results may differ from these estimates. Key areas where management has made complex or subjective judgments include, fair value of certain assets; accounting for amortization; mineral asset impairment assessments; environmental obligations; stock based compensation; income taxes and contingencies.

3. Equipment:

	Cost	Accumulated Amortization	June 30, 2009 Net	September 30, 2008 Net
Automobiles	\$ 89,587	\$ 36,284	\$ 53,303	\$ 76,149
Computer software	19,729	3,283	16,446	-
Furniture and Fixtures	1,203	20	1,183	-
	\$ 110,519	\$ 39,587	\$ 70,932	\$ 76,149

4. Financial Instruments:

Fair Value -

Fair value estimates are made at a specific point in time, based upon relevant market information, if any, and information about the financial instruments. These estimates are subjective in nature, and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. Unless otherwise noted, cash and cash equivalents, GST receivable, investment, accounts payable and accrued liabilities, are stated at amounts that approximate their fair value.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

Exhibit "D"
Continued

5. Mineral Properties and Deferred Development Costs:

	Manitoba Property	Saskatchewan Property	Brazilian Property	Total
Balance as at September 30, 2007	\$ 375,223	-		\$ 375,223
Deferred Exploration Expenditures				
Assaying	7,817	-	-	7,817
Drilling and supplies	2,844,988	-	-	2,844,988
Equipment rental and tool supplies	296,458	-	-	296,458
Field surveying and site preparation	153,151	-	-	153,151
Geological consulting	424,549	-	-	424,549
Geophysical consulting and seismic	1,347,419	-	-	1,347,419
Property filings & performance deposits	58,922	-	-	58,922
Transportation	24,174	-	-	24,174
Vehicle rental and hauling	21,695	-	-	21,695
Road Building	214,818	-	-	214,818
	5,393,991	-	-	5,393,991
Acquisition Expenditures				
Cash	1,314,188	68,274	-	1,382,462
Shares	390,000	-	-	390,000
	1,704,188	68,274	-	1,772,462
Balance as at September 30, 2008	7,473,402	68,274	-	7,541,676
Deferred Exploration Expenditures				
Assaying	6,245	3,063	-	9,308
Drilling and supplies	2,508,267	1,738,609	-	4,246,876
Equipment rental and tool supplies	252,452	62,035	-	314,487
Field surveying and site preparation	138,309	188,995	-	327,304
Geological consulting	114,112	259,390	211,596	585,098
Geophysical consulting and seismic	222,655	118,878	-	341,533
Property filings and performance deposits	32,714	15,178	-	47,892
Road Building	19,552	23,915	-	43,467
	3,294,306	2,410,063	211,596	5,915,965
Acquisition Expenditures				
Shares	135,000	-	-	135,000
Balance as at June 30, 2009	\$ 10,902,708	\$2,478,337	\$ 211,596	\$13,592,641

The September 30, 2007 opening balance is comprised of cash payments related to acquisition expenditures of \$291,616, the issuance of 150,000 common shares of the Company with a fair value of \$37,500 and geophysical consulting and seismic exploration expenses of \$46,107.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

5. Mineral Properties and Deferred Development Costs: (Continued)

a) Manitoba Potash Property

By option agreement dated July 3, 2007, and amended October 22, 2007, subsequent to the September 30, 2007 year end, the Company was granted an exclusive option by an unrelated party, W.S. Ferreira Ltd. (the "Optionor"), to earn up to 70% interest in two potash exploration permits and one potash exploration permit in an area located along the Manitoba Saskatchewan border in Southwest Manitoba, (subject to a 2% net product royalty retained by the Optionor).

On October 15, 2007, the Company applied for an additional 77,546 hectares in southern Manitoba, through Potash Exploration Permit application No. QP-170 via an addendum to the July 3, 2007 W.S. Ferreira Ltd. Agreement. A 72,757 hectares extension to the south of application No. QP-170 was also filed on November 16, 2007 with application No. QP-171. Additionally, 50,593 hectares were added through application No. QP-172 in the area south of Permit No. QP-168. Through new applications No. QP-170 and QP-171 are intended to be covered via an addendum under the W.S. Ferreira agreement, no further payments or stock issuances are required. On February 1, 2008, the Company filed applications for two potash exploration licenses in the Pipestone district of the province of Manitoba covering an area of approximately 74,591 hectares at a total cost of \$311,725. The two licenses are pending approval by Manitoba Mines Branch.

On July 17, 2008, the Company announced that it had received its first potash well licenses from Manitoba department of Science, Technology, Energy and Mines (STEM) and that it had mobilized a drill rig supplied by Ensign Drilling Partnership to the Company's Russell-Miniota Exploration Permits in Manitoba.

On July 21, 2008, further to the July 3, 2007 W.S. Ferreira Ltd. Option Agreement and the October 15, 2007 addendum to said agreement, the Company executed a purchase agreement with W.S. Ferreira Ltd. of Winnipeg, Manitoba ("the Vendor") to acquire a 100% right, title and interest in and to the property consisting of potash exploration applications numbers QP 170 and QP 171. The Company shall make an issuance to the Vendor of 200,000 common shares to effect the purchase of the property, as well as, issue an additional 2,050,000 shares in stages on or before June 27, 2012 pending the approval of such licences by Manitoba Mines Branch. The Vendor shall retain a 2% net product royalty ("NPR") on the Property. The Company may purchase 1% of the NPR on both potash mining leases by paying the Vendor CAD\$1,000,000, leaving the Vendor with a 1% NPR.

On September 9, 2008, the Company was granted Potash Exploration Permit QP-172 by the Manitoba department of Science Technology Energy and Mines. The permit, covering 49,000 hectares is located immediately south, and is contiguous with the Company's Russell-Miniota property, and lies approx. 40km southeast of Saskatchewan Potash Corp.'s Rocanville Potash Mine. The permit is valid for a 5 year term renewed annually subject to the payment of annual rental fees, and minimum annual exploration commitments.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

Exhibit "D"
Continued

5. Mineral Properties and Deferred Development Costs: (Continued)

a) Manitoba Potash Property (Continued)

Pursuant to the agreement with the Optionor, the Company, at its option, must fulfil the following:

i) Issue the following shares:

<u>Date</u>	<u>Number of shares</u>	
Upon signing of option agreement (July 18, 2007)	150,000	(issued)
Upon signing of the amended agreement (October 22, 2007)	50,000	(issued)
On or before 27 June 2008	250,000	(issued)
On or before 27 June 2009	300,000	(issued)
On or before 27 June 2010	400,000	
On or before 27 June 2011	500,000	
On or before 27 June 2012	600,000	
	2,250,000	

ii) Incur the following exploration expenditures:

<u>Date</u>	<u>Property Permit</u>	<u>Exploration Expenditures</u>	
On or before 27 June 2008	A	\$ 210,000	(incurred)
On or before 27 June 2008	B	210,000	(incurred)
On or before 27 June 2009	A	210,000	(incurred)
On or before 27 June 2009	B	210,000	(incurred)
On or before 27 June 2010	A	210,000	
On or before 27 June 2010	B	210,000	
On or before 27 June 2011	A	210,000	
On or before 27 June 2011	B	210,000	
On or before 27 June 2012	A	210,000	
On or before 27 June 2012	B	210,000	
On or before 27 June 2013	A	210,000	
On or before 27 June 2013	B	210,000	
		\$ 2,520,000	

iii) Make the following cash payments:

<u>Date</u>	<u>Amount</u>	
Upon signing of option agreement (July 18, 2007)	\$ 291,617	(paid)
On or before 27 June 2008	50,000	(paid)
On or before 27 June 2009	50,000	(paid)
On or before 27 June 2010	50,000	
On or before 27 June 2011	50,000	
On or before 27 June 2012	100,000	
	\$ 591,617	

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

Exhibit "D"
Continued

5. Mineral Properties and Deferred Development Costs: (Continued)

a) Manitoba Potash Property (Continued)

Option General

If either or both property permits are extended beyond the fifth anniversary of the original agreement dated July 3, 2007, the Company will incur \$210,000 of expenditures on the property underlying each extended potash exploration permit as applicable, for each additional year, for up to three additional years, by the sixth, seventh, and eighth anniversaries of the original agreement.

Second Option

The Company may earn a further 25% interest in either or both of the permits by making application for and receiving a potash mining lease for either or both permits and either paying the Optionor CAD \$1,000,000 or issuing \$1,000,000 shares in the Company to the Optionor, for each potash mining lease, at the discretion of the Optionor, on or before the eighth anniversary of the original agreement.

Net Productivity Royalty

Upon the commencement of commercial production, the Company shall pay to the Optionor the net product royalty ("NPR") of 2% on the terms and conditions set out by the original agreement. The Company may purchase 1% of the NPR on both potash mining leases by paying the Optionor CAD \$1,000,000, leaving the Optionor with 1% NPR.

Surrender of Permits

The Company may determine to surrender either potash exploration permits if in the opinion of the Company continued exploration is not merited, in which case, the Company will not be required to incur any further expenditures as indicated in Note 5(a) on that portion of the property underlying the surrendered potash exploration permit.

If either or both permits are surrendered in good standing to the Manitoba regulatory authorities and a refund of the \$100,000 deposit is returned to the Optionor as a result of the surrender, such refund on the surrender of the first potash exploration permit will be paid to the Optionor and such refund on the surrender of the second potash exploration permit will be paid to the Company.

b) Saskatchewan Potash Property

On December 11, 2007, the Company filed three potash exploration license applications in the Province of Saskatchewan. Application file numbers WP1-KP407, WP2-KP408 and WP3-KP409 cover an area of 253,440 acres in size. On May 27, 2008, the Company was granted these three potash permits in south-eastern Saskatchewan. The three contiguous permits, KP-407, KP-408, and KP-409, granted by the Saskatchewan Ministry of Energy and Resources comprise a total of 123,948 acres. Each of the permits grants Western the exclusive rights to explore and prospect for subsurface minerals for a term of five years.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

5. Mineral Properties and Deferred Development Costs: (Continued)

c) Brazilian Property

On July 28, 2008 the Company signed an agreement with Amarillo Gold Corporation ("Amarillo"), a company related by two common directors, to acquire Potash and Bauxite mineral rights in Brazil. As per terms of the agreement, Amarillo, through its Brazilian subsidiary, will acquire, on behalf of the Company, exploration rights for potash and bauxite over acreage in the Brazilian Amazon Basin, then vending these exploration rights into a new Western Potash Brazilian subsidiary(s) ("WPXA"). Under the terms of the agreement the Company will pay for all direct and indirect expenses incurred by Amarillo in connection with the acquisition of the potash and bauxite exploration rights in Brazil. Amarillo will have the option to either take part in and invest in up to a 15% participation in any capital raising by the Company or WPXA within the next 18 months or to receive a cash payment equivalent to 15% of the cash outlays expended by Amarillo in acquiring said exploration rights. Amarillo will return the deposit to the Company minus expenses already incurred should the agreement be terminated.

6. Investments

	Nine Months Ended June 30, 2009	Year Ended September 30, 2008
Australian Investment (a)	\$ 2,100,000	\$ 2,100,000
Mexican Investment (b)	750,000	
	\$ 2,850,000	\$ 2,100,000

Each investment as an available for sale financial asset does not have a quoted price in an active market; each investment is measured at cost which equals fair value at initial recognition.

a) Australian Investment

On July 14, 2008 the Company participated in a private placement of a recently incorporated private junior potash exploration company that has acquired several new potash concessions in Australia. The Company acquired 1,000,000 units at \$0.10 per unit, with each unit made up of one share and one full warrant, each warrant exercisable at \$0.20 per share for a period of one year expiring July 14, 2009. On July 23, 2008 the Company also acquired an additional 6,666,667 units at \$0.30 per unit, with each unit made up of one share and one half (1/2) of one warrant, each full warrant exercisable at \$0.50 per share for a period of one year expiring July 23, 2009.

b) Mexican Investment

On April 2, 2009, the Company's subscribed in a private placement for shares of La Camera Mining Inc. La Camera Mining Inc. is an unlisted junior mining exploration company focused on exploring mineral properties adjacent to Goldcorp Inc.'s Los Filos mine in the Guerrero gold belt in Mexico. Discovery Harbour subscribed for a total of 1,875,000 Common Shares for an aggregate subscription price of \$750,000. (\$0.40 per Common Share). The Subscription Agreement contains a provision for one Penalty Warrant to be issued for each Common Share subscribed for. As of August 5th, 2009, the Penalty Warrants were convertible into Common Shares resulting in an additional 1,875,000 shares due to be issued to the Company for no further consideration, as per the terms of the Subscription Agreement.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

Exhibit "D"
Continued

7. Share Capital:

- a) Authorized -
 Unlimited Common shares without par value.
- b) Issued and Fully Paid -

	Number	Amount
Balance September 30, 2007	25,548,573	1,767,359
Non flow-through private placement @ \$0.25 (i)	16,528,000	4,132,000
Non flow-through private placement @ \$0.50 (ii (a,b,c))	28,211,000	14,105,500
Flow-through private placement @ \$0.60 (iii (a,b))	1,460,000	876,000
Initial public offering @ \$1.10 (iv)	20,912,750	23,004,025
Shares issued per option agreement (Note 5)	300,000	390,000
Broker shares @ \$0.25 (i (a))	222,800	55,700
Broker shares @ \$0.50 (ii (c))	140,000	70,000
Exercise of broker warrants @ \$0.50 per share (c)	78,550	39,275
Exercise of general warrants @ \$0.75 per share (c)	5,065,200	3,798,900
Exercise of compensation options @ \$1.10 per share (iv)	654,660	720,126
Fair value of broker warrants (i,ii,iii)	-	(544,541)
Fair value of compensation options granted on IPO (iv)	-	(793,837)
Fair value of broker warrants transferred from contributed surplus (Note 10)	-	24,956
Fair value of compensation options transferred from contributed surplus (Note 10)	-	414,176
Renunciation of Flow-through tax benefit to shareholders (iii)	-	(271,560)
Share issuance and IPO costs	-	(2,732,958)
Balance September 30, 2008	99,121,533	\$ 45,055,121
Flow-through private placement @ \$0.33	8,514,850	2,809,900
Renunciation of Flow-through tax benefit to shareholders (v)	-	(871,069)
Share issuance costs (v)	-	(168,593)
Share purchase buy back (vi)	(4,900,000)	(1,397,758)
Shares issued per option agreement (Note 5)	300,000	135,000
Balance June 30, 2009	103,036,383	45,562,601

- i) Non flow-through private placement @ \$0.25 -

On October 15, 2007, pursuant to a non-brokered private placement, the Company issued 16,528,000 units at a price of \$0.25 per unit for cash proceeds of \$4,132,000. Each unit was comprised of one common share and one share purchase warrant entitling the holder to purchase one common share of the Company for \$0.75. The warrants have a two year period with an expiry date of October 15, 2009. The Company paid cash of \$4,800 and issued 222,800 brokers' shares and 414,800 brokers' warrants in finders' fees related to this placement. Fair value of these broker warrants is determined to be \$21,444 using the Black Scholes option pricing model.

Out of the 16,528,000 units issued on October 15, 2007, a total of 14,128,000 subscriptions were closed prior to September 30, 2007 and the subscribed amount of \$3,532,000 was disclosed as shares subscribed as at September 30, 2007.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

7. Share Capital: (Continued)

ii) Non flow-through private placement @ \$0.50 -

- a) On December 21, 2007, pursuant to a private placement, the Company issued 6,500,000 units at a price of \$0.50 per unit for cash proceeds of \$3,250,000. Each unit was comprised of one common share and one share purchase warrant entitling the holder to purchase one common share of the company for \$0.75. The warrants have an expiry date of October 15, 2009. The Company paid \$17,500 in finders' fees related to this placement.

As part of the finder's fees, the Company also issued 50,000 broker warrants at a price of \$0.50 exercisable at any time on or before October 15, 2009. Fair value of these brokers' warrants is determined to be \$15,885 using the Black Scholes option pricing model.

- b) On December 21, 2007, pursuant to a private placement, the Company issued 12,350,000 subscription receipts at a price of \$0.50 per Subscription Receipt for a total of a \$6,175,000. Each Subscription Receipt was exchanged on May 6, 2008 (Date of Initial Public Offering) for no additional consideration for one common share and one share purchase warrant of the Company with each warrant entitling the holder to purchase an additional common share of the Company at a price of \$0.75 per share at any time on or before October 15, 2009.

The Company paid \$432,250 in finders' fees related to this placement. As part of the finders' fees, the Company also issued 1,235,000 brokers' warrants at a price of \$0.50 exercisable at any time on or before October 15, 2009. Fair value of these Broker Warrants is determined to be \$392,369 using the Black Scholes option pricing model.

- c) On January 14, 2008, pursuant to a private placement, the Company issued 9,361,000 units at a price of \$0.50 per unit for cash proceeds of \$4,680,500. Each unit was comprised of one common share and one share purchase warrant entitling the holder to purchase one common share of the company for \$0.75. The warrants have an expiry date of October 15, 2009.

As part of the finders' fees, the Company issued 140,000 brokers' shares at a fair value of \$0.50 per share and also issued 250,000 brokers' warrants at a price of \$0.50 exercisable at any time on or before October 15, 2009. Fair value of these brokers' warrants is determined to be \$75,130 using the Black Scholes option pricing model.

iii) Flow-through private placement @ \$0.60 -

- a) On December 21, 2007, pursuant to a private placement, the Company issued 1,250,000 flow-through shares at a price of \$0.60 per share for cash proceeds of \$750,000. The Company paid \$52,500 in finders' fees related to this placement. As part of the finders' fees, the Company also issued 125,000 brokers' warrants at a price of \$0.50 exercisable at any time on or before October 15, 2009. Fair value of the brokers' warrants is determined to be \$39,713 using the Black Scholes option pricing model.
- b) On March 1, 2008, pursuant to a private placement, the Company issued 210,000 flow-through shares at a price of \$0.60 per share for cash proceeds of \$126,000.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

7. Share Capital: (Continued)

iii) Flow-through private placement @ \$0.60 - (Continued)

- c) The Company has recorded a future income tax recovery of \$271,560 as a result of the exploration expenditures being spent and renounced to shareholders during 2008.

iv) Initial Public Offering (IPO) @ \$1.10 -

On May 6, 2008 the Company completed its initial public offering (IPO); as part of the offering the Company issued 1,254,765 compensation options at a price of \$1.10 exercisable at any time on or before November 5 and 15, 2009. Fair value of these compensation options is determined to be \$793,837 using the Black Scholes option pricing model using the current assumptions of risk free interest rates of 3.25%, expected life of 1.5 years, expected volatility of 127.4% and a dividend rate of 0%. As of September 30, 2008, 654,660 of these compensation options have been exercised.

v) Flow-through private placement @ \$0.33 -

On December 31, 2008, pursuant to a private placement, the Company issued 8,514,850 flow-through shares at a price of \$0.33 per share for cash proceeds of \$2,809,900. The Company paid \$168,593 in finders' fees related to this placement.

The Company has recorded a future income tax recovery of \$871,069 as a result of the exploration expenditures being renounced to shareholders during 2008.

vi) Normal Course Issue Bid -

On March 20, 2009, the Company completed its Normal Course Issuer Bid and in accordance with the requirements of the TSX Venture Exchange, cancelled 4,900,000 shares which had been purchased between during the period October 20, 2008 to February 14, 2009.

c) Share Purchase Warrants -

- (i) As at June 30, 2009, the Company had warrants outstanding enabling holders to acquire the following:

Number of Shares	Exercise Price per Share	Expiry Date
2,181,450	\$ 0.50	October 15, 2009
40,228,600	0.75	October 15, 2009
42,410 050		

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

Exhibit "D"
Continued

7. Share Capital: (Continued)

c) Share Purchase Warrants - (Continued)

(ii) A Summary of the Company's issued and outstanding share purchase warrants as at June 30, 2009 and September 30, 2008 and changes during those years is presented below:

	Warrants Outstanding	Weighted Average Exercise Price
Balance, September 30, 2007	-	-
Granted	47,553,800	\$ 0.74
Exercised	(5,143,750)	(0.75)
Expired	-	-
Balance, September 30, 2008 & June 30, 2009	42,410,050	\$ 0.74

d) Stock Based Compensation Plan -

(i) As at June 30, 2009, the Company had compensation and stock options outstanding enabling holders to acquire the following:

Number of Shares	Exercise Price per Share	Expiry Date
436,440	\$ 1.10	November 5, 2009
163,665	1.10	November 15, 2009
7,000,000	0.50	May 6, 2013
575,000	0.50	May 19, 2014
8,175,105		

(ii) A summary of the status of the Company's stock options as at June 30, 2009 and September 30, 2008, and changes during those years is presented below:

	Options Outstanding	Weighted Average Exercise Price
Balance, September 30, 2007	-	-
Granted	8,254,765	\$ 1.10
Exercised	(654,660)	(1.10)
Expired	-	-
Balance September 30, 2008	7,600,105	-
Granted	575,000	0.50
Balance June 30, 2009	8,175,105	-

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

Exhibit "D"
Continued

7. Share Capital: (Continued)

c) Share Purchase Warrants - (Continued)

On May 6, 2008 the Company granted 7,000,000 stock options at an exercise price of \$1.10 to its directors and employees as part of its initial public offering (IPO), exercisable at any time on or before May 6, 2013. The fair value of these stock options is determined to be \$6,604,416 using the Black Scholes option pricing model using the current assumptions of risk free interest rates of 3.25%, expected life of 5 years, expected volatility of 127.4% and a dividend rate of 0%. On May 22, 2009 in accordance with a resolution passed at the company's most recent Annual General Meeting these stock options were re-priced to an exercise price of \$0.50. The additional fair value of these stock options is determined to be \$285,442 using the current assumptions of risk free interest rates of 2.25%, expected remaining life of 3 years 11.5 months, expected volatility of 129.4 and a dividend rate of 0%. As at June 30, 2009, none of these stock options have been exercised.

On May 6, 2008 the Company granted 1,254,765 compensation options at a price of \$1.10 as part of its initial public offering (IPO) exercisable at any time on or before November 5 and 15, 2009. The fair value of these compensation options is determined to be \$793,837 using the Black Scholes option pricing model using the current assumptions of risk free interest rates of 3.25%, expected life of 1.5 years, expected volatility of 127.4% and a dividend rate of 0%. As of June 30, 2009, 654,660 of these compensation options have been exercised.

On May 19, 2009 the Company granted 575,000 stock options at an exercise price or \$0.50 to its employees and consultants, exercisable at any time on or before May 19, 2014. The fair value of these stock options is determined to be \$231,280 using the Black Scholes option pricing model using the current assumptions of risk free interest rates of 2.25%, expected life of 5 years, expected volatility of 129.4% and a dividend rate of 0%. As at June 30, 2009, none of these stock options have been exercised.

e) Escrow shares -

As of June 30, 2009 the Company had 6,541,116 shares held in escrow for various directors.

8. Contributed Surplus:

Balance, September 30, 2007	\$ -
Fair value of brokers' warrants issued	544,541
Fair value of compensation options issued	793,837
Fair value of warrant issued to consultants for service rendered	142,706
Fair value of stock options issued to directors, consultants and employees	6,604,416
Compensation options exercised	(414,176)
Brokers' warrants exercised	(24,956)
<hr/>	
Balance, September 30, 2008	\$7,646,368
<hr/>	
Fair value of compensation options issued	516,722
<hr/>	
Balance, June 30, 2009	\$8,163,090
<hr/>	

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

8. Contributed Surplus: (Continued)

The above fair value amounts were calculated using the Black Scholes option pricing model using the current assumptions of risk free interest rates of 3.25% to 4.36%, expected life of 1.75 to 5 years, expected volatility of 124.4% to 129.6% and a dividend rate of 0%.

9. Related Party Transactions:

The following amounts were paid and accrued to directors, companies in which directors are shareholders and an accounting firm in which a director is a principal.

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008
Management, consulting and accounting fees	\$ 213,000	\$ 121,875

Accounts payable balances at June 30, 2009 were outstanding to related companies in the amount of \$30,000 (June 30, 2008: \$29,978).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. See also Note 5(c) & Note 11.

10. Subsequent Events:

i) Saskatchewan Property

On July 9th and July 23rd , 2009, the Company announced details of its ongoing exploration program on the Milestone property in Southern Saskatchewan. The property is the subject of a detailed drilling program and the Company intends to produce an NI 43-101 compliant resource calculation during the first half of calendar year 2010. The company reported completion of its third and fourth wells on the property encountering potash mineralization in three potash members with depths, thickness and temperature information detailed on the Company's website and filed on SEDAR. Following analysis of the data, the Company announced its decision to expand the exploration program to include an additional four wells along with further 2D and 3D seismic surveys on the property. The Company is budgeting and additional \$8.5 million for the expanded program. The in-house qualified persons for the purposes of NI 43-101 guidelines are J. Patricio Varas, P. Geo and Dean Pekeski, P. Geo.

ii) Mexican Investment

The Subscription Agreement for the Mexican Investment contained a provision for one Penalty Warrant to be issued for each Common Share subscribed for. As of August 5th, 2009, the Penalty Warrants were convertible into Common Shares resulting in an additional 1,875,000 shares due to be issued to the Company for no further consideration, as per the terms of the Subscription Agreement.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

11. Commitments and Contractual Agreements:

- a) On August 1st, 2007 as amended June 1, 2008, the Company entered into a 2 years executive consulting agreement with J P Varas Management and Geological Corp., a company controlled by an Officer of the Company. Under the agreement, the Company shall pay a monthly fee of \$17,000 per month plus some other reasonable allowances. The agreement shall automatically renew for one year. If the agreement is terminated by the Company without cause, it is required to pay between 12 months to 24 months of monthly fees plus a certain amount calculated based on bonus paid within a 12 month period at the time of termination. (See also Note 10)
- b) On October 29, 2008, the Company agreed to sublease a premises located at 701 West Georgia Street, Vancouver BC, commencing January 1, 2009 and expiring June 29, 2014. The premises consists of 4,552 square feet of rentable area and has a basic rental fee of \$32.00 per square feet per annum plus GST. Additional rent for the Company's proportionate share of building property taxes and operating expenses are estimated to be \$19.43 per square foot per annum plus GST for 2008. The minimum lease payments for the fiscal years ended September 30 are as follows:

2009	245,808
2010	245,808
2011	245,808
2012	245,808
2013	245,808
2014	184,356

12. Capital Disclosures

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its potash properties and to maintain a flexible capital structure which optimises the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets. As at June 30, 2009, the Company has not entered into any debt financing.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements

13. Risk Factors:

Credit risk

Credit risk is the loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is attributable to GST receivable from Canadian Federal government, and liquid investments in bankers' acceptance and term deposits with a Canadian Schedule 1 bank with a \$20 million counterparty credit limit. Management believes that the credit risk concentration with respect to financial instruments above is remote.

WESTERN POTASH CORP.
Notes to Interim Consolidated Financial Statements
June 30, 2009

Exhibit "D"
Continued

13. Risk Factors: (Continued)

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 June 30, 2008, the Company had a cash and cash equivalent balance of \$26,065,687 to settle current liabilities of \$78,963. All of the Company's significant liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in high yield term deposits and bankers' acceptance. The Company regularly monitors its cash management policy. Interest rate risk is remote as the interest rates on the Company's short-term investment have fixed interest rates.

b) Foreign currency risk

The Company's functional currency for the parent company is the Canadian dollar and major expenditures are transacted in Canadian dollars. However, the Company is subject to foreign exchange risk for transactions in its Brazilian subsidiary, as at June 30, 2009.

c) Commodity price risk

The Company is exposed to price risk with respect to commodity. Commodity price risk is defined as the potential impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of potash, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of potash. Potash prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of potash may be produced in the future, a profitable market will exist for them. A decline in the market price of potash may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value.

The Company is not a potash producer as of June 30, 2009; 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.