

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jul 2, 2015) - [Western Potash Corp.](#) (TSX:WPX)(FRANKFURT:AHE) (the "Company") is pleased to announce the completion of a Scoping Study for a Pilot Plant Scale Selective Solution Mining Operation (the "Pilot Study") on the Company's 100% owned Milestone property in southern Saskatchewan (the "Project"). The Pilot Study is a preliminary economic assessment and was prepared by Novopro Projects Inc. in conjunction with Agapito Associates Inc. The Pilot Study outlines how the Company may effectively exploit the Milestone asset through reduced targeted levels of potential production, using innovative selective potash solution mining techniques, while projecting a reduced CAPEX and competitive OPEX. The Pilot Study includes a resource estimate for the study area.

The Pilot Study reports that the resulting after-tax/royalty projected Net Present Value ("NPV") is \$56.7M CAD, with an Internal Rate of Return ("IRR") of 25.2 % assuming a nominal discount rate of 10%, CAPEX of \$80.6M CAD, OPEX of \$80 CAD per tonne, and a potash price of \$315 USD per tonne FOB Vancouver.

Pat Varas, President and CEO of the Company, commented: "In the current pricing environment, it has been very difficult to find solutions for financing and moving the Milestone project forward. In taking a step back and re-scoping the Project, the Company is greatly encouraged by the results of this study, as it projects a significantly reduced risk profile and allows for the staged development of our Milestone project. The anticipated lower CAPEX requirements, alternative potential production scenario and improvement in projected economics will potentially facilitate a fresh look at investment in the Company by a much larger project financing and investment pool. With this new platform, management is looking forward to renewed interest by the investment community to fund the initial development of Milestone."

#### Rationale for Pilot Study:

The initial Milestone Feasibility Study, delivered and announced by the Company in December of 2012, was 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. The Company has diligently pursued Project finance scenarios that would bring Milestone into potential production on that basis. This process 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 Project forward in order to effectively exploit the Milestone asset while projecting a significantly reduced CAPEX and competitive OPEX, and potentially insulating the Company from these broad commodity pricing cycles.

#### Results of the Pilot Study:

The Pilot Study provides an analysis of the potential for selective mining of the Milestone deposit, starting with a smaller scale, 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 employing some key aspects of the Pilot Study selective solution mining method include Intrepid Potash, Moab, Utah (Potash), who solution mine potash from flooded underground workings and horizontally drilled caverns, and ETI Soda, Turkey (Trona) and Natural Soda, Colorado (Nahcolite), who both solution mine using horizontal wells.

The 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, producing 145,600 tonnes of standard grade MOP per year.

The Pilot Study produced preliminary process flow diagrams, site layout drawings, mining cavern and drill pad layouts, along with equipment lists and other engineering data. Estimates of capital and operating costs were developed to AACE Class 4 +/- 25% capital and operating cost estimate standards.

Some of the advantages of the proposed methodology are:

- the capital cost will be less than for conventional solution mining;
- 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.

#### Key Highlights of the Pilot Study:

Projected Production Capacity	146,000 tonnes per year
Capital Cost	\$80.6M CAD
Operating Cost	\$80 CAD per tonne (excluding logistics and royalties)

Transportation Cost	\$70 CAD per tonne
Sustaining Capital	\$12M CAD (in year 5)
Accuracy	+/- 25%
Potash Price	\$315 USD per tonne (Standard grade)
CAD/USD exchange rate	1.22
Operating life of mine	12 years
After-Tax/Royalties IRR	25.2%
After-Tax/Royalties NPV	\$56.7M CAD

The Pilot Study is based on a mineral resource 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% K<sub>2</sub>O) was used to define the top and bottom of the target member.

Table 1 below evaluates the key economic sensitivities of the Project. Since the analysis is based on a cash flow estimate, actual financial results may vary from these predictions. The Pilot Study concludes that the Project is economically viable. Successful operation of the pilot plant would support potential future feasibility studies of a larger commercial scale facility.

Table 1: Project Potash Price, OPEX, and CAPEX Sensitivities

	NPV(CAD)	IRR
Base Case Real Basis	\$56.7M	25.2%
10% Increase / Decrease in Potash Price	\$74.4M / \$38.5M	29.4% / 20.6%
10% Increase in CAPEX	\$51.4M	22.7%
10% Increase in OPEX	\$52.7M	24.2%

The Company will be filing a technical report containing a preliminary economic assessment and resource estimate in respect of the Pilot Study (the "Technical Report") pursuant to National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") with Canadian securities regulators within 45 days of this release. The Technical Report will be available on SEDAR at [www.sedar.com](http://www.sedar.com), and also on the Company's website at [www.westernpotash.com](http://www.westernpotash.com).

*Readers are cautioned that the projected mining method, potential production profile and plan and mine plan referred to in the Pilot Study and this release 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.*

About Western Potash Corp.

[Western Potash Corp.](http://www.westernpotash.com) is a development company engaged in the evaluation, exploration and development of potash mineral properties in Western Canada. The Company intends to develop a world-class potash deposit in an ecologically sustainable, economically efficient and socially responsible manner.

For more information on [Western Potash Corp.](http://www.westernpotash.com)'s projects, please visit the Company's website at: [www.westernpotash.com](http://www.westernpotash.com).

ON BEHALF OF THE BOARD OF DIRECTORS

J. Patricio Varas, President and CEO

Qualified Persons

*The content of this news release has been read and approved by J. Patricio Varas, P. Geo., President and CEO of the Company, and Dean Pekeski, P. Geo, Executive Vice President of the Company. Both are Qualified Persons as defined by NI 43-101.*

### *Cautions Regarding Forward-Looking Statements*

*Except for statements of historical fact relating to the Company, certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the filing and results of the Technical Report. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information that is set out herein, except in accordance with applicable securities laws.*

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