No. S-266288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF WESTERN POTASH CORP., WESTERN POTASH HOLDINGS CORP., AND 0907414 B.C. LTD.

AND

WPC (JERSEY) LIMITED

Petitioner

SUPPLEMENT TO THE FIRST REPORT OF FTI CONSULTING CANADA INC. IN ITS CAPACITY AS MONITOR

August 31, 2026

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<u>SUPPLEMENT TO THE</u>
FIRST REPORT OF FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR

A. INTRODUCTION

1. On August 21, 2026, on the application of WPC (Jersey) Limited ("**Appian**"), in its capacity as the senior secured creditor of Western Potash Corp. ("**WPC**"), Western Potash Holdings Corp. ("**WPHC**"), and 0907414 B.C. Ltd. ("**090 Ltd.**", and collectively, the "**Company**") the Supreme Court of British Columbia (the "**Court**") made an Order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") in respect of the Company (the proceedings commenced pursuant to the Initial Order being the "**CCAA Proceedings**"), FTI Consulting Canada Inc. ("**FTI**") was appointed as the monitor of the Company (in such capacity, the "**Monitor**") with certain enhanced powers.

2. On August 27, 2026, the Monitor filed the First Report of the Monitor (the "**First Report**") in connection with the Monitor's motion scheduled for August 31, 2026 (the "**Comeback Hearing**").

3. On August 29, 2026, the Company served an Application Response (the "**Application Response**") and the Affidavit of Bill Xue sworn August 28, 2026 (the "**Xue Affidavit**").

4. The purpose of this supplement to the First Report (this "**Supplement**") is to: (a) respond to the Application Response and the Xue Affidavit; (b) provide further information and context concerning certain statements in the Xue Affidavit; and (c) provide further details in support of why the Monitor should conduct the SISP in the form currently sought by the Monitor and why the continuation of the Monitor's enhanced powers is necessary and appropriate in the circumstances.

5. This Supplement should be read in conjunction with the First Report and the other materials filed in connection with these CCAA Proceedings. The First Report, this Supplement, and other materials filed in connection with the CCAA Proceedings are posted periodically on the website established by the Monitor at https://cfcanada.fticonsulting.com/WesternPotashCorporation (the "**Monitor's Website**").

6. This Supplement adopts the same terms of reference as set out in the First Report. All capitalized terms that are not otherwise defined herein have the meaning given to them in the First Report.

B. THE PRE-FILING STRATEGIC PROCESS

7. As set out in the Pre-Filing Report and the First Report, FTI Capital Advisors (also referred to herein as the "**Sales Advisor**" for ease of reference) was retained by the Company approximately 10 months ago to conduct the pre-filing Strategic Process, whereby the Sales Advisor conducted a targeted outreach over a six-month period for a possible sale, investment or restructuring transaction in respect of the Company. While multiple parties expressed interest in transacting with the Company, ultimately no parties provided an offer and the Strategic Process was terminated just prior to commencement of the CCAA Proceedings at the request of the Company's Chief Financial Officer, Mr. Gao.

8. There were concerns regarding the Company's conduct during the pre-filing Strategic Process that are relevant to the relief sought at the Comeback Hearing. Among other things:

(a) the Company was running a parallel sales process that could be seen as being designed to preserve value for the shareholder of the Company – notwithstanding that such actions could discourage other bidders from performing due diligence and participating in the Strategic Process. This parallel process and discussions are described in paragraph 25 of the Xue Affidavit. The Company chose to keep this parallel process and related discussions separate from the Strategic Process and from the Sales Advisor. As a result, the Monitor does not have sufficient information to verify the status or substance of the matters described in paragraph 25 of the Xue Affidavit; however, the Monitor notes that these discussions did not result in any firm offers or committed financing;

(b) the Company modified the standard non-disclosure agreement previously approved and used by the Company for certain parties in the Strategic Process in a manner that had the effect of excluding certain parties from the Strategic Process;

(c) the Company insisted on using its own data room with certain parties despite the Sales Advisor having already established one for the Strategic Process; and

(d) a party that is one of the largest producers of potassium chloride in the United States expressed an interest in the Company during the Strategic Process and made multiple diligence requests of the Company. After a 3-week period where certain questions remained unanswered, the Company ultimately refused to provide detailed information requested by the interested party unless an offer was made first by the interested party. This contributed to a loss of deal momentum, with this party ultimately deciding to walk away from further discussions. It is unclear to the Monitor whether such behaviour is a tactic that was applied consistently by the Company for all interested parties or only to this party.

9. The conduct of the Company during the pre-filing Strategic Process is directly relevant to the relief sought by the Monitor on the Comeback Hearing. Unless the Monitor has the authority to conduct the SISP unimpeded by the Company, there is a material risk that the Company will continue the behaviour it exhibited during the pre-filing Strategic Process which could jeopardize the integrity and effectiveness of the SISP. In the Monitor's view, the enhanced powers granted under the Initial Order, and sought to be continued in the

ARIO, are necessary to ensure the SISP is conducted fairly and transparently for the benefit of all stakeholders. The Monitor notes that all the parties that are discussed by Mr. Xperia in paragraph 25 of his affidavit are able and will be encouraged to participate in the proposed SISP to be conducted by the Monitor.

C. URGENT NEED FOR INTERIM FINANCING

10. The Xue Affidavit suggests at paragraph 44 that the Debtors are “actively seeking interim financing from other parties” and that counsel has had discussions with “two potential alternative interim lenders” who have “expressed an interest in providing an interim financing term sheet.” Those descriptions do not identify the potential source of funds, proposed terms funding, or a timetable for funding and no term sheet for alternative financing has been provided to the Monitor or the Court.

11. As set out in the Pre-Filing Report, the First Report, and the First Cash Flow Projection and the Second Cash Flow Projection appended to same, respectively, the Company’s need for cash is urgent and immediate. The Company was unable to fund payroll for the week ending August 28, 2026 and was required to draw on the DIP Facility to fund this critical and basic operational requirement. In addition, the Mineral Lease payments owed to the Saskatchewan Ministry of Energy and Resources must be paid before the end of September 2026 or the Company risks having the Mineral Leases be cancelled with no guarantee of being re-obtained on commercially comparable terms. These facts demonstrate why waiting to see whether alternative financing may materialize is not a viable option in these CCAA Proceedings. Moreover, since all mining and development activities at the Milestone Project were suspended in or around May of 2024 the Company has had ample time to secure alternative financing but has not done so. The Monitor understands that funding from the Company’s shareholder ceased in July 2026 and the Company failed to secure alternate funding, which ultimately required Appian to file for relief under the CCAA. Despite having knowledge of these proceedings for over two weeks prior to the Comeback Hearing, the Company has not produced any term sheet or other evidence of committed alternative financing.

D. CONCLUSION

12. For the reasons set out in the First Report and in this Supplement, the Monitor is of the view that the relief requested pursuant to the ARIO and the SISP Order is both appropriate

and reasonable. The Company's conduct during the pre-filing Strategic Process, its urgent and immediate need for interim financing, the absence of reliable evidence that alternative financing is committed or executable, all as described above, supports the granting of the relief sought.

13. Accordingly, the Monitor respectfully recommends and requests that the ARIO and SISP Order be granted.

All of which is respectfully submitted this 31st day of August, 2026.

FTI Consulting Canada Inc.

In its capacity as Monitor of Western Potash Corp., Western Potash Holdings Corp., and 0907414 B.C. Ltd., and not in its personal or corporate capacity

	J. Porepa
Jeffrey Rosenberg Senior Managing Director	**Jodi Porepa** Senior Managing Director