

## Verde Potash Selected to Advance in Inova Agro Funding Process

TORONTO, Sept. 23, 2013 /CNW/ - **Verde Potash** (TSX: "NPK") ("Verde" or the "Company") is pleased to announce that the Company has been selected by Inova Agro, a special financing program of the Brazilian government, to advance to the next round of evaluation in the process to secure financing for Phase 1 of the Cerrado Verde project. Phase 1 of the Cerrado Verde project consists of a 1,000 tpd plant capable of producing ThermoPotash and also of seeking performance guarantees for a large scale KCl kiln. Inova Agro is a Brazilian government program intended to fund innovative projects in the agriculture sector, including those focused on fertilizers. Total funds to be distributed by Inova Agro are budgeted at R\$1 billion (approximately C\$450 million), with funding allocation decisions to be announced in February 2014. Selected projects will be considered for subsidized interest rates, equity investment and non-reimbursable project investment grants from the Brazilian Development Bank ("BNDES") and/or the Financing Agency for Studies and Projects ("FINEP"), both of which are arms of the Brazilian government with a mandate to support domestic projects.

### Inova Agro

Inova Agro is an initiative of the Brazilian government aimed at coordinating the resources of BNDES and FINEP to provide financial subsidies to innovative projects in the agriculture sector. The Inova Agro support program involves a specific set of criteria and a schedule for the distribution of funds. Verde submitted its application and support documentation to the Inova Agro program in August 2013 and has been notified of its selection to advance to the program's next round of evaluation. On January 31, 2014, Inova Agro is scheduled to release the names of projects chosen to receive funding. Companies and projects that are successful in securing financial support from Inova Agro will have funding plans set in February 2014.

The Inova Agro program targets three business sectors for funding: agribusiness inputs, food industry processing and agribusiness equipment. The Company's Cerrado Verde project expects to significantly contribute to Brazil's production of potash fertilizers and therefore fits into the inputs for agribusiness (fertilizers) portion of the program.

Inova Agro is part of the larger Inova Empresa program, which spans a number of sectors. The total budget for Inova Empresa is R\$32.9 billion (approximately C\$15.0 billion). While the budget for Inova Agro provides for R\$1 billion in funding, this figure could increase at the discretion of the funding institutions (BNDES and FINEP).

Management believes that access to debt funding from the Inova Agro program could act as a significant advantage for the Cerrado Verde project. The Company looks forward to working with the Inova Agro Evaluation Committee over the coming months.

### About BNDES

The Brazilian Development Bank (BNDES), a state-owned company, is the main financing institution for development in Brazil. Since its foundation in 1952, the BNDES has played a fundamental role in stimulating the expansion of industry and infrastructure in the country. Over the course of the Bank's history, its operations have evolved in accordance with the Brazilian socio-economic challenges; today they include support for exports, technological innovation, sustainable socio-environmental development and the modernization of public administration.

The Bank offers several financial support mechanisms to Brazilian companies of all sizes as well as public administration entities, enabling investments in all economic sectors. In any supported undertaking, from the analysis phase up to the monitoring, the BNDES emphasizes three factors it considers strategic: innovation, local development and socio-environmental development.

### About FINEP

The Financing Agency for Studies and Projects (FINEP) is a state-owned company under the Brazilian Ministry of Science and Technology that promotes economic and social development by fostering innovation in public and private companies, universities, technological institutes and other public and private institutions in the country.

Founded in 1967, the organization has funded thousands of successful initiatives, including the development of Embrapa, Brazilian agribusiness projects, oil exploration and development of the aircraft Embraer Tucano.

### Management Appointment

The Company is pleased to announce the appointment of Mr. Tim Slater as Chief Financial Officer. Mr. Slater is the Managing Director of Harmer Slater Chartered Accountants in the United Kingdom, and has been involved in the preparation of all of the Company's financial statements and audit materials since 2007. Mr. Slater has acted as Finance Director for a range of companies in the UK.

The Company also wishes to announce the retirement of Mr. Henrique Cavalcanti as a Director of the Company. Mr. Cavalcanti has served the Board diligently over the past four years. He is retiring from public company duties at the age of 84 after a long and distinguished career that included service as Brazil's Minister of the Environment (1994), Deputy Minister of Mines (1967-69) and Deputy Minister of Interior (1969-1974).

### About Verde Potash

Verde Potash, a Brazilian fertilizer development company, is focused on advancing the Cerrado Verde project located in the heart of Brazil's largest agriculture market. Cerrado Verde is the source of a potash-rich deposit from which the Company intends to produce both ThermoPotash and potassium chloride (KCl). ThermoPotash is a controlled-release, non-chloride, multi-nutrient fertilizer that is ideally suited for Brazilian soils. In addition, the Company is developing its Calcario limestone project, limestone being a key raw material in the Company's process to produce both ThermoPotash and KCl.

### About the Cerrado Verde Potash Project

Cerrado Verde is a unique project: 1) its high grade potash rock outcrops and is amenable to strip mining, allowing fast construction of a scalable operation; 2) it is located in the midst of the world's third largest and fastest growing fertilizer market; 3) it connects to Brazil's largest fertilizer distribution districts via existing and high quality infrastructure; 4) it has the potential to supply both ThermoPotash and KCl to Brazil's local agriculture market from its large potash-rich deposit.

### Forward Looking Information

This news release contains certain forward-looking information, which includes but is not limited to, statements with respect to the Company's strategy, funding of the Cerrado Verde project, the commercial production of ThermoPotash and KCl, design and building of a Flex Plant, timing and completion of a prefeasibility study, receipt of environmental permits, and the generation of cash flow from Phase 1 of the new strategy. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to differ materially from the forward-looking information. Material risk factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, the failure to obtain necessary regulatory approvals, failure to receive funding from Inova Agro, failure to obtain financing on acceptable terms, risks associated with the mining industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price, demand for ThermoPotash and KCl in Brazil, exchange rate fluctuations and other risk factors set out in the Company's most recently filed Annual Information Form under the heading "Risk Factors". Currently, ThermoPotash is not commercially produced or sold in Brazil. As a consequence, there is no current market for this product. Should commercial demand for ThermoPotash fail to develop, the Company's business model may not be appropriate. Accordingly, readers should not place undue reliance on such forward-looking information. Material factors or assumptions used to develop such forward-looking information include, but are not limited to, the demand for ThermoPotash and KCl in Brazil, the ability to secure necessary

environmental and mining permits, the ability to secure financing, and other assumptions set out in the Company's current technical report. The Company does not currently intend to update forward-looking information in this news release except where required by law.

SOURCE: Verde Potash Plc

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