

## Verde Potash: Cerrado Verde Inferred Resource Estimation Expanded 100% to 2.68 Billion Tonnes at 8.8% K<sub>2</sub>O

TORONTO, Jan. 10, 2012 /CNW/ - Verde Potash Plc (TSX-V:NPK) ("Verde" or the "Company") is pleased to announce an expansion as a result of further drilling, to the resource estimate for the Cerrado Verde Potash Project located in Minas Gerais State, Brazil ("Cerrado Verde"). The estimate comprises an indicated resource of 74 million tonnes with an average grade of 9.22% K<sub>2</sub>O and an inferred resource of 2.68 billion tonnes with an average grade of 8.88% K<sub>2</sub>O (applying a 7.5% K<sub>2</sub>O cut-off). The drilling program defined sub-horizontal potash mineralization from surface to a maximum depth of 85m, rendering the resource amenable to open pit mining.

A summary of the resource estimation is shown in Table 1:

	Previous Estimate (August, 2011)		New Estimate	
	Tonnage (Mt)	Average Grade (% K <sub>2</sub> O)	Tonnage (Mt)	Average Grade (% K <sub>2</sub> O)
Indicated	74.04	9.22	<b>74.04</b>	<b>9.22</b>
Inferred	1,071.16	9.37	<b>2,682.18</b>	<b>8.88</b>

The new resource estimated for the Cerrado Verde targets is based on 24,148m of drilling performed as 424 RC holes and 932m as 13 DC holes with drillhole spacing ranging from 400m by 400m to 200m by 200m.

President & CEO, Cristiano Veloso, said: "Given the enormity of the Cerrado Verde inferred resource, the project should be able to support large scale production of multiple potash products. Brazil's annual K<sub>2</sub>O consumption is approximately 4 million tonnes. By comparison, the new resource represents approximately 250 million tonnes of K<sub>2</sub>O."

The mineral resource has been classified by qualified person Volodymyr Myadzel (BSc (Geo) MAIG) principal consulting geologist for BNA Consultoria e Sistemas ("BNA") in accordance with NI 43-101 effective as of December 2, 2011. The estimate comprises an indicated resource of 74 million tonnes with an average grade of 9.22% K<sub>2</sub>O and an inferred resource of 2.68 billion tonnes with an average grade of 8.88% K<sub>2</sub>O (applying a 7.5% K<sub>2</sub>O cut-off):

**Table 2 - Grade Tonnage Report: Cerrado Verde Potash Project**

Inverse Distance Weighting with power two (IDW2) estimate  
(Block Model - 50mE X 50mN X 10mRL)

Target	Cut-off grade (%K <sub>2</sub> O)	Tonnage (Mt)	Average Grade (% K <sub>2</sub> O)
<b>Indicated</b>			
Target 6	7.5	23.25	8.83
Target 7	7.5	50.79	9.39
<b>Total Indicated</b>		<b>74.04</b>	<b>9.22</b>
<b>Inferred</b>			
Target 1	7.5	235.86	8.72
Target 2	7.5	11.63	8.54
Target 3	7.5	126.52	8.72
Target 4	7.5	146.67	9.03
Target 5	7.5	27.27	8.31
Target 6	7.5	47.85	8.84
Target 7	7.5	873.59	9.45
Target 10	7.5	28.50	10.10
Target 11	7.5	46.79	8.27
Target 12	7.5	235.68	8.80
Target 13	7.5	168.25	8.50
Target 14	7.5	325.20	8.65
Target 16	7.5	257.49	8.15
Target 17	7.5	150.89	8.19
<b>Total Inferred</b>		<b>2,682.18</b>	<b>8.88</b>

### Note:

Mineral resources are not mineral reserves and do not have demonstrated economic viability

Appropriate rounding has been applied

Table is EXCLUSIVE of Target 8, Funchal Norte, inferred resource estimate completed by Coffey Mining in March 2010 (105 million tonnes at 10.3% K<sub>2</sub>O (using a 7.5% K<sub>2</sub>O cut-off)). See Release dated March 8, 2010

Cerrado Verde is a 100% owned project of the Company and is defined by flat lying potash rich metasilstones belonging to the Serra da Saudade Formation of Neoproterozoic age. The metasilstone beds are between 30m and 80m thick. The Company has mapped the distinctive green unit over a strike length of 100km within their granted permits.

### Qualified Person

Beau Nicholls, MAIG consulting geologist to Verde is the Qualified Person with respect to drilling and sampling for the Cerrado Verde Potash Project. Reverse Circulation (RC) and Diamond Core (DC) samples were taken at between one and two metre intervals by Verde's technical staff, utilizing internationally accepted drilling and sampling techniques. All reverse circulation drill samples were weighed on site to determine whether recovery had been adequate. DC drill holes consisted predominantly of HQ core. DC was logged and sawn on site with half core samples sent to the laboratory. All samples were analyzed for K<sub>2</sub>O using standard Whole Rock XRF by SGS Geosol Laboratory, in Belo Horizonte. QAQC programs show industry acceptable precision and accuracy limits on both

Certified Standards and duplicate samples. An additional 120 Umpire samples were sent to ALS laboratory and returned excellent precision when compared to SGS Geosol results. Bulk density samples are routinely measured in all DC drilling, and the company has also undertaken independent validation checks of the density results with excellent precision returned.

BNA Consultoria e Sistemas, under the direction of Volodymyr Myadzel, MAIG, is the independent Qualified Person with respect to this mineral resource estimate. Mr. Myadzel validated the database and QAQC programs. He undertook wire-framing of the grade shells, performed the IDW2 estimate for the block modelling, estimated the resource, and has approved this news release.

#### **About Verde Potash**

Verde is a fertilizer exploration and development company; it was founded and is led by Brazilians. Verde is developing the Cerrado Verde project in Brazil, a source of potash-rich rock from which the Company plans to produce a potash fertilizer product. Founded as Amazon Mining Holding Plc in 2005, the Company changed its name to Verde Potash Plc in April 2011 to better reflect its core business.

#### **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 infra-structure.

On behalf of the Board of Directors of Verde Potash, Cristiano Veloso, President and CEO.

#### **For additional information please contact:**

**Cristiano Veloso**, President & Chief Executive Officer  
Tel: (416) 866-2966; Fax: (416) 866-8829; Email: [cv@verdepotash.com](mailto:cv@verdepotash.com)

[www.verdepotash.com](http://www.verdepotash.com)

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THE GRADES DETAILED IN THIS RELEASE ARE CONCEPTUAL IN NATURE. THERE HAS BEEN INSUFFICIENT EXPLORATION TO DEFINE A MINERAL RESOURCE. SHOULD THE COMPANY ENGAGE IN FURTHER EXPLORATION, IT IS UNCERTAIN THAT IT WILL RESULT IN THE TARGETS BEING DELINEATED AS A MINERAL RESOURCE.

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#### **For further information:**

**Cristiano Veloso**, President & Chief Executive Officer  
Tel: (416) 866-2966; Fax: (416) 866-8829; Email: [cv@verdepotash.com](mailto:cv@verdepotash.com)

[www.verdepotash.com](http://www.verdepotash.com)

CO: Verde Potash Plc

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