

EPAMIG and Verde Potash Demonstrate the Benefits of ThermoPotash for Coffee Crops

TORONTO, Sept. 12, 2013 /CNW/ - **Verde Potash** (TSX: "NPK") ("Verde" or the "Company") is pleased to announce the positive results of a 30 month field test of ThermoPotash ("TK") with coffee crops. The trial indicated that TK was more efficient in the delivery of potassium than potassium chloride ("KCl"), generating an equivalent coffee yield while using 36% of the potash that was applied to the KCl test plots.

The field test was conducted over a 30 month growing period, beginning in 2010, in Minas Gerais State, Brazil. The test was conducted by Verde in conjunction with EPAMIG, the agricultural research service of the government of Minas Gerais State.

In the field test, the amount of potash ("K₂O") applied on the TK plots was 36% that of the amount applied on the KCl plots. Each coffee tree on the TK plots was treated with 80g of K₂O equivalent while trees on the KCl plots were treated with 220g of K₂O equivalent. Yields on both plots were equivalent despite the difference in K₂O applied.

The field tests were conducted at EPAMIG's experimental farm located in Patrocínio, Minas Gerais, Brazil under the coordination of the researchers Paulo Tácito Gontijo Guimarães and Kaio Gonçalves de Lima Dias. The tests concluded that TK is an efficient source of potash and also a source of calcium, magnesium and silicon. TK was applied only once at the beginning of the 30 month test period while KCl was applied to the field on four separate occasions, replicating what occurs in real world farming where seasonal KCl applications are standard practice in order to combat the effects of leaching. The ability to apply a single dose of TK versus multiple doses of KCl has positive implications for application costs.

TK is a controlled release, non-chloride multi-nutrient potash fertilizer that has been developed by Verde. It is a new product that is expected to compete against other premium non-chloride potash fertilizers in the Brazilian market, such as potassium sulphate ("SOP") and potassium nitrate ("NOP").

It is also important to highlight the influence of KCl on the quality of the coffee because, by content, 40% of this fertilizer is chloride. TK, by comparison, contains no chloride. Research¹ has shown that chloride is responsible for a reduction in the quality of coffee beverages. Premium coffee producers already use other sources of potash that have no chloride in order to avoid this issue.

Brazil imports more than 90% of its potash, which makes it the country's fifth most imported product by value. In Minas Gerais State, about one-third of potash consumption is used on coffee plantations. Brazil is the world's largest coffee producer with over half of Brazil's coffee grown in Minas Gerais State. Brazilian coffee growers spend approximately US\$250 million annually on potash fertilizers.

About EPAMIG

The Agricultural Research Company of Minas Gerais ("EPAMIG") was created as a public company in 1974. It is the main institution for agricultural research in Minas Gerais State; its mission is to provide solutions for the agronomic sector, generate and adapt technological alternatives, offer specialized services, technical training, skilled inputs compatible with the needs of farmers and positively impact the population's quality of life.

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, the effectiveness of ThermoPotash as a specialty fertilizer product, the commercial production of ThermoPotash, demand for ThermoPotash in Brazil, the value of ThermoPotash as a saleable fertilizer product, and the generation of cash flow from ThermoPotash production. 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, 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.

¹ "Nutritional aspects of high quality production of Arabica coffee", Developments in Plant and Soil Sciences, Volume 92, 2002, pp322-323.

SOURCE: Verde Potash Plc

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