

Brazil Potash Consumption Grows 9% in 2012; Verde Potash Provides Corporate Update

TORONTO, March 4, 2013 /CNW/ - Verde Potash (TSX: "NPK") ("Verde" or the "Company") is pleased to provide an update with respect to Brazilian potash consumption and corporate activities including the negotiation of off-take agreements with Brazilian fertilizer buyers and the preliminary environmental permit at Cerrado Verde.

Record Brazil Potash Consumption in 2012

ANDA, the Brazilian national fertilizer association, has released data showing that 2012 potash consumption increased 9.3% year-over-year to a record 8.1 million tonnes of KCl. This sharp increase in Brazilian consumption stands in marked contrast to global consumption which declined modestly in 2012. This marks the second consecutive year in which Brazil was the largest importer of potash globally. Brazil imported 93% of the potash it consumed last year.

Brazilian potash consumption is growing faster than in other major consuming countries. Brazil has posted a 10-year compound annualized growth rate (CAGR) for potash consumption of 4.7% vs. 2.3% for the world overall. Brazil's domestic production of potash has declined in recent years and is forecast to decline again in 2013. The country is currently served by only one domestic mine, which is scheduled to run out of ore in 2016.

The continuing strength of the Brazilian agriculture market, coincident with record potash consumption and strong imports is a testament to the need for increased domestic potash production. The Cerrado Verde project is ideally-positioned to address this need.

Commenting, President and CEO, Cristiano Veloso, said: "Verde is focused on advancing the engineering, permitting and financing of the Cerrado Verde project. Our strong cash position (\$21.2 million as at September 30, 2012) and first rate technical team provide us with all of the resources necessary to publish our bankable feasibility study and drive the project towards construction."

Off-Take Agreement Negotiations

The Company is currently engaged in negotiations with a number of potential counterparties regarding an off-take agreement for the Company's granular KCl product. The Company anticipates signing an off-take agreement, and expects to be in a position to announce details during Q2 2013. Verde has received expressions of interest in an off-take from multiple groups, including fertilizer blenders and agricultural conglomerates in Brazil.

Brazil imported 7.5 million tonnes of potash in 2012 accounting for 93% of Brazilian consumption. This product typically takes three to four months to arrive at the customer's door, including 60+ days travelling by rail, ship and truck and an additional 30+ days waiting to unload at one of Brazil's congested ports. Ships routed through Paranaguá, the highest volume port for potash shipments in the country, waited a minimum of 30 days to unload in every month of 2012.

The Cerrado Verde project is located less than 300km from Uberaba - i.e. a four hour drive via BR-262 - a good quality Brazilian federal highway. Uberaba is a major fertilizer blending district in Minas Gerais state which accounted for more than 500,000 tonnes of KCl consumption in 2012. Potash buyers in Brazil recognize the advantages the Cerrado Verde project can offer them.

Environmental Permit

The Company has applied for a "licença prévia" (or "LP") for the Cerrado Verde project. The licença prévia process involved the submission of a report in excess of 1,500 pages including an analysis of local flora and fauna, a mine reclamation plan and an assessment of local water resources. This report was submitted on August 28, 2012. The Company hosted a very successful public hearing on November 27, 2012 and was pleased to host more than 800 residents from the São Gotardo area, approximately 20km from the Cerrado Verde project. On December 21, 2012 the state environmental agency (SUPRAM) asked Verde to provide additional information. The Company provided this information to SUPRAM on February 19, 2013 and is now awaiting a decision on the LP.

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 potassium chloride (KCl). In addition, the Company is developing its Calcario limestone project, limestone being a key raw material in the production of 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 KCl to Brazil's local agriculture market from its large potash-rich deposit.

Cautionary Language and Forward Looking Statements

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Readers are cautioned not to rely solely on the summary of such information contained in this release and are directed to the complete set of drill results posted on Verde's website (www.verdepotash.com) and filed on SEDAR (www.sedar.com) and any future amendments to such. Readers are also directed to the cautionary notices and disclaimers contained herein.

SOURCE: Verde Potash Plc

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CNW 08:00e 04-MAR-13