

Verde Provides Clarification on Performance Guarantees for KCl Production

TORONTO, Aug. 16, 2013 /CNW/ - **Verde Potash** (TSX "NPK") ("Verde" or the "Company") announces that, as a result of a review by the Ontario Securities Commission (OSC), the Company is issuing this news release to provide clarity on the Company's previously announced performance guarantees from FLSmidth Inc. with respect to producing KCl using a kiln of a size that can process less than 12,000 tonnes per day ("tpd"). Further to the Company's May 13, 2013 news release (which announced the performance guarantees), Verde would like to clarify that FLSmidth offered to provide performance guarantees on kilns that can process 3,000 tpd instead of 12,000 tpd that would be commensurate with uncertainties and risks that are inherent in a first-time scale-up from a laboratory pilot unit. Management is not considering the option of running a kiln that can process 3,000 tpd since that would be small for Verde's KCl project. The Company has filed a material change report in respect of the May 13, 2013 news release.

Since May 2013, Verde has gone through changes to its management team and board of directors. The new team, with its collective depth and experience, has been reviewing strategic alternatives for developing a potash fertilizer product to advance the Cerrado Verde Project. The team's focus is on the project's unique attributes; its potential scalability and its location which provides a significant logistical advantage.

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.

Forward-Looking Information

This news release contains certain forward-looking information, which includes but is not limited to, statements with respect to performance guarantees, the production of KCl, processing rates, and development of the Company's projects. 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, actual performance of kilns, performance guarantees may not be offered for 12,000 tpd kilns, an intermediate scale plant may not be successful and other risk factors set out in the Company's most recently filed Annual Information Form under the heading "Risk Factors". 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, 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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