

Progress Report: Environmental and Mine Site Design

Verde Builds Development Team

TORONTO, July 26, 2012 /CNW/ - **Verde Potash** (TSX: "NPK") ("Verde" or the "Company") is pleased to provide an update of recent Company activities and the appointment of two new management personnel to advance the Cerrado Verde Project: Mr. Rubens Mendonça as VP Mining and Dr. Patricia Radino as VP Engineering.

The Company is currently completing the environmental impact assessment report for the Cerrado Verde KCl project, which has been initially reviewed by the government's environmental agency. The Company is pleased with the report and the initial feedback received from the agency, and plans to submit the report in August 2012. Highlights of the report include an independent survey of communities in the vicinity of the project, showing overwhelming support for the project. When residents were asked to answer "yes" or "no" to whether they were in favour of the mine development, over 85% of residents were in favour. The Company also completed a mine site plan for the environmental report, with emphasis on tailings management. The mine site plan contemplates a dam to contain 1/3 of mine life tailings (160 million cubic metres), which is easily accommodated taking advantage of the hilly landscape, with additional tailings to be contained as backfill in mined out areas.

Exploration work continues. Approximately 60% of the infill drilling for the Definitive Feasibility Study ("DFS") is complete and 50% of the assays have been received. Work is expected to be concluded during Q3/2012.

Cristiano Veloso, President and CEO, said: "Verde Potash, throughout its 5 year history as a publicly listed company, has been a disciplined arbiter of its cash and share capital. The Company enjoys a healthy cash position of approximately \$28.8M (as of financial statements dated March 31, 2012). The Company has sufficient capital to conclude the on-going DFS, complete the environmental studies and licensing, and cover project finance costs as well as all overhead costs associated with moving the project forward."

Along with continued development of the Cerrado Verde Project, the Company has appointed Mr. Rubens Mendonça (VP Mining) and Dr. Patricia Radino (VP Engineering) to the management team.

Rubens Mendonça, a mining engineer and geostatistics specialist, has worldwide experience working with mineral commodities in technical and managerial roles. As Vale's Senior Mining Engineer, Mr. Mendonça was responsible for mine planning and design, implementation, engineering and feasibility studies for both of Vale's Southern and Northern integrated mine-railroad-port complexes. Subsequently, as the mining manager of the Brazilian division of Snowden Mining Industry Consultants, Mr. Mendonça was responsible for the technical coordination of several mine projects as well as desktop, scoping and feasibility studies worldwide. There he supervised and mentored geologists and mining engineers, and oversaw legal, social and environmental improvements to operations. At London Mining and Paulo Abib Engenharia S.A. (a leading Brazilian engineering consulting company), Mr. Mendonça gained experience with open pit mines, having held managerial positions in the field of minerals processing and engineering that expanded to extractive metallurgy. Mr. Mendonça completed a B.Sc. in Mining Engineering at UFMG (Federal University of Minas Gerais), and an MBA at FDC and PoliUSP.

Dr. Patricia Radino-Rouse has extensive experience as a senior consultant in extractive metallurgy for a wide variety of non-ferrous metals projects in Brazil where she specialized in process development and improvement for companies such as Paranapanema, Itaoeste, Votorantim, Carbochloro and Unisais. As Senior Process Engineer and Project Manager for Paulo Abib Engenharia, Dr. Radino-Rouse was responsible for project development and process engineering. Specifically, she supervised the process of the feasibility study for a 1.5 million tonnes per year potassium chloride project for Petrobras. At Unisais, Dr. Radino-Rouse developed projects for the solar evaporation of residual brines from salt production to obtain potassium chloride and sodium sulphates. She holds a B.Sc. in Chemistry from EQ-UFRJ (Chemical School of the Federal University of Rio de Janeiro) and a Ph.D. in Hydro Metallurgy from the Royal School of Mines, Imperial College, London.

Peter Gundy, Chairman, said: "In terms of risk and reward the Company is stronger than ever. Despite challenging investment markets, project development continues unabated."

About Verde Potash

Verde Potash, a Brazilian fertilizer exploration and 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.

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SOURCE: Verde Potash Plc

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