

## Performance Guarantee Secured; Board Transition Underway

TORONTO, May 13, 2013 /CNW/ - **Verde Potash** (TSX: "NPK") ("Verde" or the "Company") is pleased to provide the following corporate and strategic update. The Company has made significant progress in advancing the Cerrado Verde project and is considering running a semi-commercial scale demonstration plant at its Cerrado Verde site in Minas Gerais, Brazil.

### Cerrado Verde project progress

The Company has made considerable progress with regard to the engineering of the Cerrado Verde KCl process. Key developments:

- The Company has processed in excess of 120 tonnes of potassium silicate ore feedstock between its own pilot plant in Belo Horizonte, Brazil and FLSmidth's facility in Allentown, PA.
- The Company and its third party engineers have agreed on all key operating parameters for the potassium silicate to KCl process including kiln residence time, process temperature and the specific mix of potassium silicate and reagents.
- FLSmidth has offered performance guarantees for a rotary kiln for the Company's potassium silicate to KCl process at a size less than the 12,000 tonnes per day ("tpd") outlined in the Project PEA (February 28, 2012). A performance guarantee is a key element in the process to arrange project finance debt. To receive similar guarantees on a 12,000tpd kiln, and mitigate both ramp up and scale up risks, the Company is considering running a semi-commercial scale demonstration plant. The Company is also in discussions with other kiln suppliers in order to evaluate alternatives.
- Veolia Water Solutions & Technologies ("Veolia HPD"), a leading supplier of evaporation and crystallization technologies, has successfully completed all necessary testing and is ready to supply evaporation and crystallization equipment at any scale Verde desires for its commercial plant.

Pedro Ladeira, Chief Operating Officer, commented: "Securing a performance guarantee from Veolia HPD for any commercial scale of the hydro portion of our process is a significant achievement. With regard to pyroprocessing, the KCl technology is proven, and studies to mitigate scale up risks are being carried out in order to secure additional performance guarantees from FLSmidth and arrange project finance."

The Company no longer expects to publish its Bankable Feasibility Study during Q2 2013. Management is considering running a demonstration plant and is also considering increasing the scale of the Phase II and Phase III expansions in order to ultimately move to a scale of 4.8 million tonnes. Phase I of the project will remain at 0.6 million tonnes per year in order to minimize upfront capex. Management expects to provide a revised timeline in the near future.

Commenting, President and CEO, Cristiano Veloso, said: "Verde remains focused on advancing the Cerrado Verde project and delivering a large-scale KCl operation. Management believes that the operation of a demonstration plant can act as a significant value creator for the Company, as lenders and potential strategic partners will have an opportunity to observe the conversion of potassium silicate ore to KCl calcine at a semi-industrial scale here in Brazil."

### Board Transition

Verde will be announcing the addition of new directors shortly with strong backgrounds in project construction, operation and finance and deep relationships in the Brazilian capital markets. The Company wishes to announce that Peter Gundy and Jed Richardson have resigned their board seats. Management and the Board wish to acknowledge Mr. Gundy and Mr. Richardson's significant contribution over the past four years and to wish them well in their future endeavours.

Milson Mundim, Chief Financial Officer, will be leaving the Company in the next three months to join a private Brazilian company. The Board wishes to thank Mr. Mundim for his service and to wish him well in his future endeavours.

### Off-take agreements

The Company has received significant interest in off-take agreements from a number of Brazilian counterparties. Given the review of project timelines currently ongoing, Verde will delay signing any off-takes until a revised project schedule is announced.

### Conference call

The Company will host a conference call today at 5:00pm Toronto time (6:00pm Brazil time) reviewing recent progress at Cerrado Verde. To access the conference call, please use the dial in numbers and access code below. A recording of the call will be made available on Verde's website ([www.verdepotash.com](http://www.verdepotash.com)) approximately one hour after the call.

US/Canada toll free: 1 888 947 3988  
Brazil: +55 11 3957 0448  
Chile: +56 2 938 2495  
Finland: +358 9 3158 2218  
UK: +44 20 3026 6776  
International: +1 214 416 0400  
**Passcode: 5763219**

### About FLSmidth

Since 1882, FLSmidth has been the leading supplier of equipment, services, and expertise for the cement and mineral industries. With more than 15,000 employees and local presence in 50 countries, FLSmidth is a leading engineering company listed on the NASDAQ OMX Exchange Copenhagen.

### About Veolia Water Solutions & Technologies

Veolia Water Solutions & Technologies is the global leader in large-scale, highly integrated process solutions utilizing HPD evaporation and crystallization technology. Veolia has more than 10,000 employees and generated revenue of \$2.3 billion in 2011.

### 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](http://www.verdepotash.com)) and filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and any future amendments to such. Readers are also directed to the cautionary notices and disclaimers contained herein.

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