



October 6, 2014

## Public Funding Received to Expand ThermoPotash Development Activities

**Verde Potash** (TSX: "NPK") ("Verde" or the "Company") is pleased to announce that Brazil's National Council for Scientific and Technological Development ("CNPq", *Conselho Nacional de Desenvolvimento Científico e Tecnológico*) has awarded Dr. Gaspar Korndörfer, Professor at the Federal University of Uberlândia ("UFU"), a research grant of R\$513,693.90 (approximately CAD \$236,000) to fund a research program to further demonstrate the full range of agronomic applications of ThermoPotash ("TK").

TK is a highly efficient source of potash that has numerous agronomic applications such as: a) increasing plant resistance against diseases, insects and drought; b) correcting soil acidity without releasing CO<sub>2</sub>; c) increasing soil availability of Phosphate; and d) improving food quality and taste. TK has a multitude of benefits yet to be explored and quantified. This research will be an important contribution towards fully understanding the whole array of advantages offered by this innovative fertilizer ideally conceived for tropical agriculture.

The proposal from UFU to further develop TK was one of the chosen applications to a CNPq research fund program (MCTI/CT-Agronegócio/CNPq N° 38/2013) that supports research projects, development and/or technological innovation focused on agricultural inputs.

The CNPq financed TK research program at UFU will have two phases. The first phase will consist of lab work, to be held at the Institute of Agricultural Science at UFU, involving the in-house cultivation of millet. The second phase will involve fieldwork with sugarcane culture aged one and one and a half years old, to be planted in fields close to the university. Both phases will involve chemical, incubation and leaching processes. In total over 50 tonnes of TK will be applied.

President & CEO, Cristiano Veloso, commented: "I would like to congratulate Dr. Gaspar Korndörfer for overseeing this groundbreaking research. As one of Brazil's leading agronomists of soil fertility and one of the world's foremost experts in sugar cane plantation, Dr. Korndörfer is aptly placed to conduct this TK research program. It is encouraging to see the Brazilian federal government investing over half a million Brazilian reais in the development of TK."

Work on using the Company's potassium silicate rock to produce TK began in the early 1980s by Brazilian academics. Verde built on that work with its own research and development, having started its own agronomic trials in 2009 and have continued through to the present. The results of these tests have



demonstrated the product's efficacy as a source of potassium, silicon and calcium, as well as its ability to address the acidity of Brazilian soils. As a result, the Brazilian Ministry of Agriculture (MAPA) approved TK for use as a potash fertilizer on June 24, 2013, making the product eligible for sale in Brazil. The additional work Dr. Korndörfer will be conducting is expected to continue adding value to the product, confirming its advantages in improving agronomic efficiency, increasing consumers and universities knowledge and thus providing an excellent marketing tool for the product.

#### **About Professor Gaspar Korndörfer**

Dr. Gaspar Korndörfer is currently a Professor of Agriculture at the Graduate Institute of Agronomy of Agricultural Sciences at the Federal University of Uberlândia. He has a post-doctorate from the University of Florida and earned his doctorate in Soil Science and Plant Nutrition from ESALQ of the University of São Paulo, Brazil. His past research includes groundbreaking work on the use of biologically available silica in the plantation of sugarcane, demonstrating silica's role in protecting crops from pests and enhancing crop resistance to drought. During his career, Dr. Korndörfer has published one book, 13 book chapters, over 120 articles in national and international journals and 219 papers in conferences. He has produced 21 technical innovations for production. He has participated in more than 30 scientific events abroad, many of which as a guest speaker. From 2007-2011, Dr. Korndörfer served as a Member of the Chamber of Agriculture of FAPEMIG, the Foundation for Research Support of the State of Minas Gerais. Dr. Korndörfer specializes in Soil Fertility and Plant Nutrition, Management and Fertilization of Sugarcane Production and Fertilizer Technology.

#### **About the Federal University of Uberlandia**

The Federal University of Uberlândia ("UFU"), located in Uberlândia, Minas Gerais, is a renowned educational institution and is amongst the best universities in Brazil. The UFU supports the formation of groups of institutional research to stimulate scientific production and technological innovation. It is an institution that values critical dialogue with the community so as to ensure access to all economic, scientific, technological and artistic cultural heritages.

#### **About CNPq**

CNPq, a research financing branch of the Federal Government, fosters scientific and technological research, encourages the formation of Brazilian researchers, and contributes to the national development and recognition of research and Brazilian researchers from various institutions of the international scientific community. CNPq invests over US\$ 400 million annually in science, technology and innovation projects.



## **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 ThermoPotash and potassium chloride (KCl). ThermoPotash is a controlled-release, non-chloride, multi-nutrient fertilizer that is ideally suited for Brazilian soils.

## **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.

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### **Cautionary Language and Forward Looking Statements**

This news release contains certain forward-looking information, which includes but is not limited to, statements with respect to the Company's strategy, funding of the Cerrado Verde project, the commercial production of ThermoPotash, and the generation of cash flow from the sale of ThermoPotash. 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, failure to receive funding, failure to obtain financing on acceptable terms, 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 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.

Readers are cautioned not to rely solely on the summary of such information contained in this release and are directed to the complete corporate history available 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.