

# Sugarcane Yields Significantly Benefit from ThermoPotash Compared to KCl

April 30, 2014 (Source: CNW) – **Verde Potash** (TSX: “NPK”) (“Verde” or the “Company”) is pleased to announce the results of a two-year-long independent trial on sugarcane, demonstrating ThermoPotash (“TK”)’s superiority over potassium chloride (“KCl”).

The Federal University of Uberlândia (“UFU”) conducted the field trials over a growing cycle of two years (2011/2012 and 2012/2013 harvests) at Cia Energética Vale do São Simão, a large sugar mill and ethanol producer located in Minas Gerais State. In the first growing cycle, 50kg of K<sub>2</sub>O was applied using TK. The TK fertilized plot yielded three tonnes per hectare (“t/ha”) more sugarcane than an equal plot fertilized using 100kg of K<sub>2</sub>O from KCl. When two growing cycles were taken into account and an equal dosage of K<sub>2</sub>O, 100kg, was applied, the TK applied area produced 12.3 t/ha more sugarcane as compared to the KCl applied area. The total cultivated area for these tests was 1.5 ha (15,000m<sup>2</sup>).

These tests confirm that farmers can reduce the dosage of fertilizer applied when using TK and still increase crop yields. The main reason for this is because TK is not leached in water as other potassium salt fertilizers such as potassium chloride, potassium sodium nitrate, potassium nitrate, potassium sulfate and potassium magnesium sulfate. A potassium-leaching test conducted by UFU in 2010 established that TK suffers minimal nutrient loss as a result of leaching, 0.3%, whereas KCl loses 26% under the same conditions (see press release dated December 16, 2010).

Due to Brazil’s heavy rainfall, leaching is one of the main

causes of potassium deficiency in the sugarcane plant when repeatedly fertilized with chlorine sources, such as KCl, compromising the quality of sugarcane, a crop highly sensitive to an excess of chlorine. Unlike KCl, which has 47% chloride in its composition, TK has no chloride thus contributing to productive plant growth and to the maintenance and sustainability levels of soil fertility.

Figure 1 below illustrates the results, which emphasize not only TK's efficiency as a fertilizer source, but also the crop's dependence on potassium for growth and productivity of sugarcane culture.

The residual potassium levels in soils fertilized with TK for sugarcane cultivation was up to five times higher after the harvest when compared to soils fertilized with KCl.

### **Sugarcane Market in Brazil**

The sugarcane industry represents an important segment of Brazil's economy. In 2012, the industry accounted for US\$36 billion- equivalent to almost 1.6% of Brazil's GDP. In Brazil, sugarcane covers more than 12.5 million hectares; the crop's highest total planted area in the world. Brazil is the world's largest producer and exporter of sugarcane, accounting for one third of the world's production and the second largest ethanol producer – sugarcane is used as a feedstock for producing the fuel. In Brazil, 92% of all new cars and light vehicle fleet are flex fuel powered (i.e. run both on gasoline and ethanol, or any mixture of the two), driving domestic demand and spurring growth of the sugarcane market.

The Company's Cerrado Verde Project is located next to the main center of national sugarcane production. The Center-South region, shown in Figure 2 below, accounts for approximately 90% of the 658.8 million tonnes of sugarcane produced in the 2013/14 harvest, a net increase of 11.9% from 2012/2013. Production in the State of Minas Gerais, where Verde's deposit

is located, accounts for approximately 9% of all Brazilian production, while the neighboring State of São Paulo accounts for more than 55%. In Brazil, after soybeans, sugarcane is the second most valuable crop produced, accounting for 19.8% of the total value of Brazil's 2012 agronomic production.

### **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 both ThermoPotash (TK) and potassium chloride (KCl). TK is a controlled-release, non-chloride, multi-nutrient fertilizer that is ideally suited for Brazilian soils. In addition, the Company is developing its Calcario limestone project, limestone being a key raw material in the Company's process to produce both TK and 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 TK and KCl to Brazil's local agriculture market from its large potash-rich deposit.

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

Neither the TSX exchange nor its regulation services provider (as that term is defined in the policies of the TSX exchange) accepts responsibility for the adequacy or accuracy of this release. This press release contains certain "forward looking statements", which include but is not limited to, statements with respect to the results of the PFS for the production of

Thermo potash, anticipated production levels and timing of commencement of production, estimated TK prices, production life, costs and completion of a feasibility study for TK, statements with respect to the future financial or operating performance of the company, its subsidiaries and its projects, and statements regarding use of proceeds. Forward looking statements can generally be identified by the use of words such as "plans", "expects", or "does not expect" or "is expected", "anticipates" or "does not anticipate", or "believes", "intends", "forecasts", "budget", "scheduled", "estimates" or variations of such words or phrases or state that certain actions, event, or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved". Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by said statements. such factors include a material change in brazil's potash consumption, government regulations of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage, fluctuation lab and consultant availability, material change in company finances and other factors disclosed under the heading "risk factors" in the company's current annual information form available on sedar at [www.sedar.com](http://www.sedar.com).there can be no assurances that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in said statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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.