

ThermoPotash Pre-Feasibility Study Confirms Low Capex and Robust Economics

April 1, 2014 (Source: CNW) – Verde Potash (TSX: “NPK”) (“Verde” or the “Company”) is pleased to announce the positive results of a Pre-Feasibility Study (“PFS”) for the production of ThermoPotash (“TK”). The PFS was prepared by AMEC plc (“AMEC”), Andes Mining Services Ltd. (“AMS”) and NCL Ingeniería y Construcción SpA (“NCL”) on Verde’s Cerrado Verde Project (“Cerrado Verde” or the “Project”) located in Minas Gerais State, Brazil.

Key Economic Highlights for 1,000 tonnes per day (“tpd”) of TK Production:

- Estimated Project Capital Cost of US\$113.6 million, including US\$14.7 million in contingency.
- Estimated Operating Cost (including production, work force, and variable costs) of US\$47.12 per tonne plus estimated administrative, marketing and other costs of US\$8.18 per tonne for a total cost of US\$55.29 per tonne of TK.
- Estimated after-tax Net Present Value (“NPV”), using a 10% discount rate, of US\$145.7 million.
- Estimated after-tax Internal Rate of Return (“IRR”) of 23.5%.
- Estimated payback of the initial Capital Expenditure: 5 years.
- Estimated Life of Mine sustaining capital: US\$31.5 million.

The PFS is based on the following assumptions:

- 100% equity.
- Phase 1 production of 330,000 tonnes per year (“tpy”) of

TK.

- A projected mine life of 31 years.
- US Dollar-Brazilian Real exchange rate of \$1USD = \$2.30 BRL.
- The PFS assumes an average FOB TK price of US\$187.74 per tonne, based on market research done by Agris Consultoria (2014).

“A US\$113M Capex is a realistic business proposition for the current market. Verde expects to continue working with the Brazilian government through Inova Agro, the government’s special financing program, in order to reduce Brazil’s debilitating dependency on Russian and Canadian potash” commented Cristiano Veloso, President & CEO.

The PFS evaluated the technical and financial aspects of a plant to produce 1,000 tpd of TK. The same plant will be operated to process KCl in order to obtain the necessary performance guarantees for an eventual dedicated KCl plant. The PFS assumed open pit mining and a pyrometallurgical process for the production of TK.

The PFS supports Verde’s positive outlook on Cerrado Verde’s value and represents a significant milestone towards the development of the Project. Verde took a conservative approach to the PFS, limiting the production rate to 330,000 tpy of TK. The mineral reserve estimate for the TK project has been prepared by NCL based on resources determined by AMS. Because of Cerrado Verde’s vast mineral resource, only a necessary fraction of its total mineral potential was established as proven and probable reserves, for a total of 7,020 kt at 10.8% K₂O (table 1 below), which is enough for a projected mine life of 31 years.

Table 1
Mineral Reserve Summary

Ore Reserves	Mass	K ₂ O
	(kt)	(%)
Proven Reserve	5,381	10.8
Probable Reserve	1,639	10.7
Total Reserve	7,020	10.8

1. As of 31 March 2014.
2. A variable cutoff grade, between 10.2% and 10.6% K₂O, was used to report reserves.
3. Numbers may not add up due to rounding.
4. Overall strip ratio of 0.34 to 1.
5. Waste contains inferred resources, which have potential for upgrading to higher category resources, and possibly reserves after sufficient definition work has been completed.
6. Based on 100% mining recovery.

TK Pricing

Agris Consultoria, a specialist Agronomic Market Consulting group in Brazil, prepared a market study reviewing TK as a source of premium potash fertilizer. A conservative methodology was applied to establish the TK price, considering just its potassium nutrient value and comparing it against the potassium nutrient prices of other premium potash fertilizers. The other beneficial nutrients found in TK such as Silicon, Calcium and Magnesium, were not factored into the estimated TK price.

Four sources of premium potash fertilizers available in the Brazilian market were considered for the comparative analysis: Potassium Sulfate, Potassium Nitrate, Potassium Magnesium Sulfate and Potassium Sodium Nitrate. Also, the main consumption areas of premium potash in Brazil, which are

closer to the project, were selected to represent TK's market potential.

An average price per potassium nutrient was estimated per consumption area and multiplied by TK's potassium concentration to come up with a TK delivered price per consumption area. From the TK delivered price, estimated freight and sales taxes were deducted to reach a net sales price (FOB price) measured per consumption area. The average net sales price over the life of mine is estimated at US\$187.74.

Next Steps

On April 17, 2014, the Brazilian Development Bank (BNDES) and the Financing Agency for Studies and Projects (FINEP), both of which are branches of the Brazilian government that operate Inova Agro, will send the selected companies a "Plano de Suporte Conjunto" (a joint support plan) where the funding structure will be defined.

Technical Report

A copy of the PFS is available on SEDAR at www.sedar.com.

Qualified Person

The "qualified person", within the meaning of National Instrument 43-101, with respect to the technical information in this press release are: Bradley Ackroyd (MAIG (C.P.)), who is a principle consulting geologist with AMS, Carlos Guzman (B.Sc. (P. Eng), FAusIMM), who is a principle consulting Mining Engineer with NCL, and Wilson Chow (P. Eng., Member of the Association of Professional Engineers of Ontario), who is the Technical Process Lead with AMEC.

About AMEC plc ("AMEC")

AMEC is one of the world's leading engineering, project management and consultancy companies. It serves customers in

the world's oil and gas, mining, clean energy, environment and infrastructure markets.

About Andes Mining Services Ltd. ("AMS")

AMS is a Geoservices company with extensive experience in mining and exploration geology, resource estimation and project evaluations. AMS undertakes consulting assignments throughout South America on all types of projects, from grass-roots exploration to producing mines.

About NCL Ingeniería y Construcción SpA ("NCL")

NCL is a mining engineering consulting company, providing services related to all aspects of mining exploration. NCL has consulted on projects in more than 18 countries on five continents.

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). ThermoPotash 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 thermopotash, 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.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) and filed on SEDAR (www.sedar.com) and any future amendments to such. Readers are also directed to the cautionary notices and disclaimers contained herein.