

Passport Potash's Holbrook project may contain over two billion tons of potash



Passport Potash Inc., 'Passport', (TSXV: PPI | OTCQX: PPRTF) is working on a 127,000 acres potash project in the Holbrook Basin (the Holbrook Project), a previously explored potash property in Arizona. Passport holds a joint exploration agreement with the Hopi Indian Tribe and expects to

develop some 13,000 acres of land privately held by the Hopi. Last June, Passport closed a non-brokered private placement offering for 9.5% of its convertible debentures, obtaining gross proceeds of USD\$ 500,000. The debenture will mature on May 29, 2018, accruing interest at 9.5% per year through Concept Capital Management (CCM). The company has a first-class property, featuring good infrastructure, electricity, roads and a railway line. The property has an area of 81,315 acres (329.21 square km.) but of these only 40% have been explored. There is also the possibility to explore the adjacent Fitzgerald Trust land, which would add some 41,000 acres (or 165.92 square km). This goes to show just how much potential exists.

Passport has commissioned the German engineering firm ERCOSPLAN Geotechnical and Mining to prepare an NI 43-101 resource estimate. Passport's next step will be to start the preliminary economic assessment (PEA). Once up and running, Passport expects to produce at a rate of two million tons per year. The Holbrook Basin itself is considered to be very rich in potash and estimates have suggested there are some 2.5

billion tons of potash when taking the additional areas in consideration. This suggests that the Holbrook project could be one of the largest potash projects in North America, especially considering the area occupied by Passport within the Basin. The resource deposits are located at depths ranging from 800-1200 ft (243 – 360 meters), which is considered to be relatively shallow by industry standards.

The report describes an initial resource potential estimated at 125.6 million metric tons of “mineralized material with an average Potassium Chloride (KCl – potash) grade of 14.29% (equivalent to an Indicated Resource of 17.96 million tons of KCl) and 587.8 million tons of inferred mineralized material with an average KCl grade of 12.20% (equivalent to an Inferred Resource of 71.71 million tons of KCl).” The results have encouraged Passport to make further investments – which will be possible also thanks to the announced debenture – such as to deliver the relevant pre-feasibility study. The debenture represents a strategic investment, as it will help the Company extend drilling exploration to the eastern area of the property.

The Holbrook Project is relatively cheaper than others in the United States as it can rely on an evaporation process – the same used by Israeli and Jordanian potash producers in the Dead Sea. Passport has drilled more holes to extend the indicated and inferred resources as part of its resource definition.

The establishment of good relations with the local Hopi community is one of the keys to the success of this project. Passport has set up a cooperative agreement between itself and the Hopi Tribe, which owns much of the land (not reservation land) adjacent to the current Passport property, for the purpose of conducting further exploration. Passport has appointed R. Dennis Ickes (a co-founder of the Office of Indian Rights in 1973 and an expert of policy related to Indian affairs in the United States) to secure the cooperation

of the Hopi Tribe in view of the Holbrook project tremendous potential for expansion.

The United States is one of the largest consumers of potash in the world and the property in Arizona is very well linked to all major transportation routes, including highways and railways for land transport to the Cornbelt States and the major US ports in California, Texas and Louisiana for international export. Arizona is also a very mining friendly State and some of the world's largest mining companies are running important projects there including BHP Billiton and Rio Tinto, among others, which are producing copper.

