

Magna and POK closer to BLM decision while Allana applies for final Mining License

☒ **Potash and Phosphate Week in Review:** It has been a difficult climate for commodities lately and last week's headline dominating collapse in gold prices added an accent to the negative sentiment. The next few weeks could possibly see more nervous market activity. Nevertheless, while the overall commodities trend has tried to drag potash as well, the sector has plenty of resilience left. The first consideration is that the collapse of gold was a 'correction' rather than a reflection of the markets. The slowdown of economic growth in China and the continued European recession would have ordinarily prompted gold to rise. Unsustainable long term speculation is to blame. As for potash, while juniors continued to slide – the ProEdgeWire Potash and Phosphate index dropped 11.95%. Nevertheless, Magna Resources (CNSX: MNA) saw gains of 18.18% and Potash Minerals, 'POK', (ASX: POK) rose 1.96%. There is an important correlation between these two projects. Both are targeting exploration in properties in Utah and both are waiting for Bureau of Land Management (BLM) decisions.

Last week the BLM's Board on Land Appeals approved exploratory testing for EPM Mining Ventures Sevier Playa Potash project. Moreover, Magna Resources, operating the 51,000 acre Green River Potash Project in Paradox Basin, Utah said that it expects to obtain a decision from the BLM by next summer, concerning its request to drill eight holes, having already secured State approval. Potash Minerals ('Potmin', ASX: POK) is also awaiting BLM permits to drill and explore Federal land on its 100,000 acre property. Potmin is planning a solution mining project thanks to its enormous non-potable water supply, which is ideal for solution mining. The BLM's rumors

and decisions over the past week, suggests that Potmin itself is close to receiving a decision as well. In addition, Intrepid Potash, which is also based in Utah, and not far from Potmin's site, announced good first quarter results, marked by higher than expected sales over the winter season – typically the slowest season for fertilizer sales.

The past North American winter season has been one of the longest in recent memory and the persistent low temperatures have delayed the traditional spring planting season. The fact that farmers have been forced to defer planting even as they have purchased more potash, reducing inventory, will likely have a favorable impact on prices in the near term. Potash demand in Brazil, Indonesia and Malaysia has also remained strong. These factors should contribute to positive potash market sentiment and will likely be confirmed by Potash Corp first quarter announcement later this week. Major potash producers will also be shipping more potash this year in view of the delayed potash purchases from India and China in 2012. The Chinese contract price of USD\$ 400/ton with CANPOTEX was only reached toward the end of last December. While prices have not moved up significantly, India's contract price of USD 427/ton and prices continuing to remain above the USD\$ 400 mark bode well for the rest of the year and in the long term.

This year will also be very important for Allana Potash (TSX: AAA | ALLRF). The CEO, Farhad Abasov, said that last week, Allana filed the final mining application and feasibility with the Ministry of Mines for its Dallol potash project in the Danakil. Allana is also expected to get its environmental assessment report approved meaning that all of the regulatory milestones will have been completed well before the end of the year. Allana's feasibility study suggests that its project has one of the lowest operational costs in the potash sector, with projected production costs over the mine's 25 year lifespan of USD 98.75/ton.



Potash Minerals ideal Play for efficient Solution Mining



March 25, 2013 – Ben Binninger, CEO, Potash Minerals Ltd. (ASX: POK) in an interview with Tracy Weslosky, Publisher of ProEdgeWire (ProEdgeWire.com) talked about Potash Mineral's 100,000 acre, solution mining,

potash asset in Utah. Addressing the key issue of water supply, Mr. Binninger stated "We have enormous amounts of water below the ground that we can use for solution mining." Such access to water is an integral to a potash asset with an exploration target of 3 – 5 billion tons.

Operational and capital costs (OPEX & CAPEX) are important considerations for any mining project, especially potash. In this respect, Binninger is confident, noting that "...demand will grow and anyone who has the right location, the right product, is in the right market, will have a competitive advantage."

Potash Minerals will also be able to take advantage of the fact that their deposit is sylvinitite, which is the more desirable type of mineralization for potash in North America. Because sylvinitite is easier to process, it will ensure the delivery of a higher quality potash that ultimately helps to offset costs often associated with other potash deposits,

which require more processing to achieve anywhere near the desired potash quality.

Disclaimer: Potash Minerals Ltd. is a member of ProEdgeWire. For more information, go to <http://potashmin.com.au/> or www.ProEdgeWire.com.

Potash Weekly Review: Potash Leads a TSX Stock Rally

☒ Last week Agrium (TSX: AGU; NYSE: AGU) focused market attention on potash as this resource led a rally on the Toronto stock exchange. It was all based on the strong sales performance over the last three months of 2013 thanks to strong demand from North American farmers in the fall. The strong potash performance was also sustained by predictions that prices for seeds and grains would remain high, inviting farmers to produce more and consume more mineral fertilizers. The other major news for the week involves Vale SA (NYSE: VALE), the Brazilian mining giant, and its apparent decision to pull out of its USD 6 billion dollar project in Argentina. This was slated to be one of the largest potash projects (Rio Colorado) in the world and would have propped Vale, which produces a number of minerals and iron ore in particular, as one of the leading potash producers in the world.

Vale has not confirmed it is abandoning the venture quite yet; it has merely sent hints by ranting employees an 'extended vacation'. Nevertheless, the Argentinean government has demanded the project resume operations; failure to do so would result in Vale losing its license for the Rio Colorado property. The project is highly politically charged and

Argentina's president Cristina Fernandez de Kirchner has become personally involved and is expected to meet Vale management next weekend. Vale has not issued any statements on the project; however, the rumors are substantiated by two possible scenarios.

One would have Vale scrambling to sell assets, in an effort to compensate for poor sales in 2012 that are not directly related to its core mineral interests: potash being one of these. A second scenario would have the project being halted due to excessive political interference and risk in Argentina, which has recently been surpassed by Colombia as the second largest economy in South America (the first being Brazil). Argentina has made repatriation of profits for foreign investors very difficult in the past few years. Should Vale abandon the project it would leave a large demand gap for potash in South America, given that the Rio Colorado project was expected to produce some 4.5 million tons of potash a year.

This could be good news for a number of junior potash players – some of which are ProEdgeWire sponsors – starting to operate in South America in the mineral fertilizer space such as Agua Resources (ASX: AGR) and U308 Corp (TSX: UWE; OTCQX: UWEFF) – developing phosphate. Agua Resources, last week, announced it discovered a new phosphate discovery, named the Porteira prospect in its property in southern Brazil. It is a 'greenfield' discovery that, the Company says, shows the region could contain more resources similar to those at the Agua Tres Estradas project.

IC Potash Corp. (TSX: ICP; OTCQX: ICPTF) also announced an expansion of property, noting that it has secured an additional 1,914 acres of land in Lea County from the New Mexico State Land Office. This has increased the Company's total State lease and federal permit holdings to some 101,500 acres spanning 158.6 square miles in the region. IC Potash is running the 100% owned Polyhalite Ochoa Project in New Mexico,

focusing on Sulfate of Potash (SOP) which typically commands a premium over the more commonly produced muriate of potash (MOP) the Company. Potash Minerals (ASX: POK) meanwhile, saw some positive stock movement rising 16.67% on rumors that it will soon expects to obtain a decision, in the first part of 2013, regarding the Federal Bureau of Land Management (BLM) environmental assessment, an essential component to secure Federal drilling Permits early in 2013.

