

September 8, 2010



## **Brazil Potash Discovers New Potash Mineralization at the Amazon Basin and Mobilizes Third Drill Rig to the Project in Brazil**

- New potash discovery in the Amazon Basin represented by a drill intercept with 1.86 meters grading 32.59% KCl in drill hole PB-AT-10-02**
- Third drill rig mobilizing to the project area to accelerate potash exploration program**
- Company has funds required to complete drilling program in 2010**
- Potash off-take arrangements in place with major Brazilian Agriculture Coops: CCAB & CONAGRO**
- Success of this project will contribute a major new domestic source of potash for Brazilian farmers**

BELO HORIZONTE, BRAZIL -- (MARKET WIRE) -- 09/08/10 -- Brazil Potash Corp. ("Brazil Potash", "Potassio do Brasil", or the "Company") is pleased to announce the discovery of new potash mineralization on its Amazon Potash Project in Amazonas State, Brazil (the "Project"). The Project is located within the Amazon Basin adjacent to the Petrobras Fazendinha and Arari Potash deposits.

To view the first figure associated with this press release, please visit the following link:

<http://media3.marketwire.com/docs/634487A.jpg>

The Company initiated exploration for potash in the Amazon Basin in 2007 and at that time Geologist Helio Diniz, and now the Company's Managing Director, Brazil Operations, established a high level technical team based in Belo Horizonte, Brazil.

In 2009, to achieve the Company's objective of discovering a new potash resource in Brazil, an initial private fundraising of US\$25 million from Brazilian and international investors occurred. As part of the exploration program, the Company acquired seismic and borehole petroleum data from ANP (National Petroleum Agency) and re-processed the data to map out the basin and define possible potash layers. In addition magnetic and gravimetric data

was analyzed to further understand structural elements within the basin. This has provided the Company with a solid understanding of the distribution of the potash mineralization in the basin and is the basis for targeting the ongoing drilling program.

Two drill rigs were deployed in 2010 on target areas identified during analysis of the available data (see press releases from January 15, 2010 with respect to the Autazes target and February 9, 2010 with respect to the Itapiranga target).

Hole PB-AT-10-02, located approximately 13 km North of the Fazendinha Deposit, has intersected 1.86 meters of sylvinite from 841.78 meters depth grading 32.59 % KCl (20.59% K<sub>2</sub>O). This intercept includes a higher grade zone with 1.46 meters grading 40.02 KCl. Approximately 48 meters of halite and anhydrite, were intersected below the potash horizon and the hole was stopped at 889.25 meters. The results of PB-AT-10-02 are consistent with management's expectations based on the basin mapping and analysis.

According to Helio Diniz "It is encouraging that this drill hole has intersected higher grades than any of the 16 historic Petrobras drill holes which defined the + 500 Million Tonnes resource at the Fazendinha Deposit. In addition the PB-AT-10-02 potash intercept is located at a depth which is 260 meters closer to surface than the average depth of the Fazendinha Deposit (1,100 meters depth)."

Helio Diniz added, "The geophysical data available provides further encouragement for the potential to delineate a large scale resource. Potassio do Brasil has mounted the first drill campaign for new potash exploration in the basin since 1987 when Petromisa (Petrobras Mineracao) completed the Fazendinha-Arari deposits drilling."

A third diamond drill rig is being mobilized to the project site and is expected to arrive by early October 2010.

All environmental permits and access agreements with surface land holders are in place. The Company employs a best practice policy with respect to maintaining the highest environmental standards and each drill site is progressively reclaimed upon completion.

The Company will continue drilling until a potash resource of sufficient size to merit economic studies has been outlined. Once this is completed a pre-feasibility study will be undertaken followed up by a bankable feasibility study. If the studies are favorable and permitting proceeds, the project will be developed. It is forecasted that the total investment in the project could be in the order of US\$2.5 billion to produce 2 million tonnes per annum of potash (KCl).

To view the second figure associated with this press release, please visit the following link:

<http://media3.marketwire.com/docs/634487B.jpg>

Helio Diniz, commented "The Company is acutely aware that potash is a very important component for the expanding Brazilian agriculture sector. We are very excited to contribute to improving Brazil's domestic supply of this important commodity and it is our policy for the project to provide a benefit for Brazilian farmers. Following introductions by Agriculture Ministry officials, the Company has entered into off-take arrangements with CCAB and CONAGRO, two of Brazil's important Agricultural Co-operatives. These off-take agreements will provide a real cost savings to the farmers who are members of these Co-operatives relative to the cost of currently imported potash."

All exploration and drilling initiatives undertaken by the Company are supervised by Helio Diniz, the Managing Director; Brazil Operations of Potassio do Brasil. Mr. Andre Costa P.Geo., Project Manager is a qualified person, as defined by National Instrument 43-101, and he has reviewed and approved the scientific and technical information in this release.

About Brazil Potash Corp. (Potassio do Brasil Ltda.)

Potassio do Brasil Ltda. is a private Brazilian potash exploration company with operations offices located in Belo Horizonte and Autazes, Brazil, which supports the work being carried out on its project in Amazonas State. Potassio do Brasil has no potash operating mines and has no direct or indirect association with any of the current potash producers either in Canada or elsewhere in the world. The Company holds the key mineral rights in the 400-kilometer long Amazon potash basin. Geological, seismic and borehole surveys indicate the basin has similar scale, geological properties and is the same age as the Saskatchewan basin in Canada.

Please visit the Company's web site at [www.potassiodobrasil.com.br](http://www.potassiodobrasil.com.br) or [www.brazilpotash.com](http://www.brazilpotash.com)

#### Cautionary Note Regarding Forward-looking Information

Cautionary Note Regarding Forward-Looking Information This press release contains "forward looking information" within the meaning of applicable Canadian securities legislation. Forward looking information includes, but is not limited to, statements with respect to the future financial or operating performance of Potassio do Brasil and its projects, statements regarding the prospects for the business of Potassio do Brasil., timing of future acquisitions of additional properties and applicable licenses, requirements for additional capital, government regulation of the industry, environmental risks, acquisition of mining licenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of regulatory matters. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company (and the company resulting from the successful completion of the proposed transaction) to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, foreign operations, political and social uncertainties; a history of operating losses; delay or failure to receive board or regulatory approvals; timing and availability of external financing on acceptable terms; not realizing on the potential benefits of the proposed transaction; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of mineral products; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; and, delays in obtaining governmental approvals or required financing or in the completion of activities. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place

undue reliance on forward looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

To view the third figure associated with this press release, please visit the following link:

<http://media3.marketwire.com/docs/634487C.jpg>

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