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2 February 2012

## **PARADOX BASIN POTASH PROJECT UPDATE**

### **SAN JUAN COUNTY, UTAH, USA**

- **State Hole #3 successfully completed and logged**
- **Potash Bed 18 Lower 5.0m at 25.3% KCl equivalent (16.0% K<sub>2</sub>O)**
- **JORC resource from current and historical cores & gamma logs**
- **Efforts to focus on Federal approval and drill on BLM land**

Potash Minerals (ASX: POK) is pleased to advise the drilling of State Hole #3 has been completed at a total depth (TD) of 6,951 ft (2,119 m) and has cored potash in both Beds 13 and 18. This drilling, along with the results from State Hole #1 & State Hole #2, and historic drilling data gives further confidence in the presence of potash over a wide area of the project.

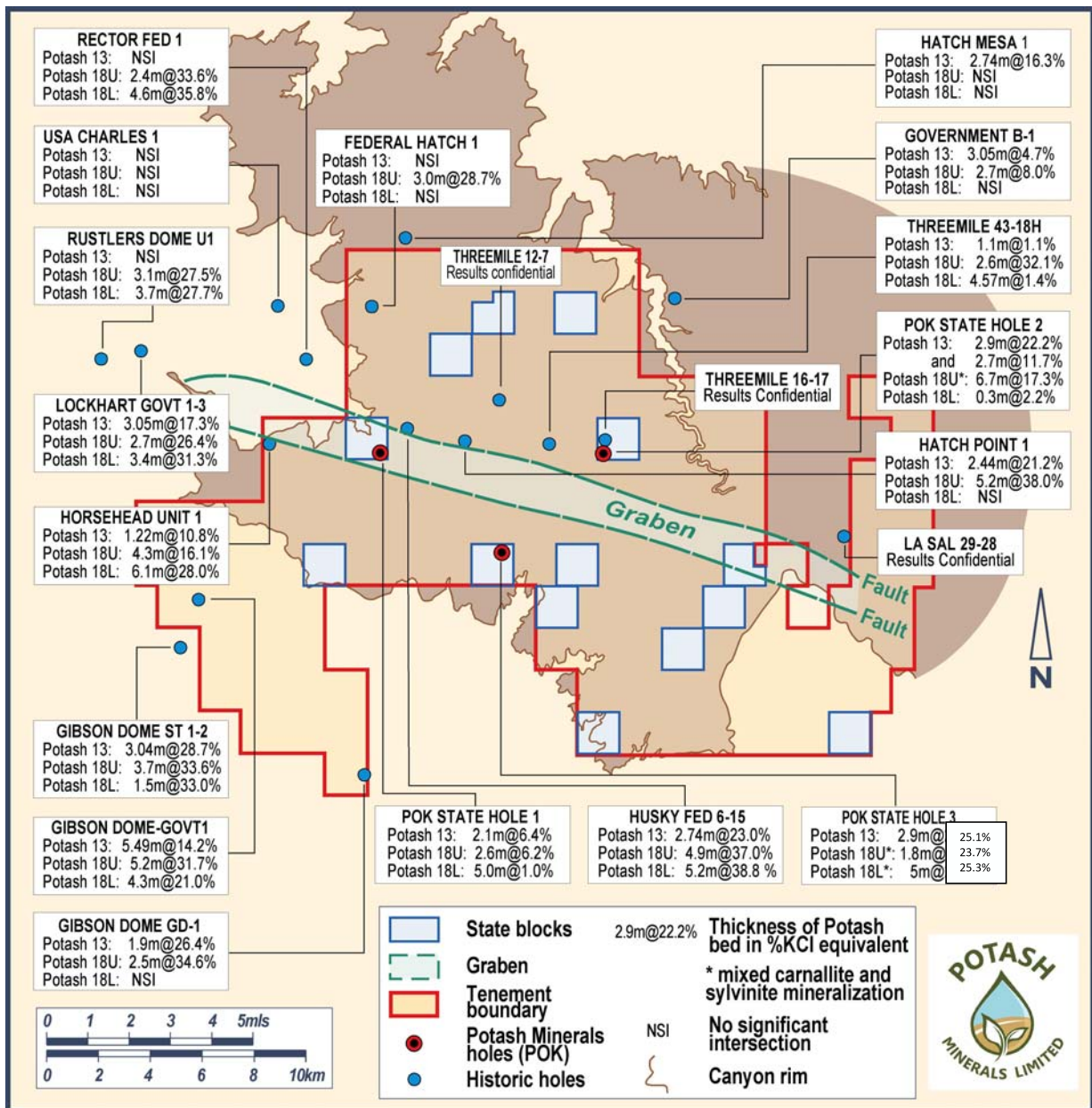
State Hole #3 is the third and final hole of the current State Land drilling program. The holes were planned within the constraints of the state block locations to upgrade the Paradox Basin Potash Project's exploration target into a JORC code compliant resource. Drilling efforts will now be directed to the federal areas covered by the recently executed Memorandum of Understanding (MOU) with the US Bureau of Land Management (BLM). This is the area we believe holds greatest potential for extensive potash mineralization. The successful granting of this permit will provide the company with greater flexibility to drill at locations with better potential for mineralization and is expected to significantly expand this JORC resource by including federal lands as well as state lands.

Independent geologist Agapito Associates Inc. will be preparing a JORC resource based on cores and gamma logs from all 45 holes drilled on or in the vicinity of the Potash Minerals tenement. Included in that estimate will be the 3 recent Potash Minerals state holes as well as 38 historic oil & gas holes, one US government cored and assayed hole and data from 3 Stone Energy holes provided under confidentiality as noted in the recently announced data sharing agreement. Until the Federal prospecting permit is granted, only the state lease lands will be included in the Company's resource estimate.





The map below sets forth the Potash Minerals Ltd. (K2O Utah) drilling program across State and Federal lands showing interpreted (from geophysical logs) and assayed results reported as %K2O converted to %KCl equivalent. KCl equivalent (KCl) = 1.6 x K2O) may represent a mixed potash mineralogy. The three recently drilled state holes are shown in red dots.





*The information set out above that relates to exploration target and exploration results is based on information prepared by Dr Michael P. Hardy, who is a Senior Consultant with Agapito Associates, Inc. Mr. Hardy is a Registered Member of The Society of Mining, Metallurgy, and Exploration (SME), a Recognised Overseas Professional Organisation and is employed by Agapito Associates Inc who is a consultant to the Company. Mr Hardy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hardy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears"*

### **About the Paradox Basin Potash Project**

Potash Minerals Limited (formerly Transit) has earned 90% of the Paradox Basin Potash Project ("the Project") which covers applications for 365 km<sup>2</sup> of highly prospective potash permits in the Paradox Basin in south eastern Utah. The company's focus is on sylvinitic, a high grade form of potash ore that is cheaper and more effective to process to a saleable form than any other form of potash ore.

The Paradox Basin Potash Project is located close to key agricultural regions of the United States and as such is well situated to supply fertiliser manufacturers and agricultural cooperatives in the western United States. The Project also has substantial export potential given its excellent proximity to key US rail infrastructure leading to West Coast ports.

The Paradox Basin Potash Project comprises potash (KCl) mineralization in two beds of interest, Potash 13 and Potash 18, which occurs in two sub-beds. Potash 18 Upper is ubiquitous across the property, while Potash 18 Lower occurs locally to the southwest. An Exploration Target estimated by independent consultants Agapito Associates, Inc. for Potash Beds 13 and 18 of 3.4 to 5.2 billion tonnes of sylvinitic at an average grade of 23% to 34% KCl has been delineated within the Project. Potash 18, which is the principal bed of interest, was estimated to be 3.0 to 4.6 billion tonnes sylvinitic at an average grade of 24 to 35% KCl. The Exploration Target estimate was updated on July 8, 2011 to reflect changes in the Project boundary and newly acquired geologic information.

The Exploration Target assumes a grade cut-off of 16% KCl and a thickness cut-off of 2.0 m, below which mineralization is excluded from the estimate. The Exploration Target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code (2004). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

Additionally, the Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.