



POTASSIO DO BRASIL INTERSECTS 39.94% KCl AT 843.08m CONFIRMING THE WORLD CLASS POTASH POTENTIAL OF THE AMAZON BASIN – BRAZIL

FOR IMMEDIATE RELEASE

- Hole PB-AT-11-09 intersects 39.94 % KCl over 1.82 m at 843.08 m at Autazes, Amazonas State, Brazil, this intercept includes a higher grade zone with 1.59 meters grading 44.52 % KCl.
- Company intends to mobilize additional drill rigs to accelerate resource delineation in the basin.
- Potash resource expected to be completed in Q2 2012.
- Company targets Q4 2012 BOVESPA listing.
- Company currently in process of completing a capital raising of up to US\$100 million.
- Project has potential to become a major new domestic source of potash for Brazilian farmers.
- Off-take Agreements in place with large Brazilian Agriculture Co-operatives.

Belo Horizonte, Brazil, 19 August 2011: Potassio do Brasil. (“PBL” or the “Company”) is pleased to announce the results of Hole BP-AT-11-09, which strongly supports the Company’s view that the Amazon Basin contains multiple world class size potash deposits. The Project is located within the Amazon Basin, Amazonas State, Brazil and is adjacent to Petrobras’ Fazendinha and Arari Potash deposits (see Figures 1 and 2 below).

Following on from previously announced results (8 September, 2010) from Hole PB-AT-10-02 which included 1.86 meters of **sylvinite** from 841.78 meters depth grading 32.59 % KCl, **Hole PB-AT-11-09** has intercepted 1.82 m of sylvinite from 843.08 meters depth grading **39.94 % KCl**.

Hole PB-AT-11-09 is located approximately 1.8 km South West from Hole PB-AT-10-02. Both of these holes are located approximately 10 km North of the Fazendinha Potash Deposit.

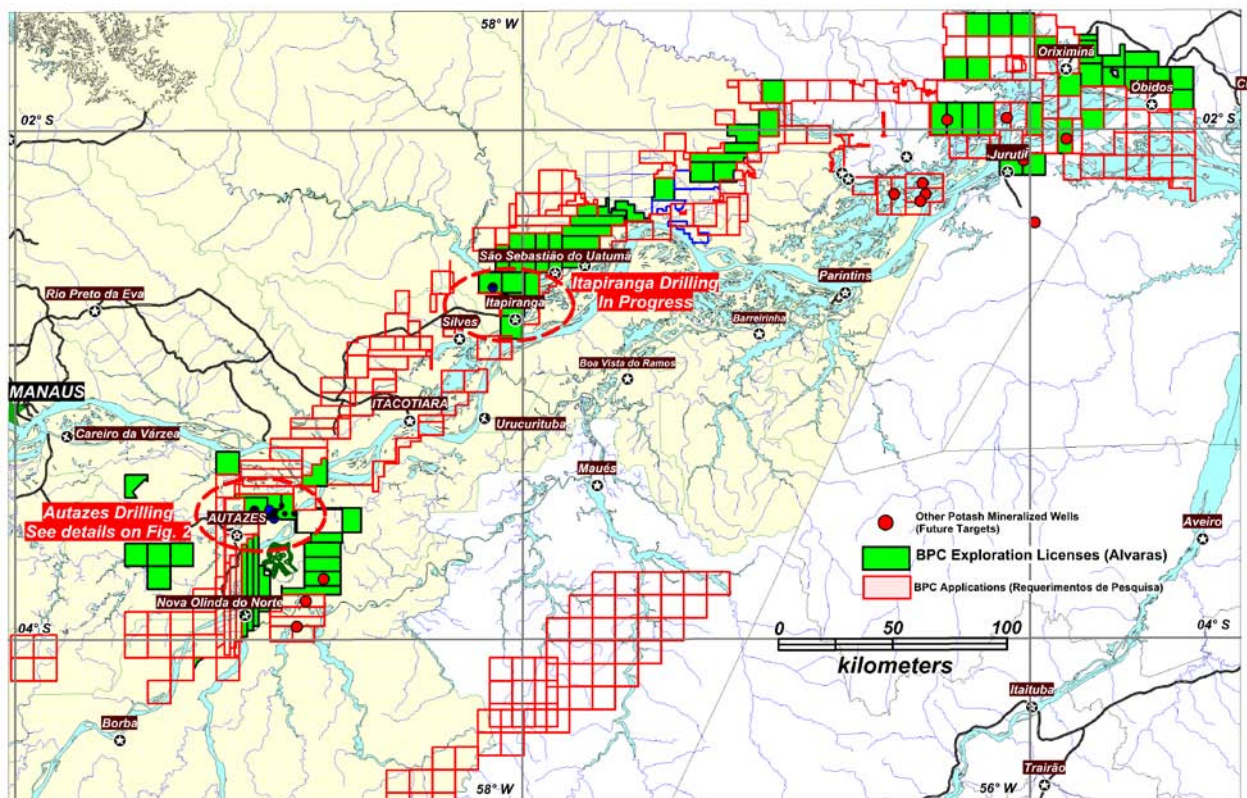
Helio Diniz, Managing Director of Potasio do Brasil, comments *“The Company’s Brazilian based technical team has been working systematically on the Amazon Basin since 2007. Their work concluded that there is potential for multiple potash deposits to be discovered in the basin. The Company embarked upon a drilling program commencing in 2010 to test the technical team’s conclusions. The excellent results from Hole PB-AT-11-09 coupled with the earlier results from Hole PB-AT-10-02 validate the geological model and confirm the basin’s enormous potash potential.”*

Hole PB-AT-11-09, located approximately 10 km North of the Fazendinha Deposit, has intersected 1.82 meters of **sylvinite** from 843.08 meters depth grading 39.94 % KCl. This intercept includes a higher grade zone with 1.59 meters grading 44.52 % KCl. Approximately 47 meters of halite and anhydrite were intersected below the potash horizon and the hole was stopped at 892.45 meters (see Figure 3). The

results of PB-AT-11-09 are consistent with management's expectations based on the basin mapping and analysis.

Andre Costa, P.Geo. Project Manager states that, "Within these large basins the potash occurs in extensive sub basins where maximum salinity conditions are reached. We have clearly established that conditions prevailed in the Amazonas Basin similar to that of the Saskatchewan and Ural basins, such that multiple sub basins are developed in specific stratigraphic positions and BPC is in the process of delineating the most recently identified one. Based on the petroleum borehole data we are confident there will be other potash sub basins within the 400 km basin."

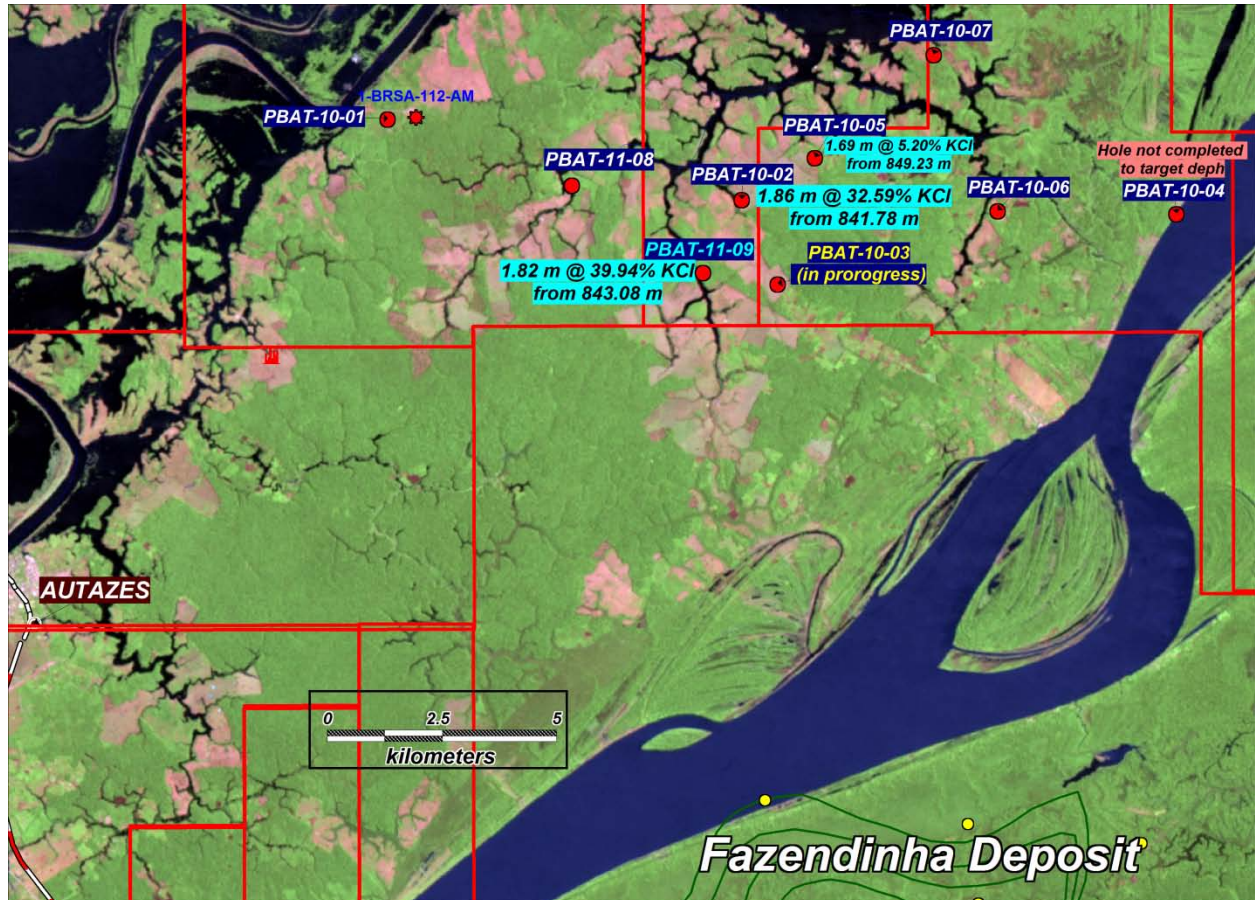
Figure 1. Map showing the location of the area presently being drill tested.



According to Helio Diniz "We now have two holes with higher grade potash intercepts than the 16 historic Petrobras drill holes which delineated the + 500 Million tonnes resource at the Fazendinha Deposit. In addition, PB-AT-10-02 and PB-AT-11-09 potash intercepts are located at depths 260 meters closer to the surface than the average depth of the Fazendinha Deposit (1,100 meters depth)."

The Company currently has contracts with two Brazilian owned drilling companies. The Company intends to increase the number of drill rigs on the project to accelerate the delineation of potash resources in the basin.

Figure 2. Drill hole location map - Autazes Area. The distance between PBAT-11-09 and PBAT-11-02 is approximately 1.8 kilometers. Note the location of the Fazendinha Deposit in the southern portion of the map.



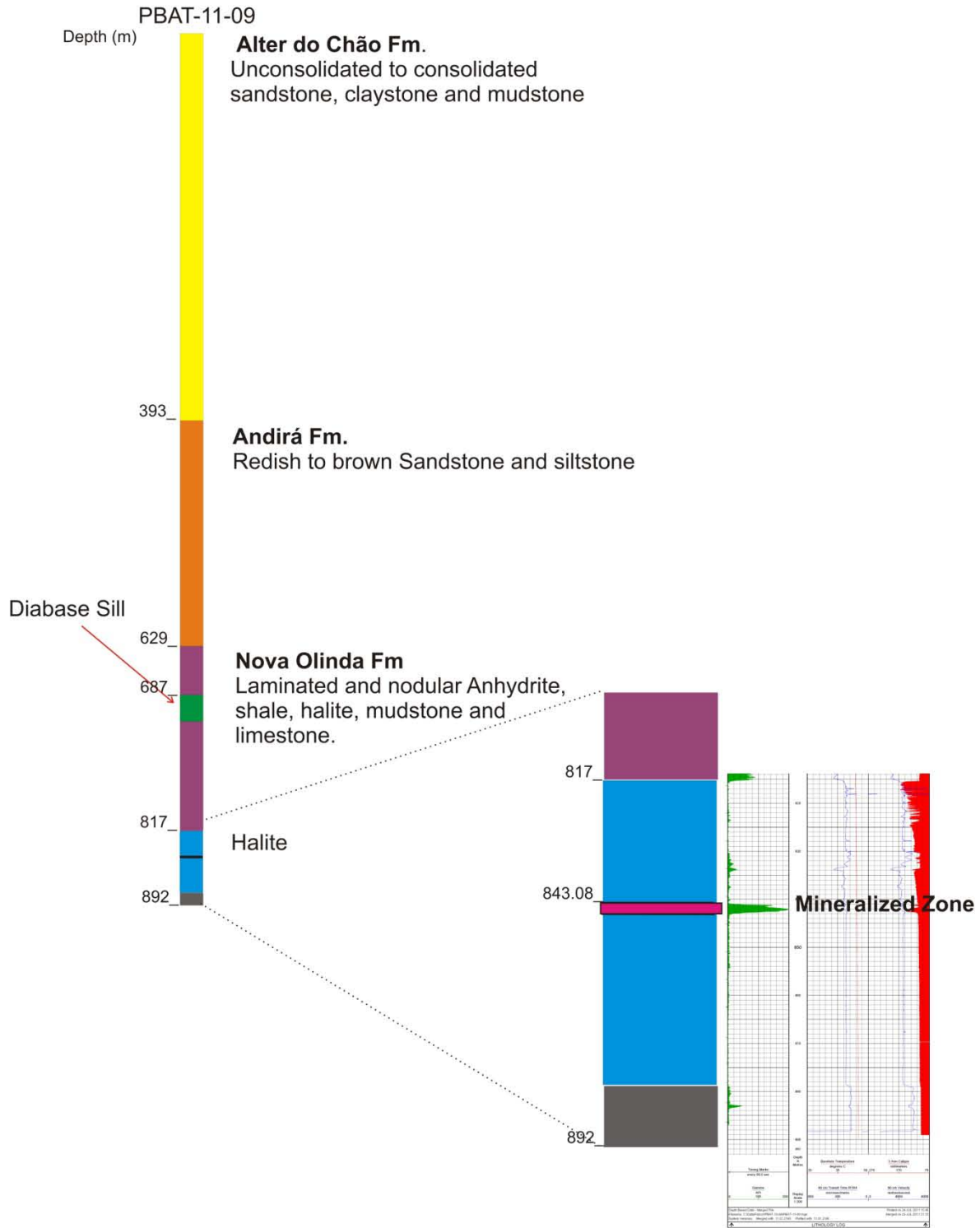
The Company will continue drilling until a potash resource of sufficient size to merit economic studies has been outlined. Once this is completed a pre-feasibility study will be undertaken followed by a bankable feasibility study. If the studies are favorable and permitting proceeds, the project will be developed. The Company forecasts that the total investment in the project could be in the order of **US\$3.5-4.0 billion** with a view to producing **4 million tonnes per annum** of potash (KCl). It is the intention of the Company to list on BOVESPA by late in 2012.

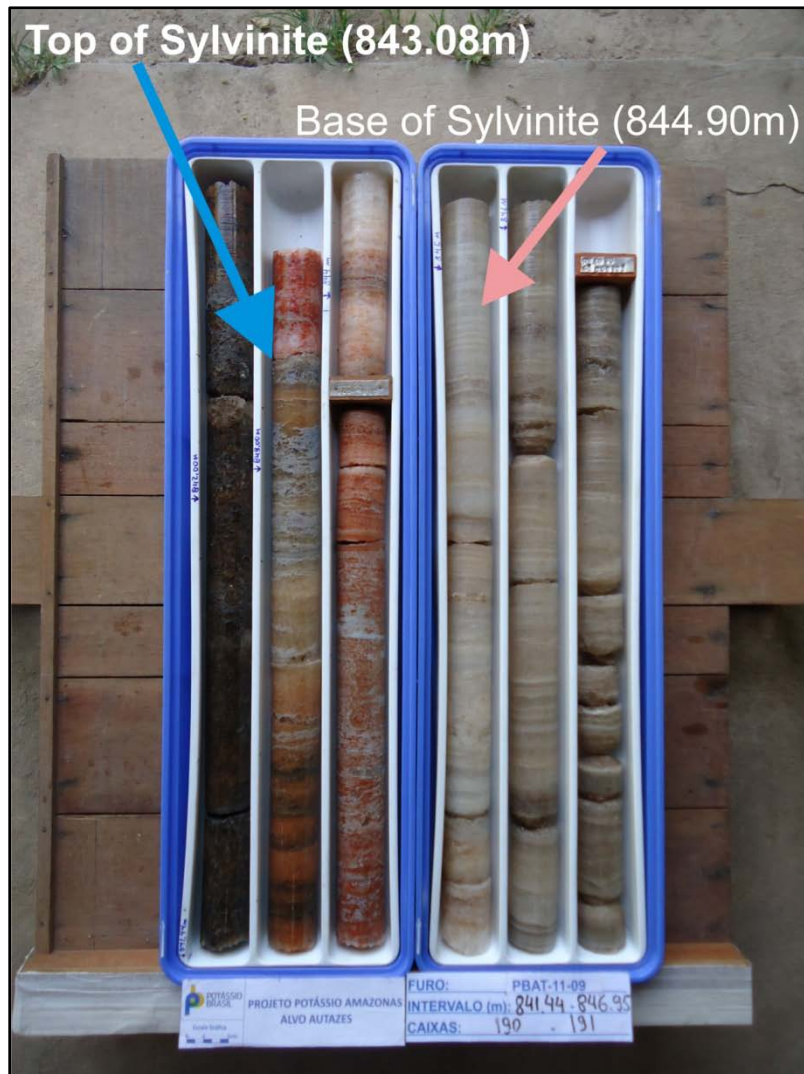
Helio Diniz, commented "Brazil is highly dependent upon imported potash to meet the country's fertilizer needs. The development of this basin over time can change Brazil from a net importer of potash to a net exporter of potash. The supply of potash for Brazilian farmers from this project will be accomplished in part through off-take agreements already signed between the Company and two of Brazil's largest Agricultural Co-operatives, CCAB and Coonagro."

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.

Figure 3. Drill section for hole PBAT-11-09.

Hole PBAT-11-09 - Target Autazes
Collar:278503E - 9611094N / SAD 69 Zone 21S





Core from PB-AT-11-09

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 Potassio do Brasil Ltda.

Potassio do Brasil Ltda. is a private Brazilian potash exploration company with 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 operating potash 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 key mineral rights in the 400-kilometer long Amazon potash basin. Geological, seismic and borehole surveys indicate the basin has similar scale and geological properties as the Saskatchewan basin in Canada.

Please visit the Company's web site at www.potassiodobrasil.com.br or www.brazilpotash.com

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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 prospective nature of the project, the timing and cost of future exploration and corporate development activities, future financial or operating performance of Potassio do Brasil and its projects, 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, and, title disputes or claims. 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.