

M**b**AC Fertilizer Corp.

Exploring the Potash Potential of Brazilian Sedimentary Basins

May 2010



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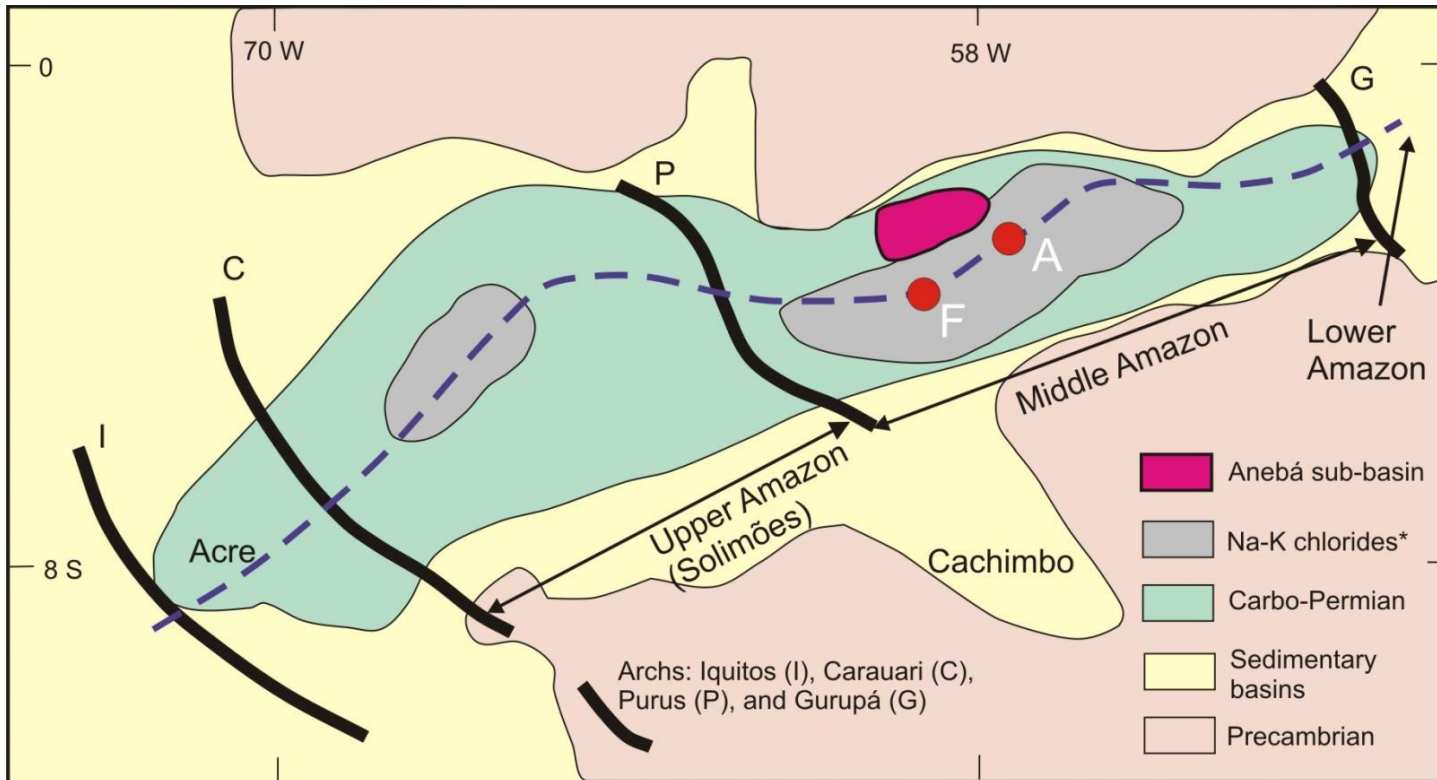
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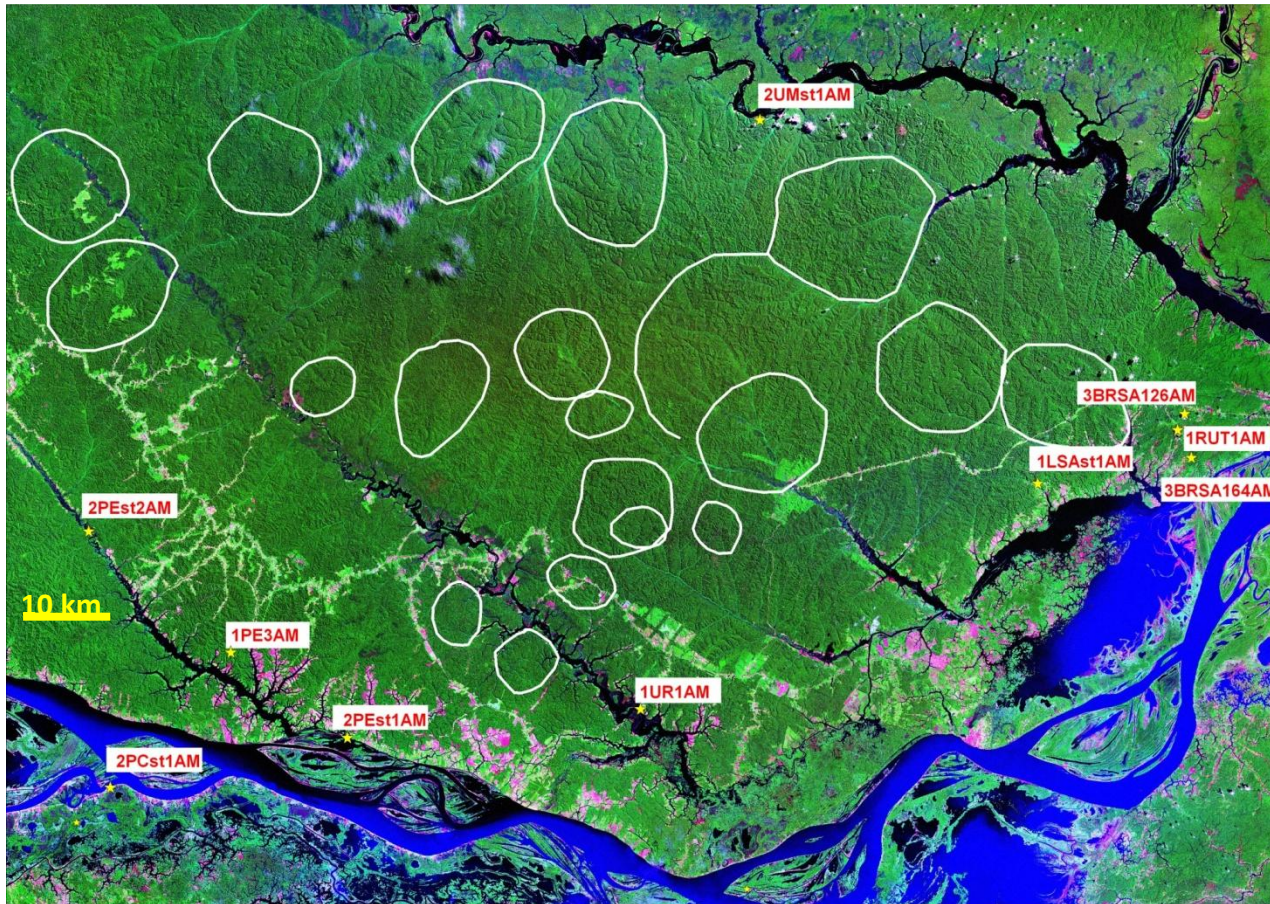
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Exploring for evaporite sequences in the Amazon basin

- Evaporites in the Brazilian Amazon Basin are being explored for large-scale Potash salt deposits amenable to underground mining.
- The exploration model considers multiple depocentres as observed in Zechstein in Germany and Muskeg-Prairie in Canada.
- Development of marginal gas fields nearby and re-injection of Na-Cl tailings are key to a successful outcome.

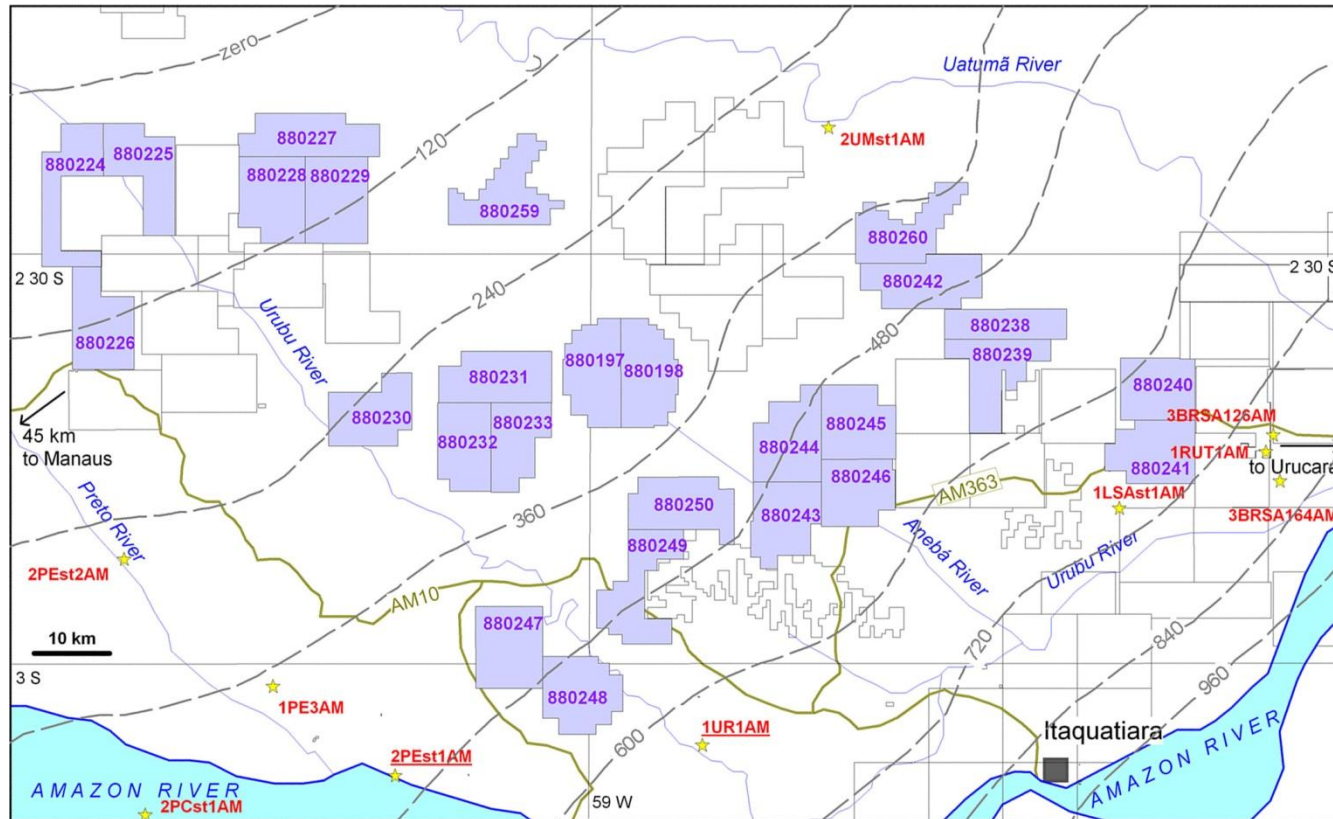


Exploring for evaporite sequences in the Amazon basin



- Target selection relies on the underlying assumption that depocenters and salt domes do have surface expression.

Exploring for evaporite sequences in the Amazon basin



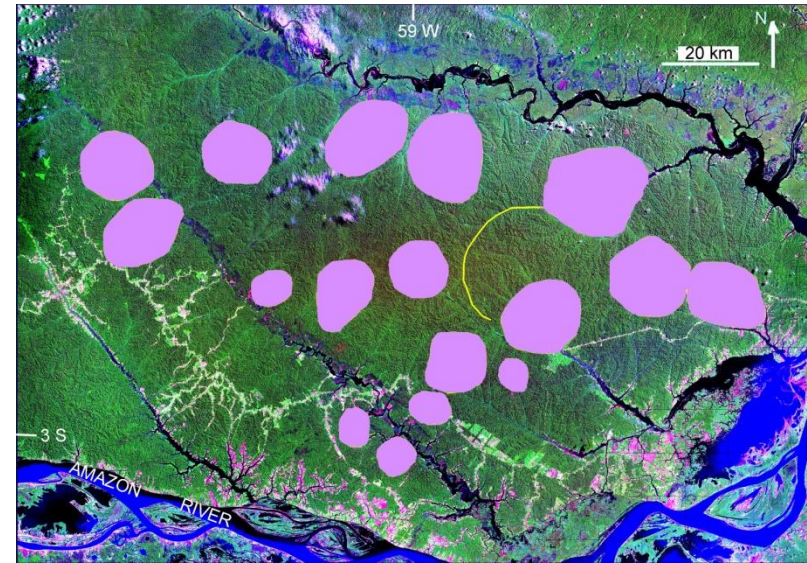
- ✘ The two deposits known to the South are much deeper - at depths of 980-1020 meters - and related to a single depocentre.

Exploring for evaporite sequences in the Amazon basin

Zechstein Basin

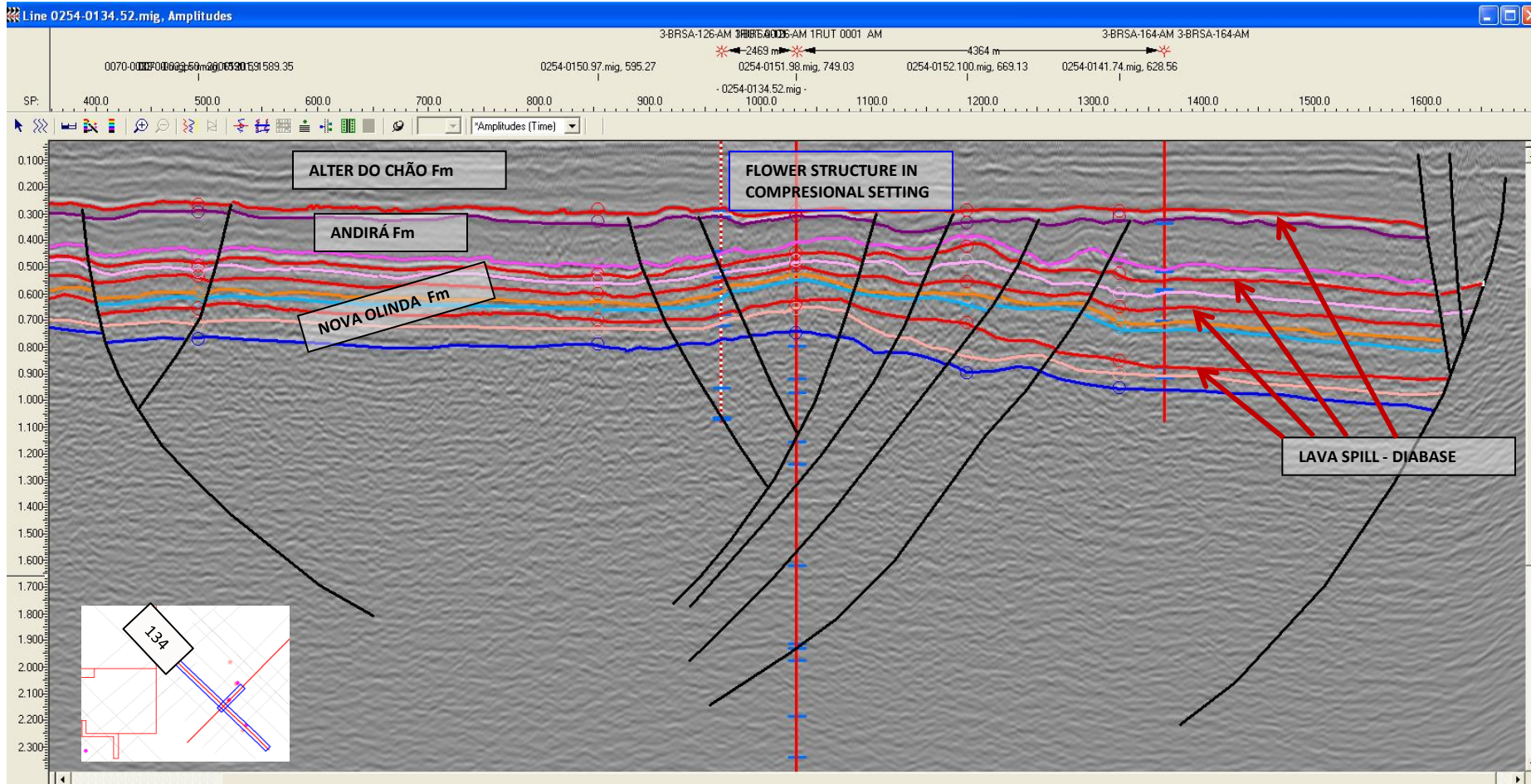


Anebá Basin

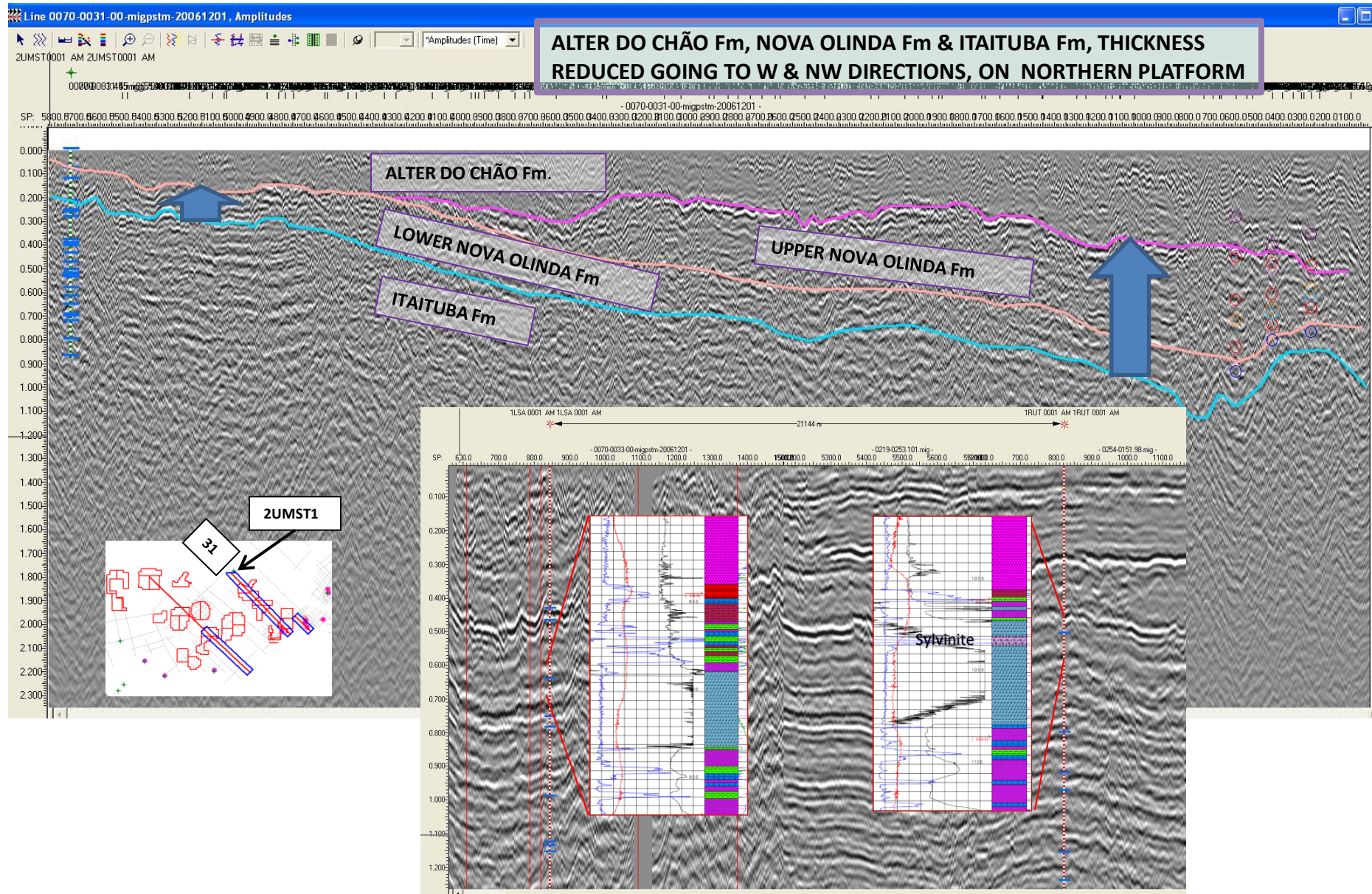


- × Similar shape and size of diapirs swarms
- × Zechstein and Andirá Formations have the same Upper Permian age
- × Zechstein Basin is a major source of KCl in Germany, Netherlands, and Poland
- × Germany has exploited Zechstein's potassium continuously since 1860

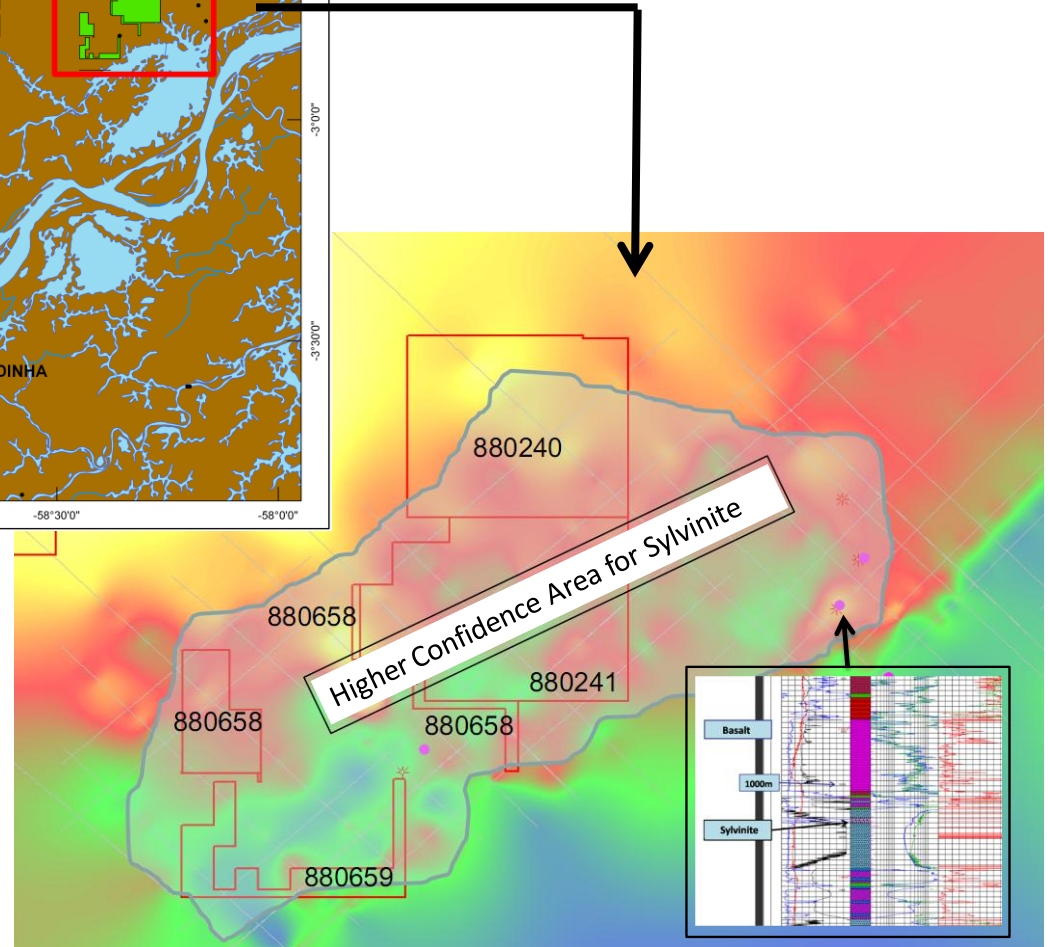
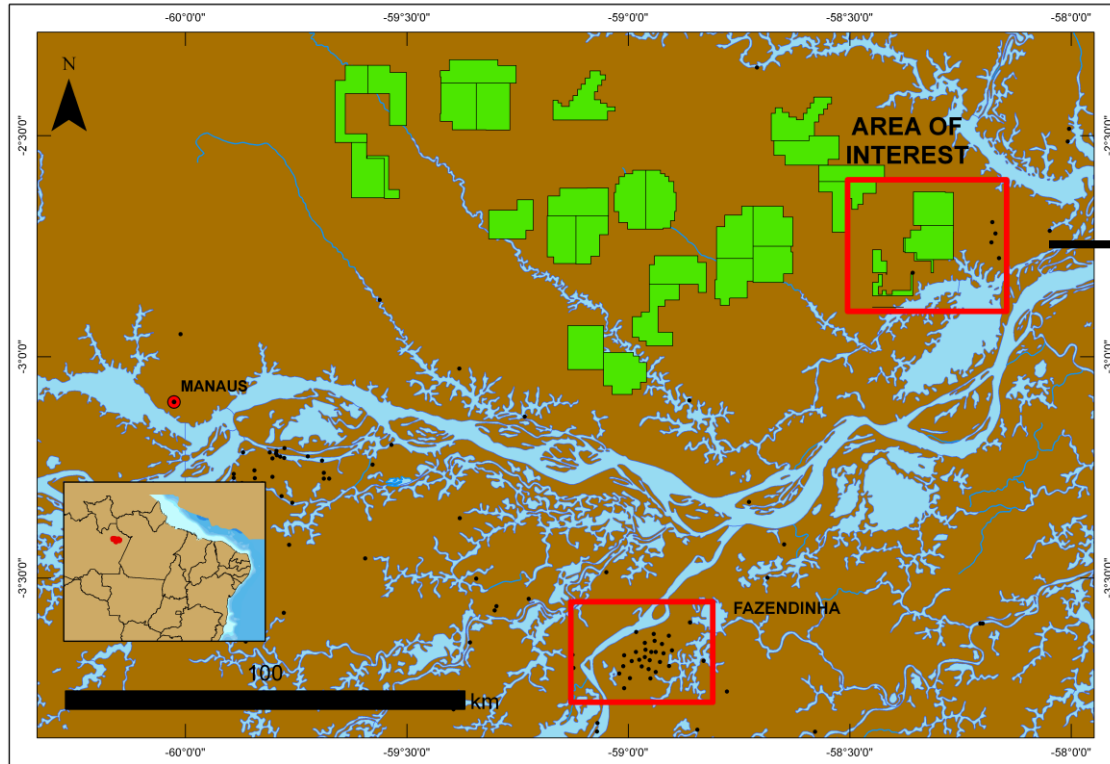
Exploring for evaporite sequences in the Amazon basin



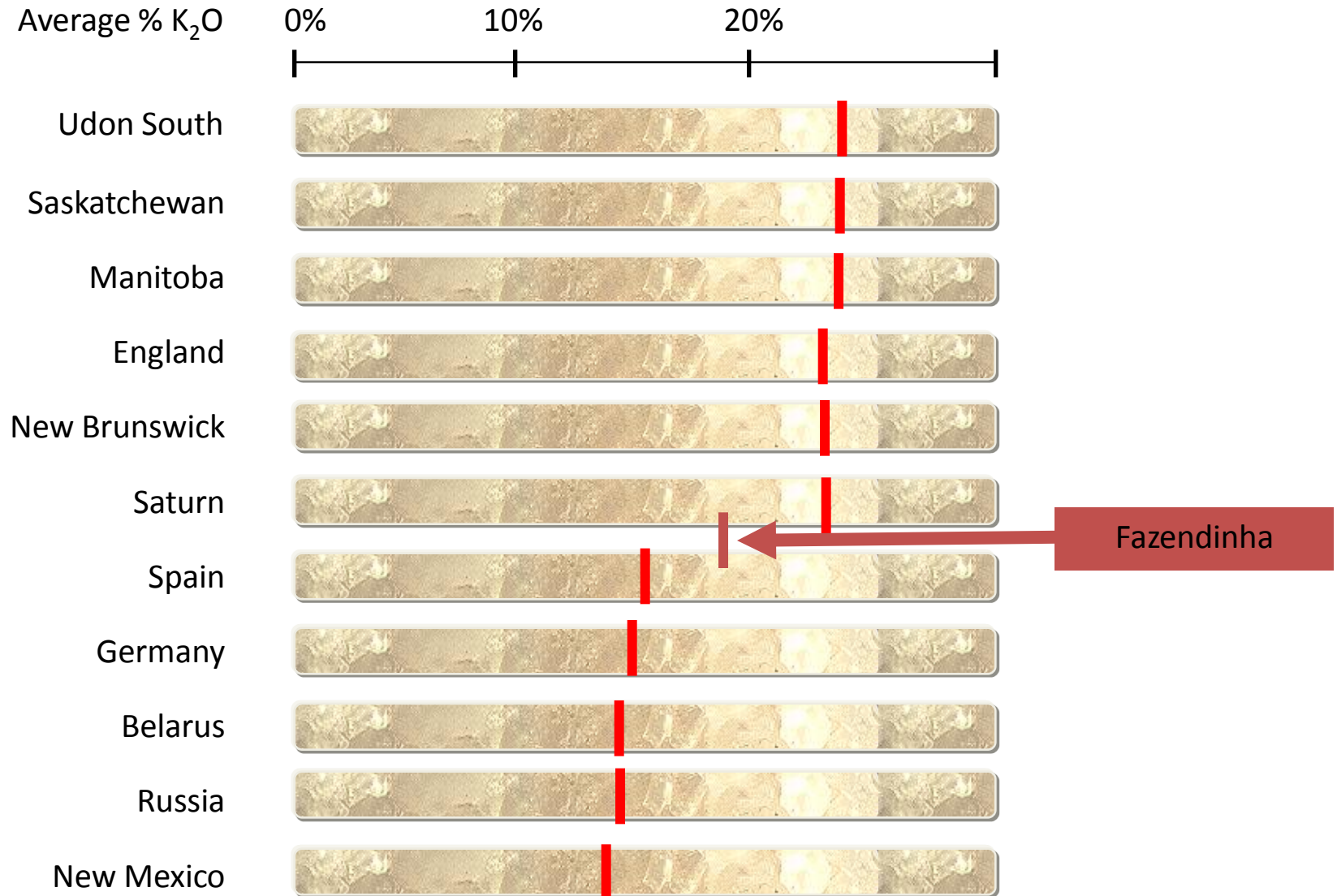
Exploring for evaporite sequences in the Amazon basin



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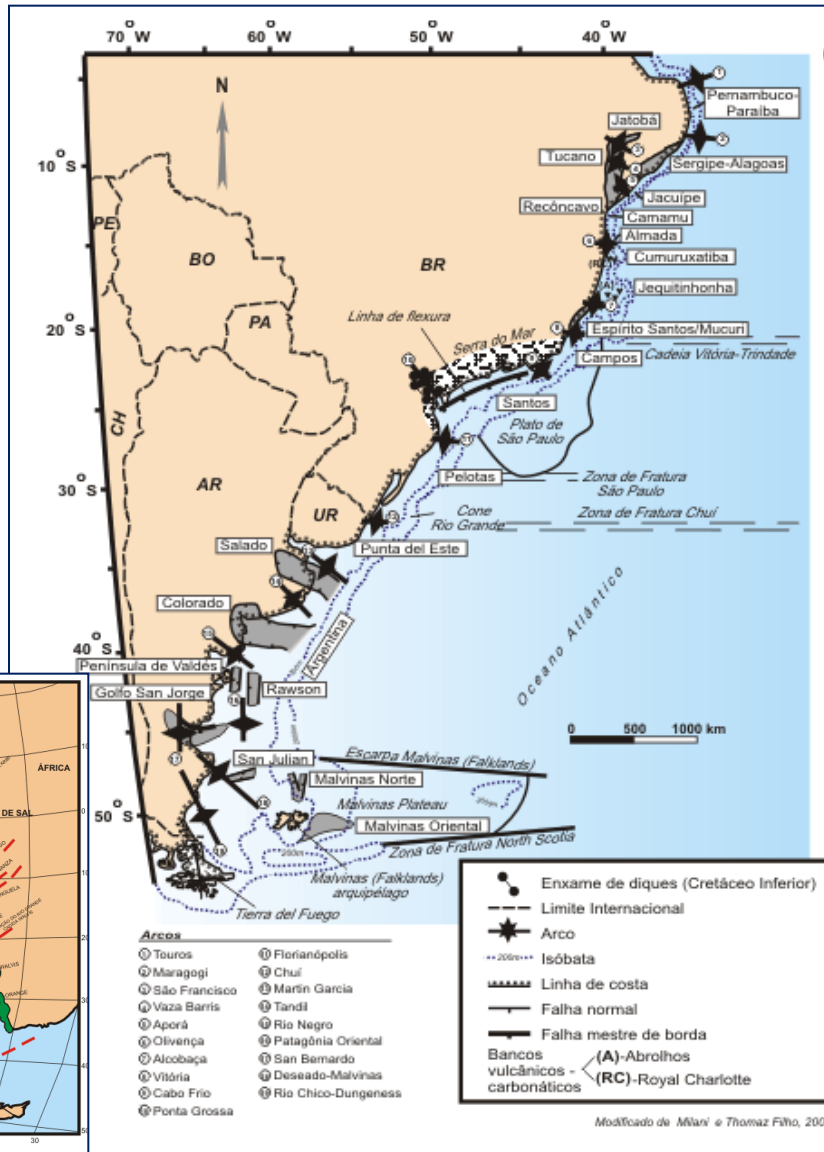


BelarusKali Longwall Potash Mines:

- × Pripyat rift basin (Deniepr).
- × 4 – 20m ore zone width.
- × 4 main seams, 2 mined – 2.4m (0.7m salt) and 4.3m (1.6m salt).
- × Reserves – 2,750 Mt @ 24%-26% KCl.
- × Discovery in 1949, started mining in the 60s.
- × 4 operating mines;
- × 20Mt/y rom production.
- × Current production – 5,640 Kt/y of KCl.
- × Expansion for 9Mt/y of KCl.

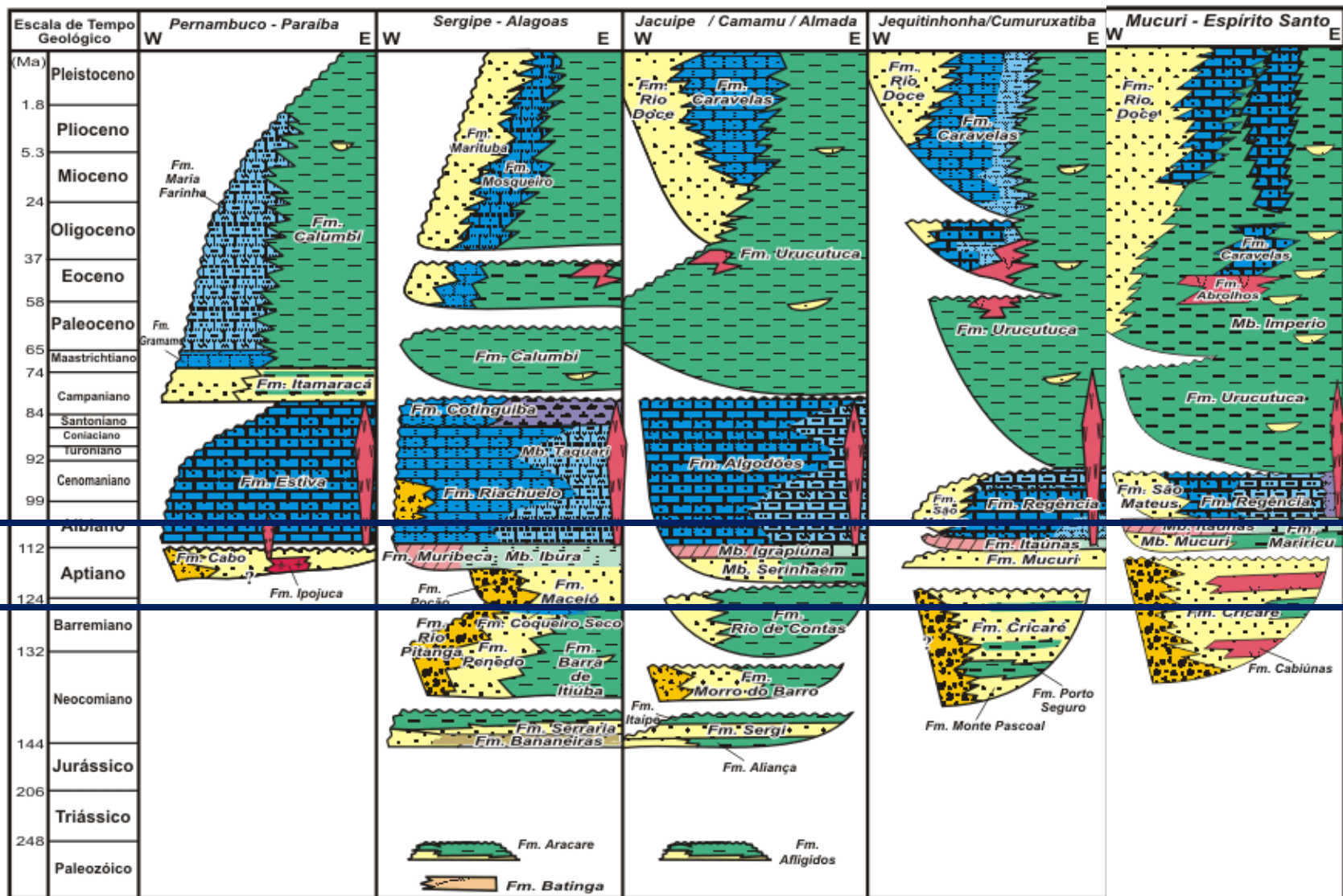


Exploring for evaporite sequences in coastal basins



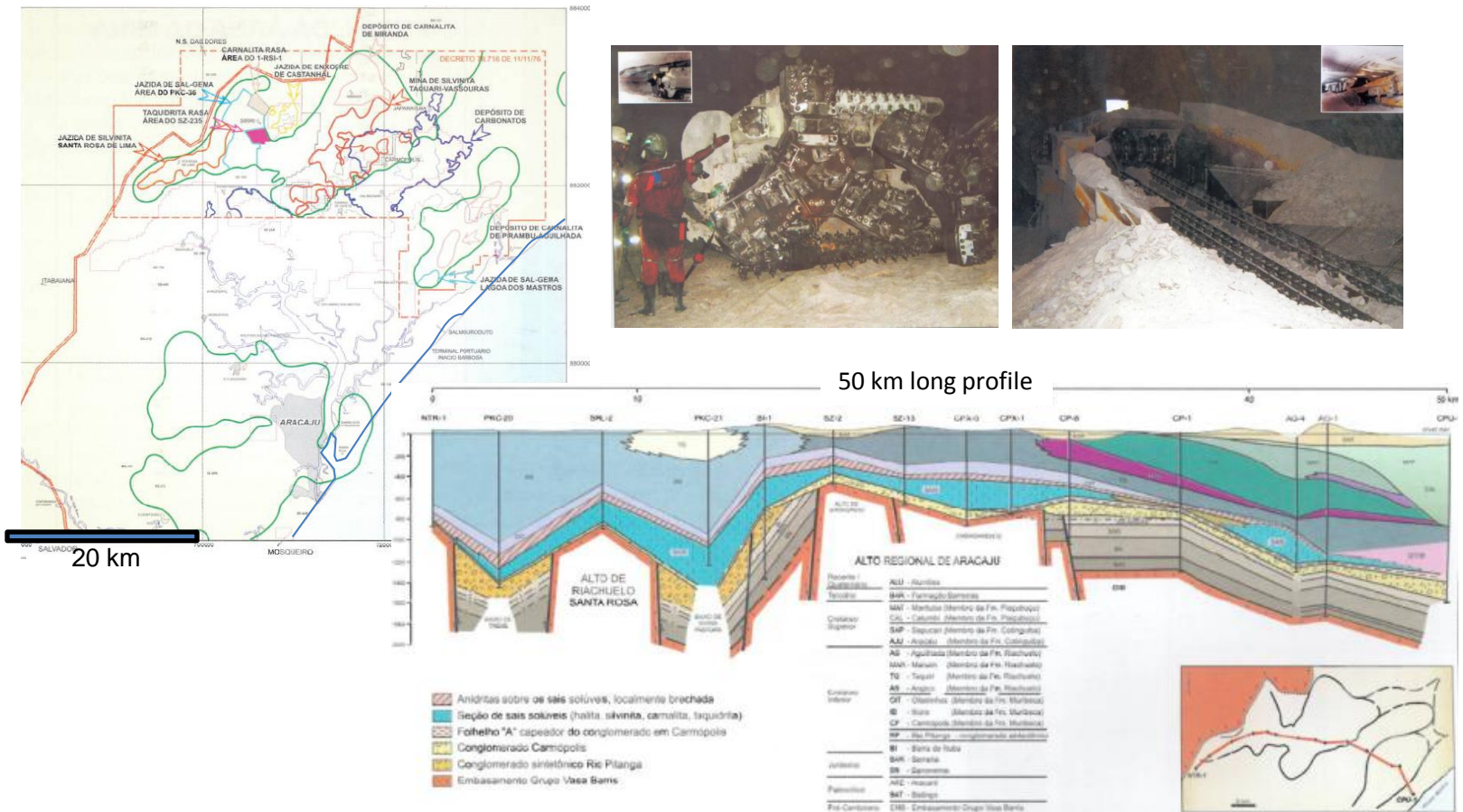
- Evaporites under shallow sea waters off-shore Brazil are being explored for large-scale Potash salt deposits amenable to solution mining.
- Potash shall account for the bulk of mine revenues. Na-Cl, Sulfur, Lead, Zinc and Manganese are likely by-products.
- Development of marginal gas fields nearby to cover energy supply.

Exploring for evaporite sequences in coastal basins

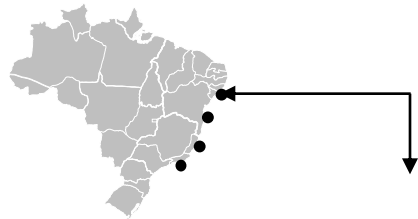


Exploring for evaporite sequences in coastal basins

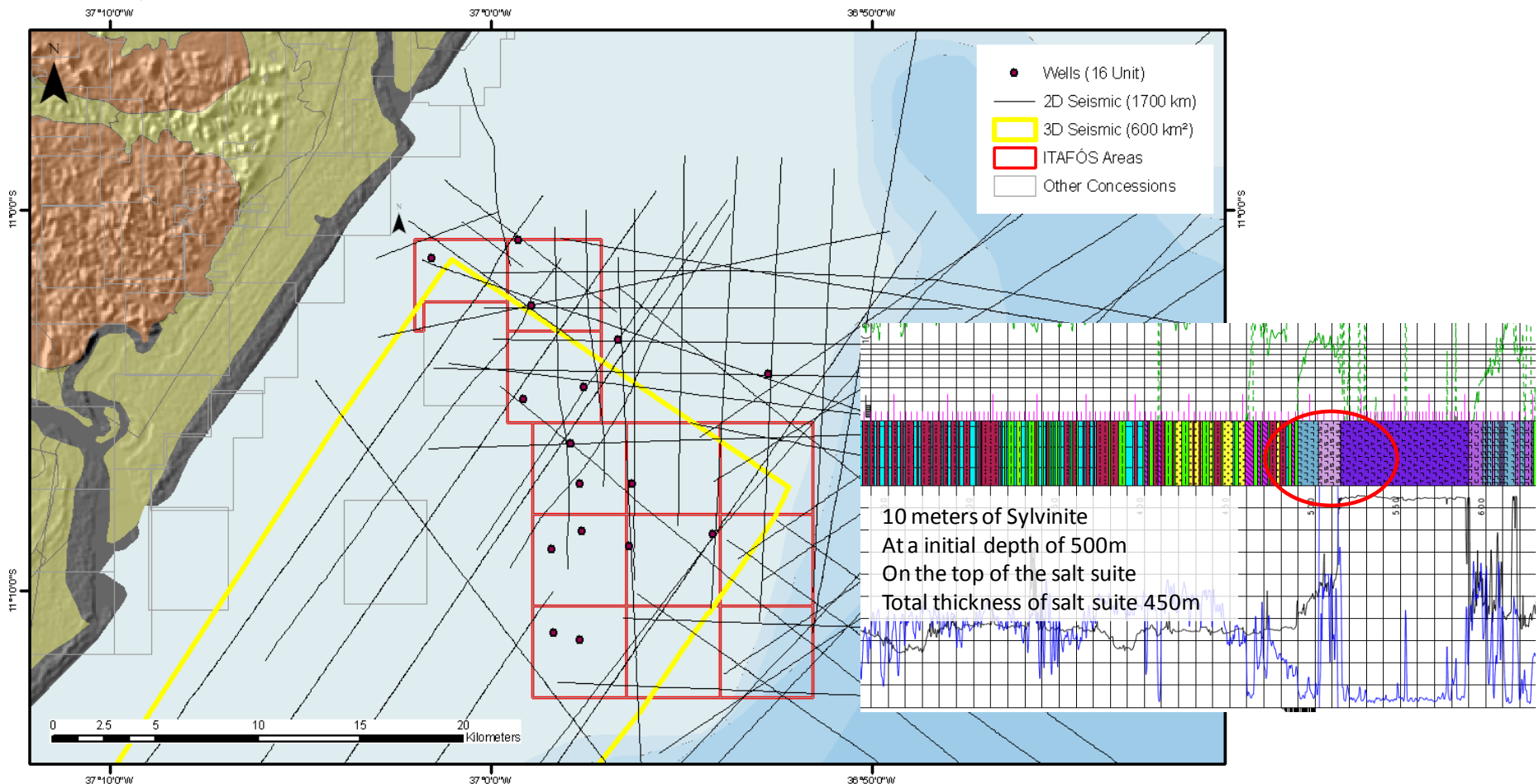
- Solution mining of halite in Maceio (Alagoas Basin) and Matarandiba Island (Recôncavo Basin) yield ca. 1.5 Mt/yr Na-Cl and Vale's Potash mine in Taquari-Vassouras yield ca. 0.7 Mt/yr K-Cl.



Potash Exploration Work in Coastal Basins

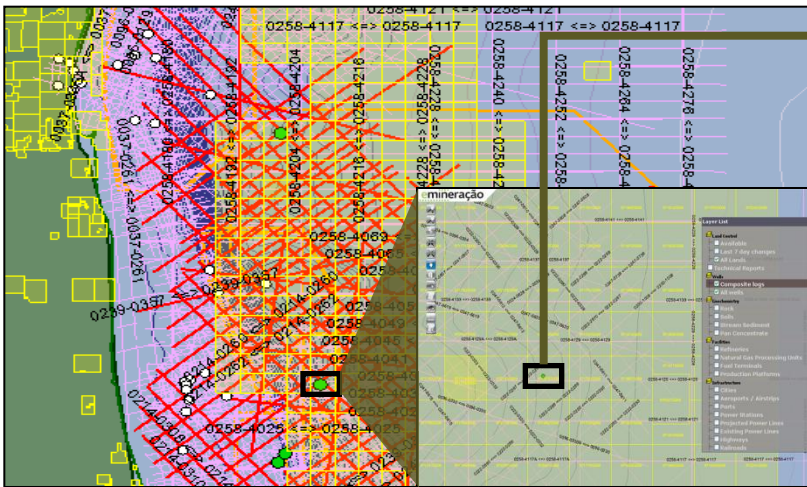


10 m layer under 50 m water 10 km from SE coast

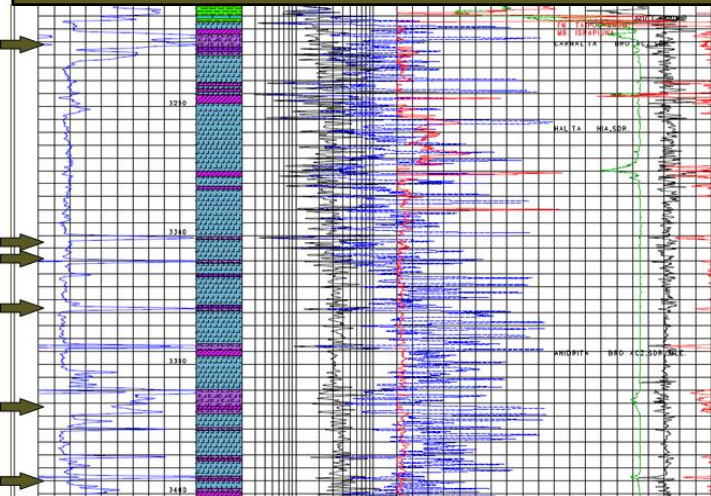


Potash Exploration Work in Coastal Basins

Bahia Basin



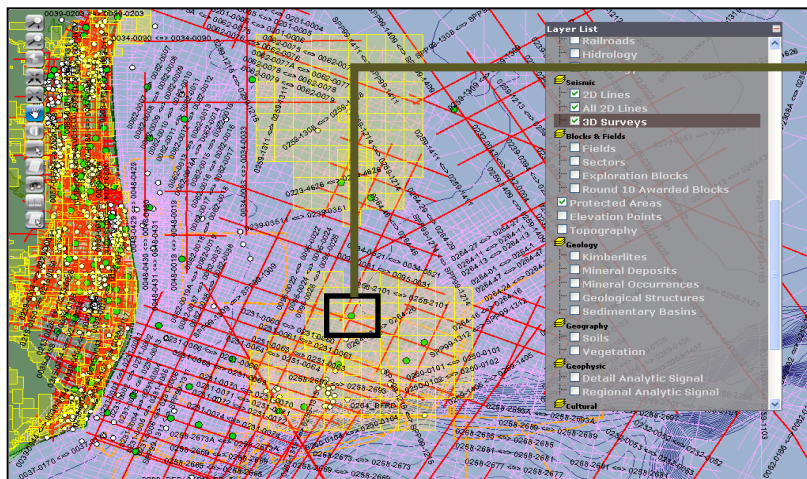
Drill Hole Profile - gamma-ray, neutron & density readings



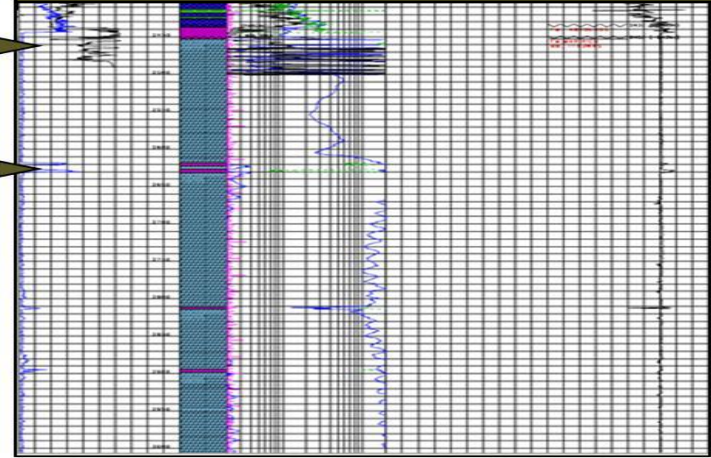
potash related occurrences

➡ potash-related occurrence ★ Occurrence thicker than 15m

Espirito Santo Basin



Drill Hole Profile - Gamma-Ray Analysis

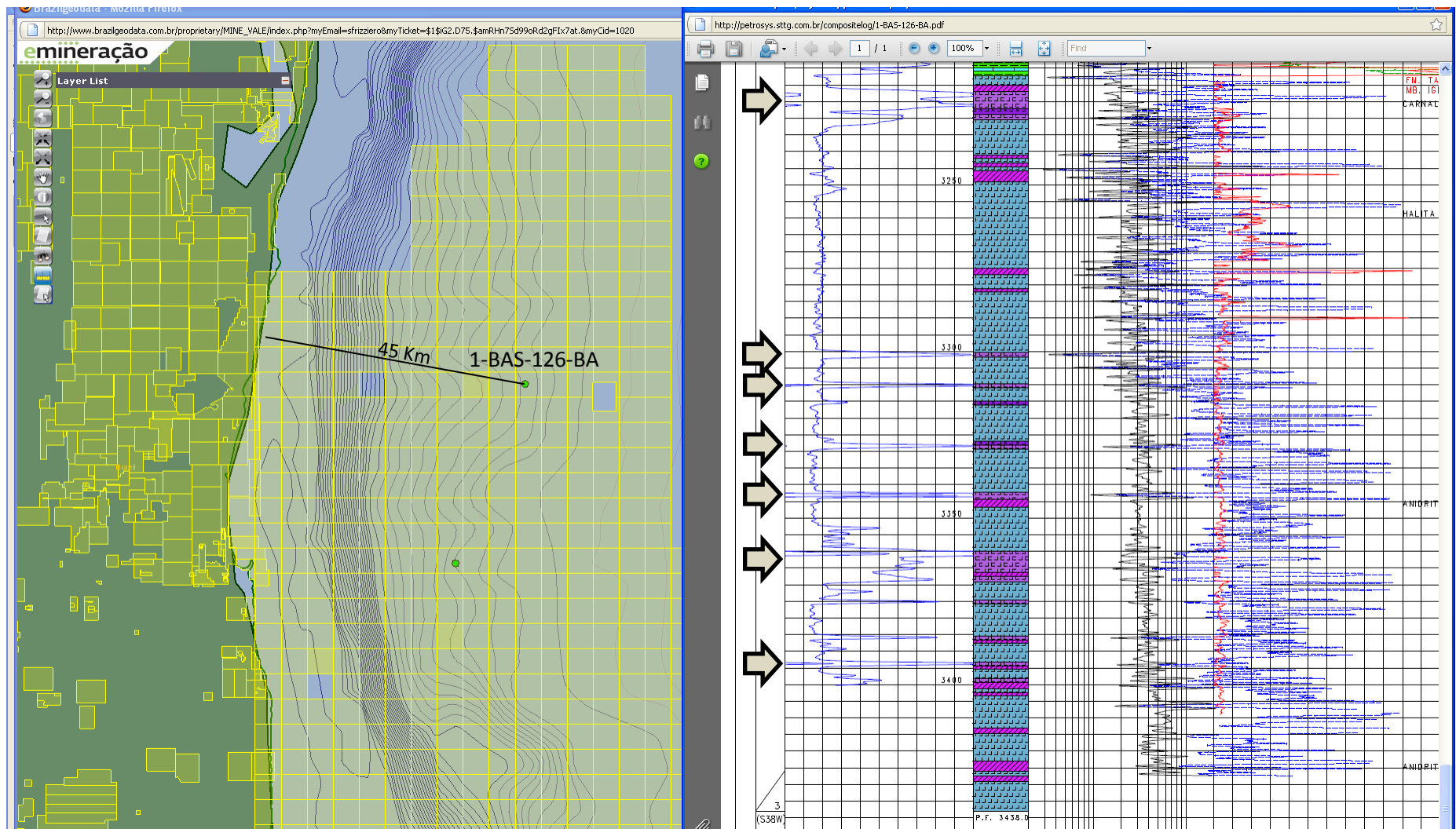


potash related occurrences

➡ potash-related occurrence ★ Occurrence thicker than 15m

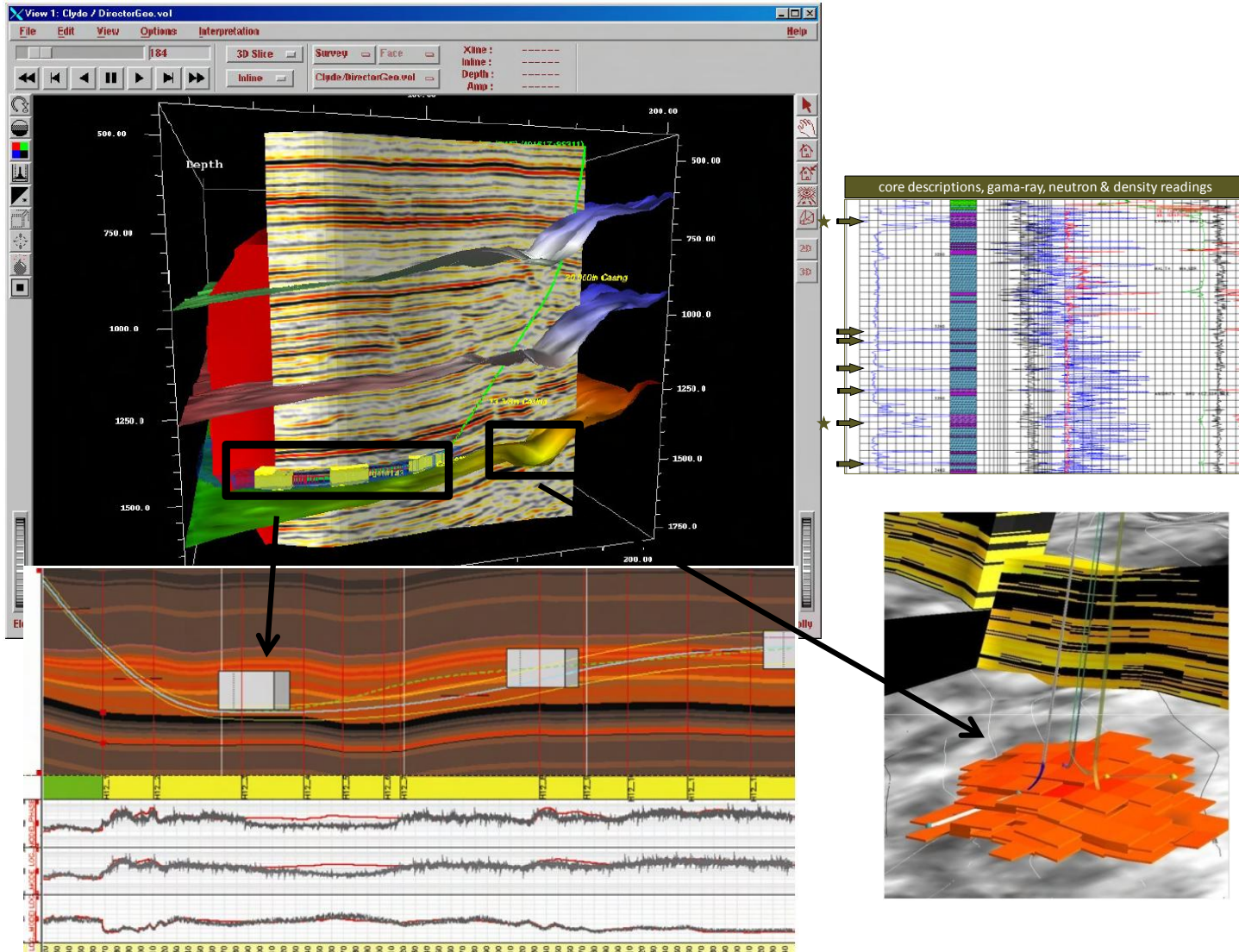
A few potash layers thicker than 15 meters identified under deeper water

Potash Exploration Work in Coastal Basins

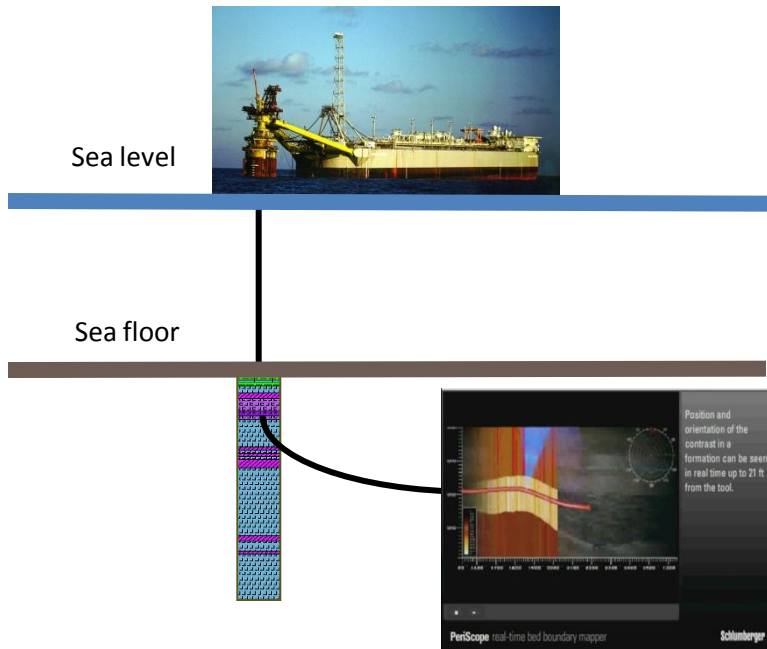


Multiple Silvinitic layers under 800 meters of water at 45 km from Bahia Coast

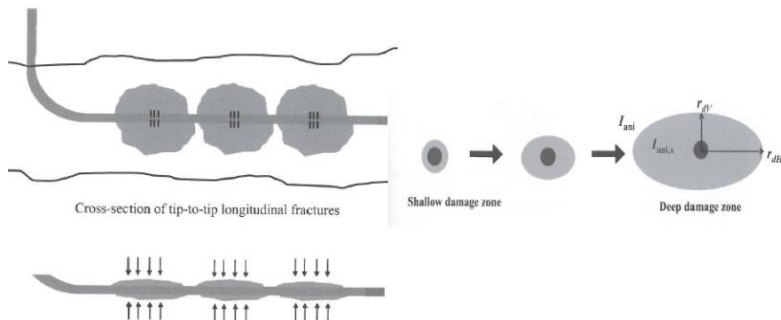
Potash Exploration Model for Coastal Basins



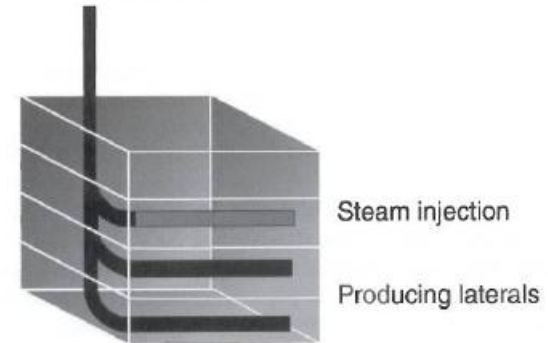
Proven Technology available from Oil Exploration



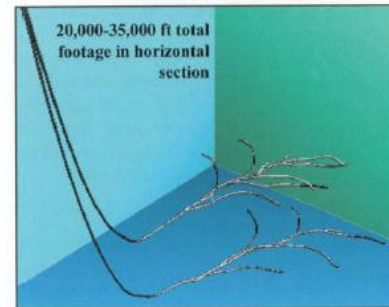
- Lateral/multilateral drilling performed through existing drill holes and directional drilling enables access to thin horizontal seams
- Solution mining to be employed to extract ore once the horizontal drilling is complete



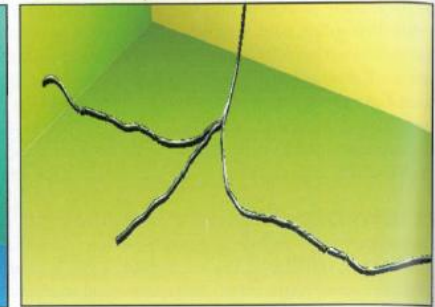
Multilateral Wells for Heavy-Crude Reservoirs



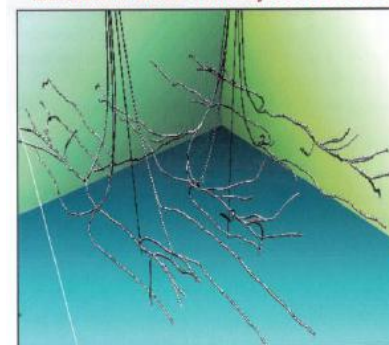
Stacked fishbone well



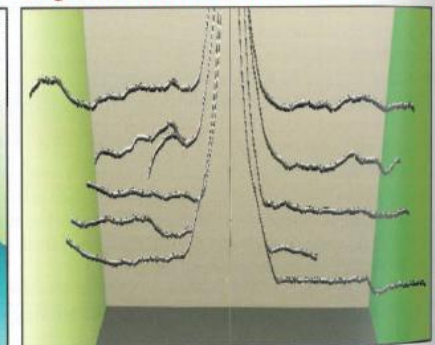
Triple "Crow's foot" well



Multilateral wells from adjacent clusters

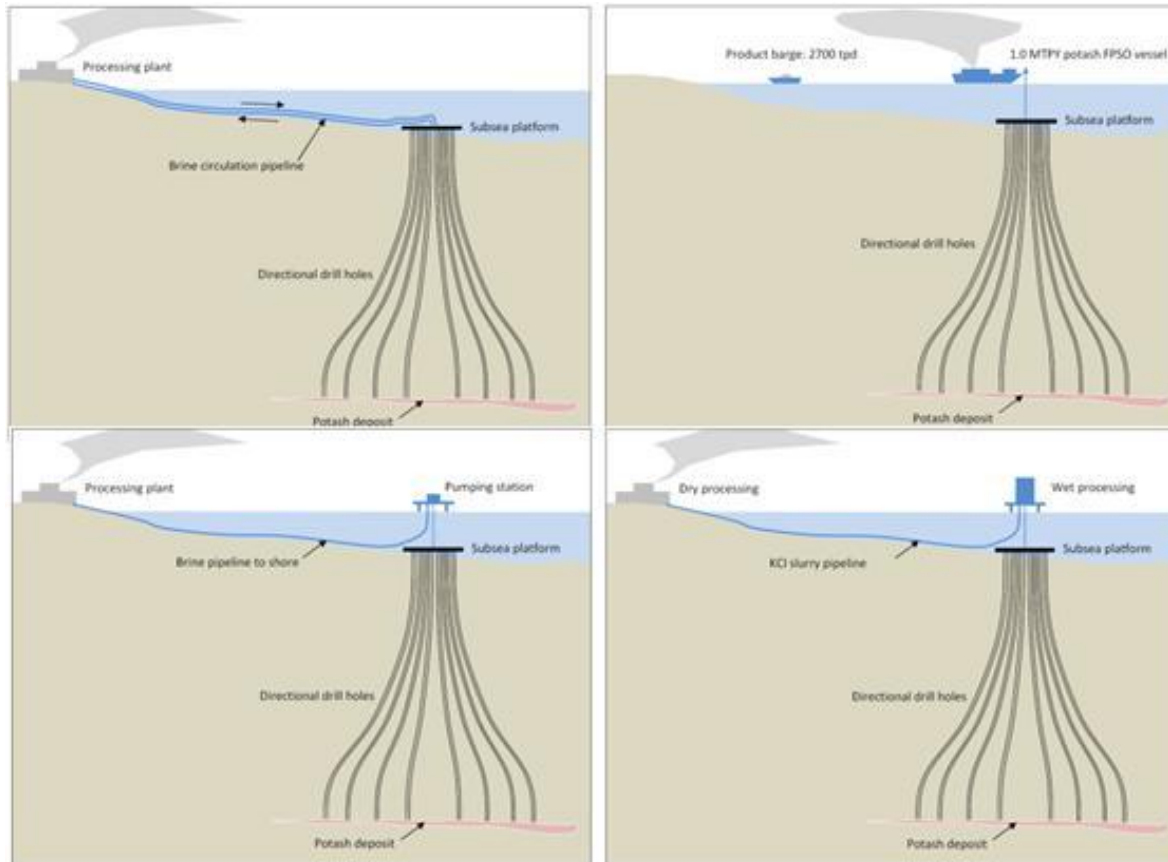


Single and stacked dual wells in one cluster



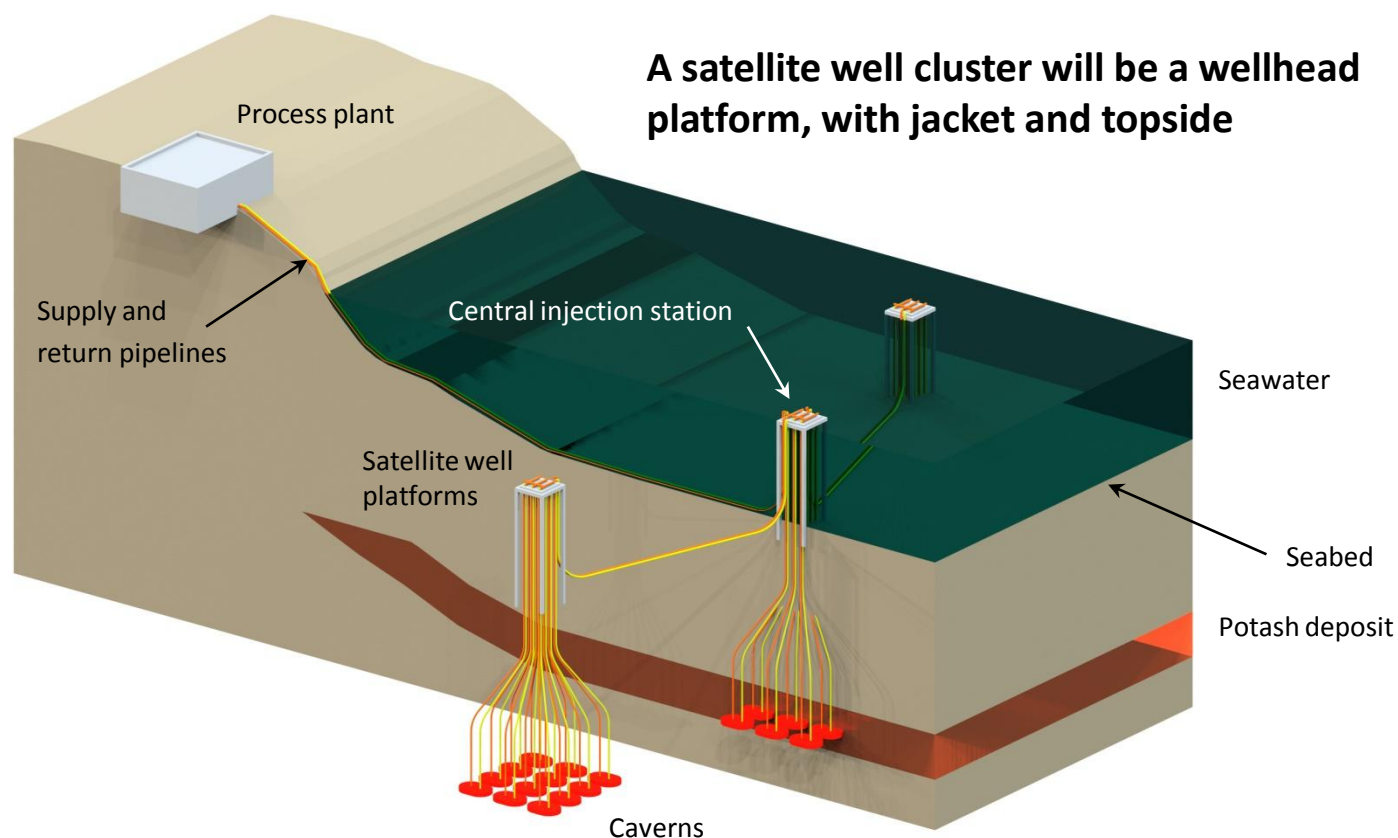
Potash Exploration Work in Coastal Basins

A few development options being assessed



Coastal Potash Opportunity

AMEC performed a Concept Validation Study on the Coastal opportunity using an onshore processing plant and satellite well cluster for the solution mining



Mining methods, risks and cost-benefit ratios

Mining Assumptions	Underground	Solution Mining
CAPEX		
Shafts	2 per deposit	No (mine out of 3-4 drill sites)
Underground crusher	Yes	No
Refrigerated ventilation	Yes	No
Underground conveyors	Yes	No
Development within Potash	Yes	Yes
MINE DEVELOPMENT & OPERATION		
Tailings	Diposal in river or re-injection	Re-injected or disposal in sea
Closure/Rehab	Standard costs	Costs irrelevant
Mining costs	US\$70-90/t	US\$90-110/t
Mine recovery	30% for Room & Pillar 60% for Longwall	50% or more for Solution Mining
Process	6 years exploration/study 4 years shaft sinking 3 years development/rampup Full production in Year 13	4 years exploration/study 2 years development/rampup Full production in Year 6