

## The Name Change from Pan American to First Potash Corporation reflects A new Focus on Potash where there is an Increasing Global Need Because of its use as Fertilizer in the Agricultural Industry

### Resources Potash

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**Andrew A. Brodkey**  
President and CEO

### BIO:

Andrew Brodkey is currently President and CEO of two junior mining exploration companies---First Potash Corp. and Titan Iron Ore Corp. He has been a mining industry professional for over 25 years, working with and for Fortune 100 companies as well as junior mining entities. Brodkey earned a bachelor's degree in mining engineering from University of Arizona in Tucson before obtaining a law degree at Creighton University. He has worked as a mining engineer, a mining lawyer and in minerals business development. As Vice President and General Counsel for Magma Copper

Company, and Vice-President, Business Development for BHP Copper Inc., he successfully negotiated and closed numerous complex domestic and international mining transactions, including mergers and acquisitions, privatizations, recapitalizations, joint ventures and partnerships. Immediately prior to entering the management of junior resource companies, he was the founder and Managing Director of the CB Richard Ellis International Mining & Metals Group.

### About First Potash Corporation (OTC: SALTF):

**First Potash Corporation ("FPC") is engaged in the business of acquiring, exploring, and developing properties throughout the Western Hemisphere that contain Potash.**

Incorporated in British Columbia, Canada, with headquarters in Tucson, Arizona, USA. FPC has a portfolio of ten **Brine Salar properties** (not hard rock) in the Atacama Region of Chile, that cover a cumulative area in **excess of 22,000 hectares** and have the potential to produce Potassium, Lithium, and other important minerals from surface lakes and subsurface brines. **These Brine Salar properties are among the lowest-cost property types to extract Potash from in the world.**

**Interview conducted by:**  
**Bud Wayne, Editorial Executive**  
**CEOCFO Magazine**

**CEOCFO:** Mr. Brodkey, would you tell us about your recent name change, the reason for that, and the direction of First Potash going forward?

**Mr. Brodkey:** The company started in 2010 as a lithium based exploration

and development enterprise with properties in the country of Chile. We were solely focused on Chile for many different reasons. The reason why the company pivoted if you will, and moved to the potash field over lithium, was a result of a governmental auction of lithium rights in the latter part of 2012 that unfortunately failed quite miserably. The government of Chile and the Ministry of Mines had determined to auction 100,000 tons of lithium metal (amounting to 520,000 tons of lithium carbonate equivalent) in a bidding process. Pan American Lithium (now First Potash), had a very strong portfolio of projects on a number of different salars that contained brines which had lithium, calcium and other minerals. Therefore, we were hoping that the outcome of the auction would be favorable. Then a winner could approach somebody like ourselves that had good land, water and mineral positions on salars, and negotiate with us for a joint venture to develop the lithium and the other metals. Unfortunately, the process came to a grinding halt. A bid was awarded but the winning bidder was disqualified and the whole process was unfortunately thrown out by the court system and by the Chilean government. It left people with the unfortunate reality that with lithium rights in Chile today, It cannot be exploited in a commercial manner. We therefore determined that Pan American would rebrand as a potash company and keep the same properties, locations and same everything-- just pivot and emphasize the potash component as our primary focus of the company and that is exactly what occurred along with the name change in late 2012.

**CEOCFO:** Are you still in Chile or where are your properties today?

**Mr. Brodkey:** They are all the same. Nothing has changed. They are in Atacama Region III, the capital being Copiapo about 750 kilometers north of Santiago, which is the national capital. They are all at relatively high elevations. They are brine salars, meaning that they are dry lakebeds, underneath which exist solutions containing dissolved lithium, potassium, magnesium, calcium and other light metals. We do have one project that has a relatively large surface lake, Laguna Verde, for which we previously obtained a National Instrument 43-101 technical report that showed that there were 512,000 tons of lithium carbonate equivalent and 4.2 million tons of potash (KCl) just in this lake alone, with further exploration potential in the basin. We control the whole project. Our focus now is not for lithium but the good news is we did not have to change anything. We did not have to acquire any new ground or projects. All we really wanted to do was rename ourselves, pivot and let the world know that the potash component of our same properties was now the new emphasis of the company.

**CEOCFO:** What are some of the proposed uses of potash and the future outlook?

**Mr. Brodkey:** It is extremely bright. The lithium story was a good story but the potash story is even easier to understand and even better. Potash is a basic fertilizer that is used in the agricultural industry. The population worldwide is growing at a rate that most people cannot comprehend. We are looking at having another 1.5 to 2 billion people on the planet by the year 2045. It is mind boggling to understand the need for renewable sources of nutrients that go into the food that is grown to satisfy the world population. The dynamics are there. There are places in the world which are very deficient in potash such as China, which is a huge importer and some of the other Asian countries, as well as Brazil, which is in our neck of the woods. We have markets identified for the product. It is a simple logistical journey for potash to be taken

to the west coast of Chile to one of the many ports and loaded on a vessel and sent to consumers in Asia for example. The story of potash is very strong but I would like to make a distinction and give you a little more background. Potash is a commodity that is consumed at about 60 million tons a year worldwide and the numbers are growing. There are many projects on the books with even more production. Most of that is basic potash, which is potassium chloride. That commodity is selling for roughly \$400 to \$450 a ton. It is a very basic form of the fertilizer. In brine salars, such as the ones that First Potash owns, there are other metals like calcium, magnesium, lithium and other light metals on the periodic chart. That gives one the flexibility and opportunity to make different types of fertilizers, premium, high value fertilizers, that farmers and the agriculture busi-

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ness industry are demanding today as specialty chemicals are being refined and crops are being designed in ways that require the premium nutrients. A good example of that is potassium sulfate, which is the next step up from basic KCL. That goes for around \$650 per ton. The magnesium chloride, magnesium sulfates and the calcium-based fertilizers are also in high demand. We are going to be making higher value-added premium products at much larger margins. The volumes that we will be making will not be near the big companies today, but the margins will be much better.

**CEOCFO:** Do you have the board members with the knowledge of potash in the industry and where are you in the process?

**Mr. Brodkey:** Yes, we have much technical wisdom inside our company and on our board, although we tend to use third parties and consultants. We hire the right people for the right job

rather than have everybody in-house since it is frowned upon to have large overhead. We tend to do things on an outside basis and see about getting technical help. We have a technical advisor whose name is Dr. Tim Lowenstein and he is a professor of geochemistry, head of the department at one time at Binghamton University in New York. His experience has been with brine salars in the Atacama, which is where we are at. He is an incredibly good resource. He has done some analytical work and has given us some good information about where he thinks we should go by designing the types of products he thinks we can make from our salars. It should be noted that each brine salar is different in terms of geochemistry and constituents that make up the actual brines. From one salar you might be able to easily make K<sub>2</sub>SO<sub>4</sub> and from the next one you can only make KCL. It is a matter of chemistry and type of sulfate content you have and a function of many different factors. On the outside we have been hiring very competent and highly recommended consultants. For example, we have been using a group that is based here in Tucson, where our headquarters are located, called Errol Montgomery and Associates. They are expert hydrogeologists. They are very good in terms of designing drilling programs and being able to help you develop a NI 43-101 compliance technical report that will start you out on some of the inferred resource estimates at your salar and work it all the way up to measured and indicated. Then an actual proven and probable reserve such as called for under SEC Guide 7 standards. They have designed some initial test programs for us on some of our lead projects. Our best salar today, where they have designed a program, is called the Salar de Pedernales, which is in the Atacama Region III. It is the second largest salar in Chile at about 450 square kilometers. We have water rights over almost half of the salar and 5,100 hectares of mineral rights. We are very keen on carrying out our program at this salar. . At the end of January, we announced a joint venture with an entity called Minex Ven-

tures VII, which is one in the series of limited liability companies set up here in the US and run out of the state of Colorado. Minex entities have placed money into various mining projects around the world and many in South America. Minex VII has agreed to a joint venture with us at Pedernales to carry us through what would be called the preliminary feasibility study or preliminary economic analysis stage. They have agreed to spend over the next two years \$2.5 million and take the project to that point at which we should have a measured and indicated resource at the Pedernales. We should have real economics that gives you a sense of what a project can look like. We should have decent projected numbers on our operating costs per tonne of KCL equivalent. We should have good numbers on the measured and indicated reserve and how many tonnes of potash equivalent exist within our project. These are

all things that come out of the drilling and exploration programs that Montgomery and Associates has designed and we will pursue.

**CEOCFO:** Does First Potash have adequate funding?

**Mr. Brodkey:** We have plans to access the capital markets for money because there is overhead in the company that we try to cover as well as we can. We are in the middle of pursuing a capital raise and recently announced we are seeking to raise about \$370 thousand via a temporary relief program at the Toronto Venture Stock Exchange.

**CEOCFO:** Why should the business and investment community pay attention to First Potash?

**Mr. Brodkey:** This company is viable. It is focusing on the commodity of potash. We have a very bright future. We are in a great place to produce

potash, which is a jurisdiction that is very mining oriented and positive in terms of the regulatory environment and fiscal environment as well as the ability to repatriate capital. All of the things you would like to see. The ability to finance a project in Chile is equivalent in terms of political risk to the ability to finance a project in North America. We have a portfolio of ten projects. We have the opportunity to bring more partners in to do more joint ventures and put this company back on track. We are trading at a small share price now but that price no way reflects the value of the company and my job is to demonstrate in the market that there is huge value in this company. If I were an investor, I would be following this company and waiting to see what is going to happen in the future.



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