



Major Potash Deposit Near Holbrook, Arizona

Holbrook Area Potash Project

American West Potash

Fall 2011



Agenda

- Who we are
- Why we are here
- Potash Overview
- Holbrook: Competitive Advantages
- American West Potash
- Next Steps
- A Snap Shot of Potash Processing



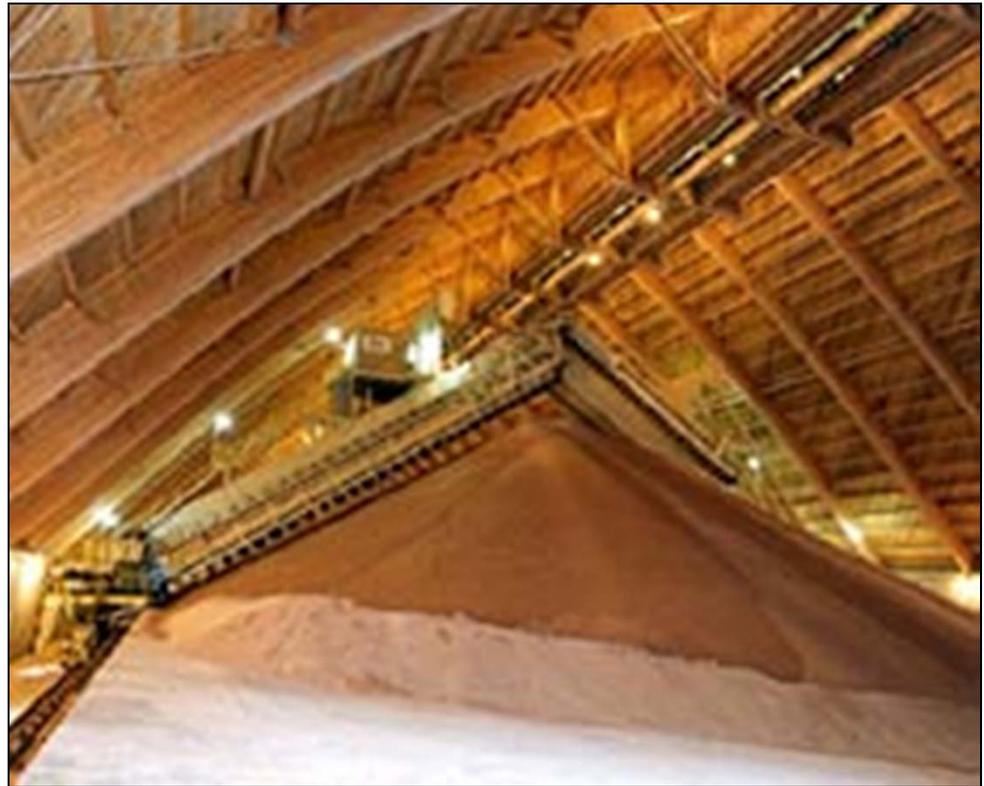
Holbrook:

Significant Strategic Advantages

- ❑ Solid historical geologic analysis and modeling
- ❑ Significant potash reserve at shallow depths
- ❑ Likely to be conventionally mined, then complete with solution mining
- ❑ No oil and gas conflict
- ❑ Close to large agricultural and industrial markets: Southwest, California, Mexico, Ports for international shipments
- ❑ Potential for low cost construction and mining
- ❑ Favorable business climate; political stability
- ❑ Favorable weather

Potash

- What is it?
- Where is it found
- World statistics
 - Tons used
 - World trade
 - Domestic activity



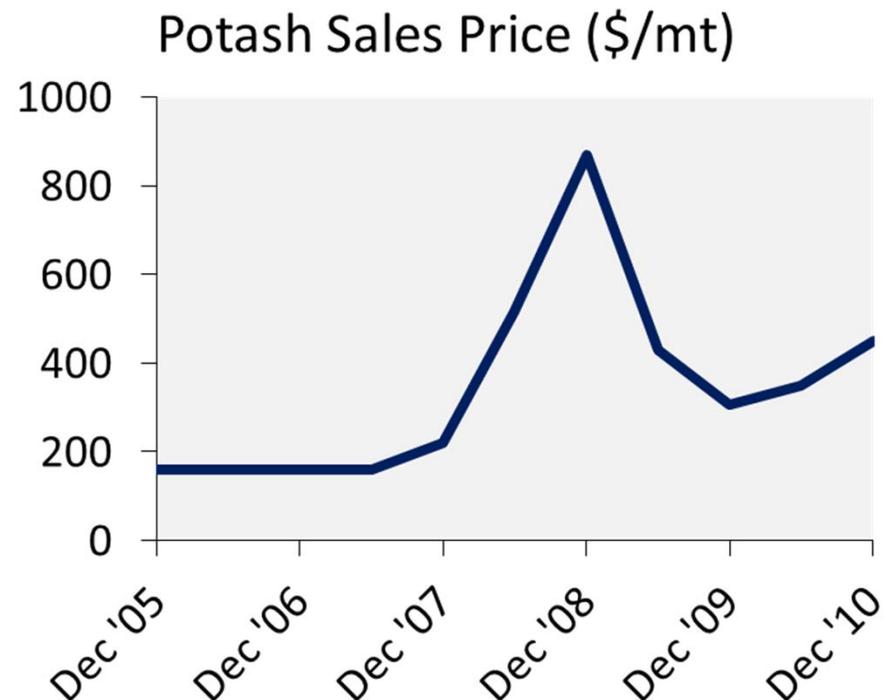


Potash Projects and Reserves

- Canada
- Russia
- Other – Argentina, Peru, Congo, Thailand
- US
 - Carlsbad
 - North Dakota
 - Holbrook

Potash Economics

- Key agricultural nutrient
- World shortage of potash, limited global reserves
- Increasing global demand
- Increasing sales prices and improved technology now make Arizona project viable



Source: Infomine.com



American West Potash Partnership

- Karlsson Group – over two years of work in the Holbrook Basin
- Prospect Global – extensive experience in natural resource projects, financial and technical expertise
- Pat Avery – Executive Project Manager
- Developed strategic and progress plans, have made significant progress

Mining, Manufacturing and Fertilizer Experience

- Potash: Led last six projects in the US
 - Expansion of three underground mines and surface plants (New Mexico, Utah)
 - Design and engineering of opening an abandoned mine (NM)
 - Two major solution mining projects (NM, UT)
- Manage all aspects of fertilizer design, engineering, construction, production, supply chain and sales
- Nitrogen complexes
- Phosphate mining, phos acid plants, gold, silver, copper, clay, silica- Id, UT, NV, Wy, CO, AZ, WA, Or

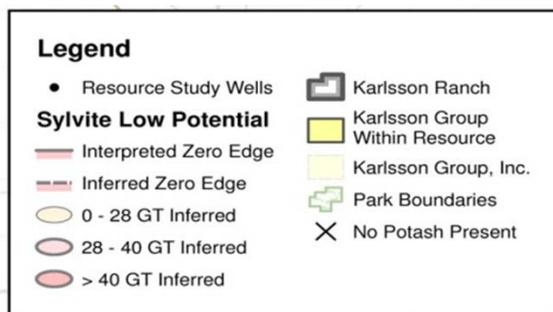


Accomplishments

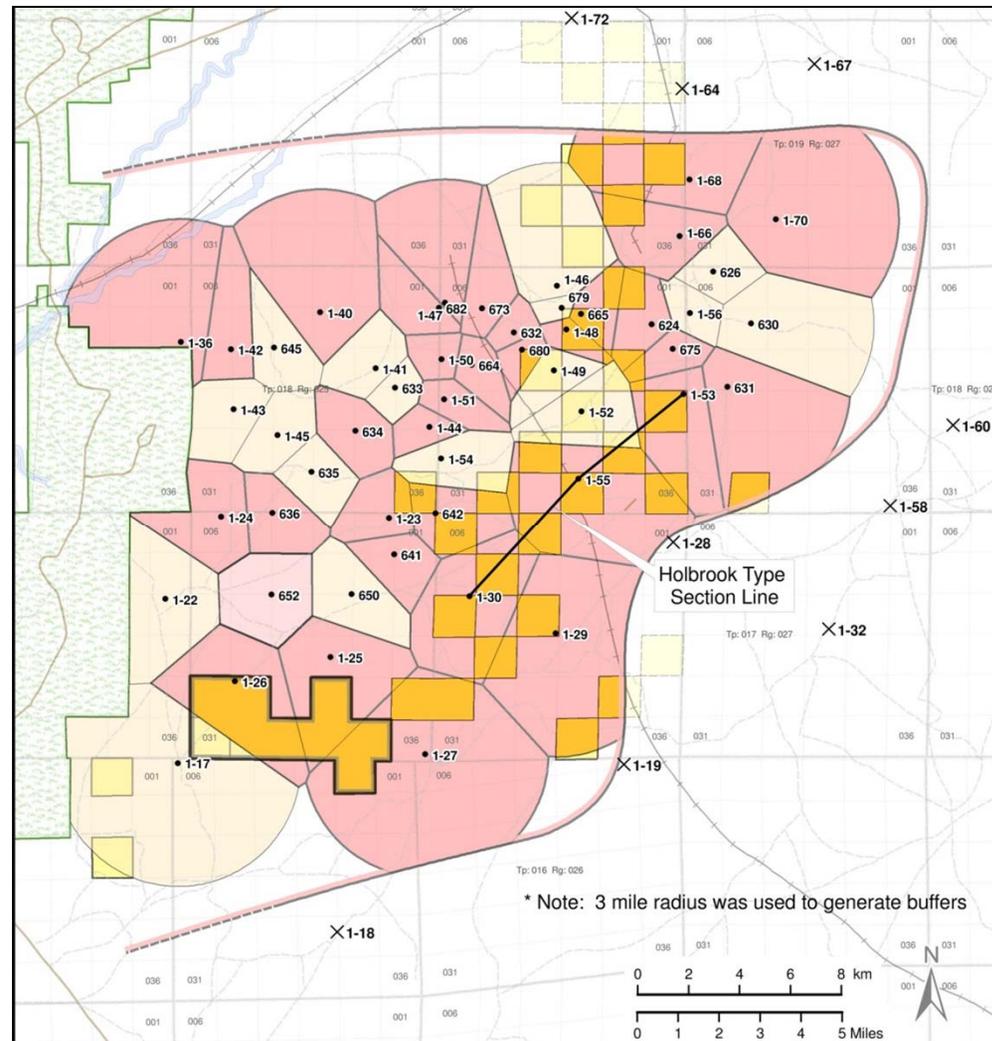
- Leasehold accumulation
 - 42 state sections, approx. 27,000 acres
 - 8 private sections- surface plant
 - Completed acquisition for 100 private sections of mineral leases
 - 150 sections combined
 - Working with North Rim Exploration, top potash consulting firm
- Compiled, digitized and evaluated historical data
- Completed 43-101 Resource Report
- Prepared preliminary design, budget and permitting plan for full 2.0MM product ton facility
- Cooperative efforts in the area

North Rim Geologic Study

- Mapped all historical information
- Compared well data to Rauzi Report
- Begin mine plan



 <p>North Rim</p>	<p>HOLBROOK BASIN</p> <p>WELL LOCATIONS USED FOR RESOURCE CALCULATIONS</p> <p>NOT CLIPPED TO KARLSSON LANDS</p>							
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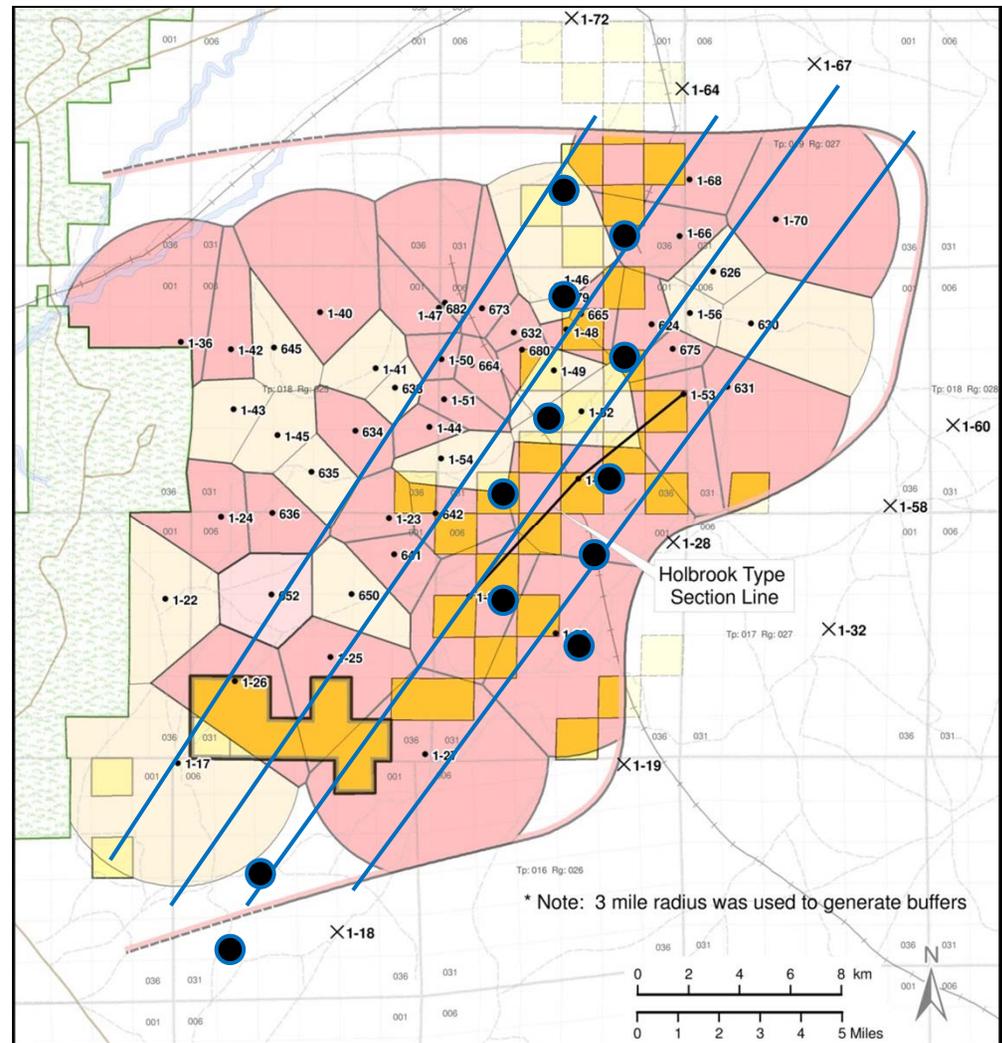


NI 43-10 Plan

- 2D seismic line
- Well location

Legend	
● Resource Study Wells	☐ Karlsson Ranch
Sylvite Low Potential	☐ Karlsson Group Within Resource
— Interpreted Zero Edge	☐ Karlsson Group, Inc.
— Inferred Zero Edge	☐ Park Boundaries
○ 0 - 28 GT Inferred	× No Potash Present
○ 28 - 40 GT Inferred	
○ > 40 GT Inferred	

 <p>North Rim</p>	HOLBROOK BASIN WELL LOCATIONS USED FOR RESOURCE CALCULATIONS NOT CLIPPED TO KARLSSON LANDS
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Next Steps – Future Work

- Continue with area wide field work
 - Seismic- Began 2/1/2011
 - Drilling- May 1- August 15
 - Geologic modeling
- Complete an NI 43-101- Done- October 15, 2011.
 - Results are very positive and merit future work.
 - Large, long life mine resource
- Develop mine plan, feasibility study and long term budget
- Finalize project viability



State and Local Benefits

- Job Creation
 - Consulting and permitting: 1-1.5 years
 - Construction: 1 year, 500 – 800 jobs
 - Mining/Production: 300 – 400 jobs
- State royalty revenue (hundreds of millions)
- State and county ad valorem tax revenue
- Sales tax revenue (hundreds of millions)
- Underground mining reduces visual and environmental impact



Key Conclusions

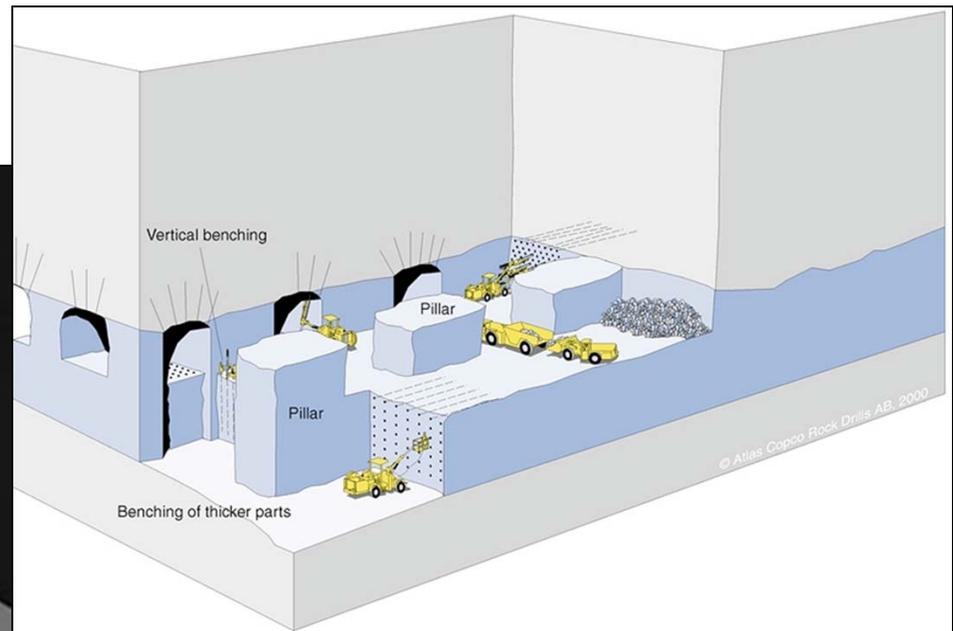
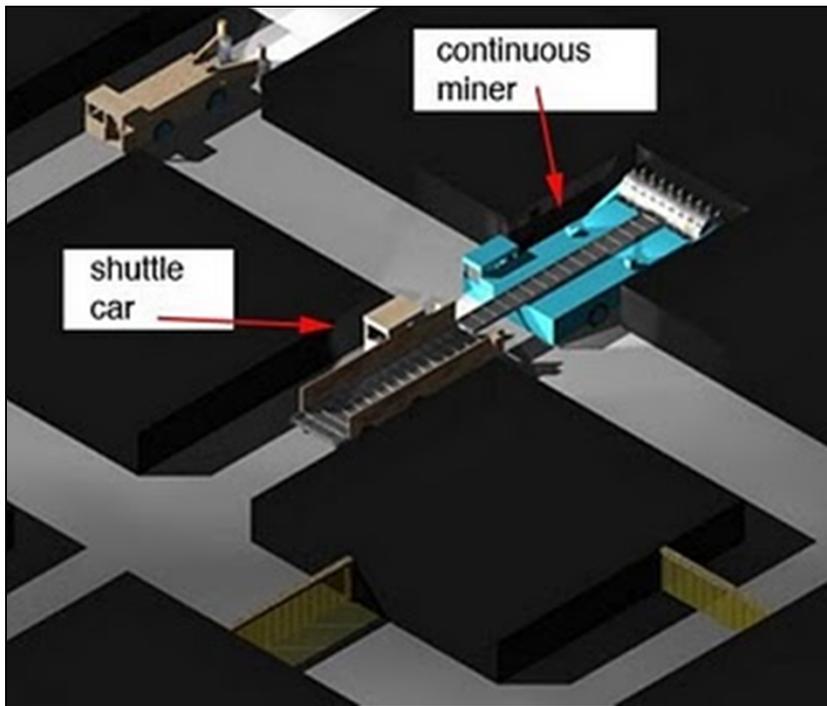
- Significant land position
 - 150 sections, 95,000 acres
 - potentially 900mm tons of potash
- Cooperative efforts with adjacent land owners
- Significant resource potential and revenue stream
 - Ann.production: 2mm tpy-40-50 years of mining
- Favorable region and conditions: reserves, depth, climate, markets, and business environment



A Snap Shot of Potash Mining and Processing

- Underground Mine
- Surface Processing Plant: floatation, separation, drying
- Product Prep: sizing, granulation
- Product Storage and Rail/Truck Load Out
- Infrastructure: electrical, water, steam, roads, rail
- No hazardous steps, processes or chemicals

Underground Mining



Underground Mining

- ❑ Continuous miners cut the face
- ❑ Ore is moved by conveyors to production shaft

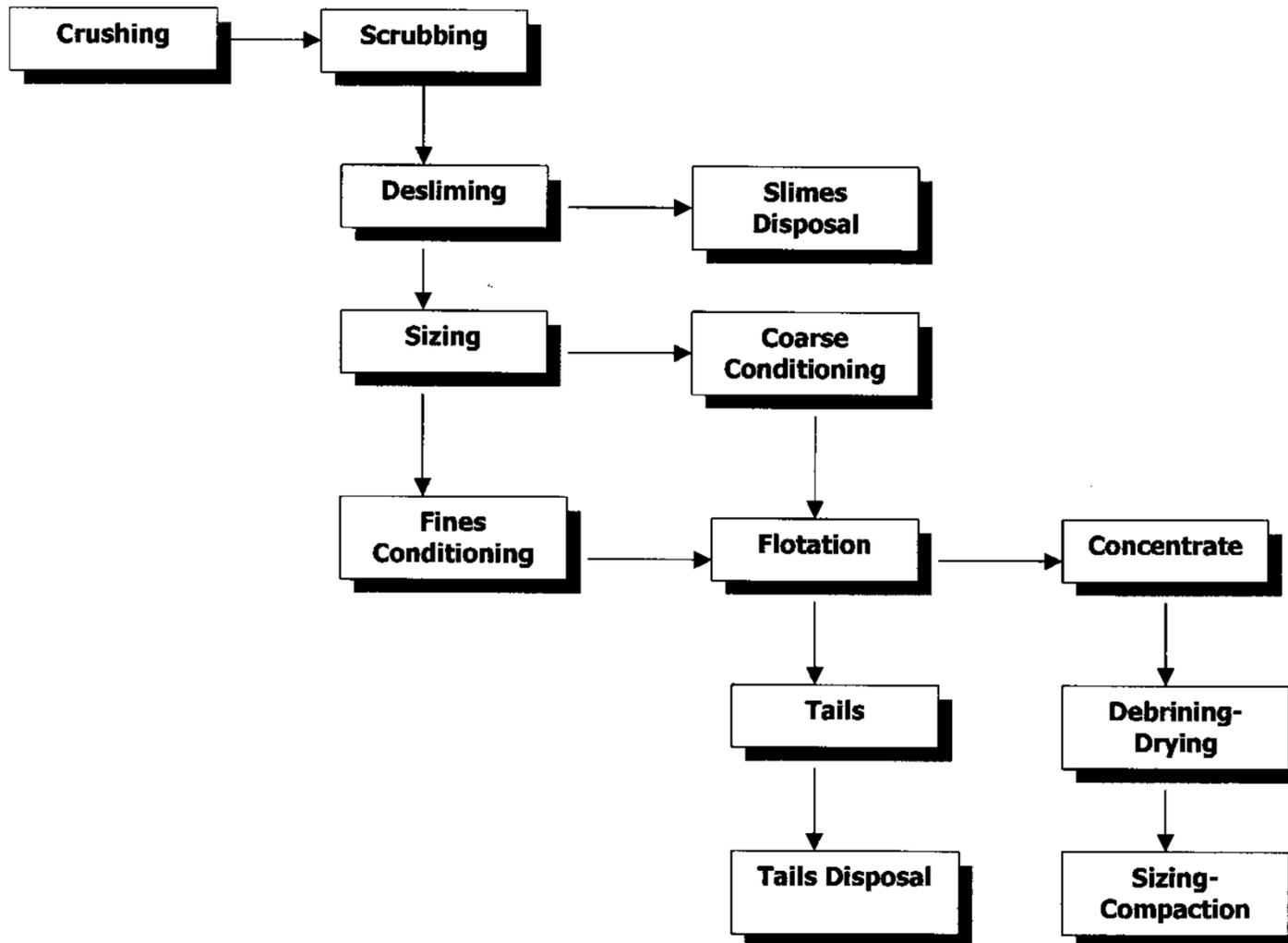


Surface Processing

Ore comes to the surface and is concentrated from 8-20% ore to 60-62% - salable product



Surface Process

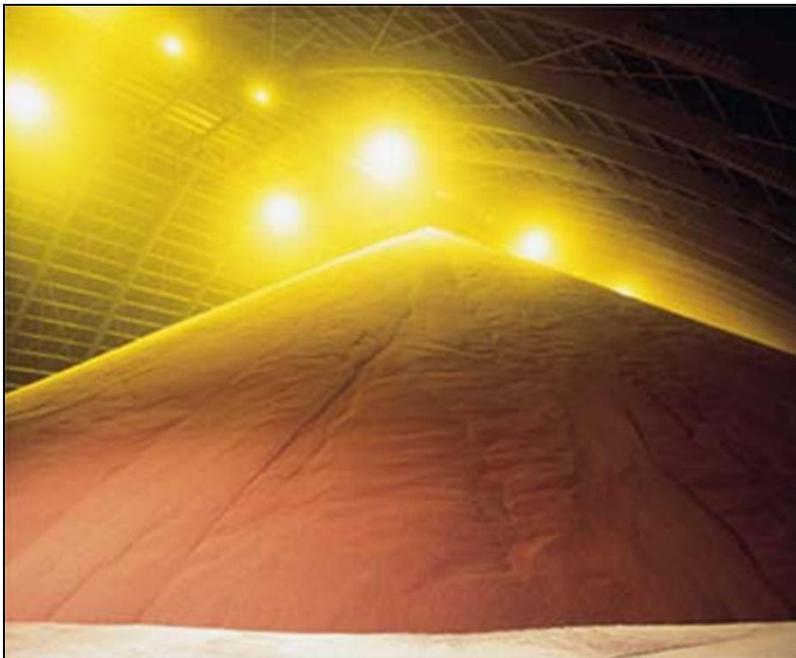


Floatation Building



Product

Holbrook will produce red standard and granular



Potash Facility – A good industrial partner and neighbor



Questions?

