

Passport Potash: initial NI 43-101 resource estimate expected Q1

by Kathrine Moore

Passport Potash Inc. [PPI-TSXV; PPRTF-OTCQX], headquartered in Vancouver, BC, is engaged in the exploration and development of the company's potash properties in Arizona where they have acquired a strategic position in the Holbrook Basin with land holdings encompassing over 81,315 acres.

On November 2, 2011, Passport announced the completion of a NI 43-101 compliant technical report, prepared by SRK Consulting, on the exploration potential for the Holbrook Basin Project, using Passport's verifiable drill data. SRK estimated an exploration potential of between 290 and 315 million metric tonnes of K₂O using a grade of 2% K₂O as a threshold of mineralization, which is equivalent to a range from 460 to 500 million metric tonnes of KCL. The exploration potential is not a resource estimate. To that end, Passport has engaged ERCOSPLAN, an independent consulting firm, to complete its initial NI 43-101 compliant resource estimate on its Holbrook Project.

Passport anticipates that an initial, NI 43-101 resource estimate will be completed in Q1 2012. The report will include historical drill results from over 100 historic holes drilled on the property between 1960 and 1970 as well as the drill results from 30 holes drilled from 2009 through 2011, averaging about 1,150 feet per hole. All holes have had down-hole geophysics conducted on them and 100 miles of seismic have also been completed.

Underway is Passport's fully permitted, 2012, core drilling program comprised of 10 holes expected to average 250 feet per hole for a total of 2,500 feet. Preparatory casing and rotary drilling of 8,295 feet have been completed in all 10 holes. Eight of the 10 drill holes will be infill drilling while the remaining two holes will be exploratory and will be drilled on the west side of the property. Data from the 10 hole drilling program will not be included in the initial

resource estimate, but will be incorporated by ERCOSPLAN in an updated resource estimate. Drill results will be reported as they are received by Passport.

Passport President, Joshua Bleak, said, "The information from this new drilling will help us to further define and understand the exploration potential on our properties. We are encouraged to have the site visit by Dr. Rauche (of ERCOSPLAN) completed, and look forward to the resource estimate." Should the results of the resource estimate warrant it, Passport's goal is to begin a feasibility study this year. Management is assessing the options of solution or underground mining.

Bleak told *Resource World* that the project area has the potential to grow significantly through acquisition. Passport is exploring the possibility of acquiring the prospective and privately owned adjoining land, to the west of Passport's project. The acquisition could enlarge Passport's land holdings by as much as 50%. Should Passport increase their land position, further drilling would be planned.

Arkla Exploration Company and Duval Corporation reported the presence of the potassium minerals sylvite, carnallite, and polyhalite after exploration the property in the 1960s and 1970s. The Holbrook Basin Project is seven miles east of Holbrook, Arizona situated atop the large Holbrook Salt Basin. Potash deposits in the Holbrook Basin are considered shallow by industry standards, with deposits ranging at depths of between 800 and 1,300 ft, which is a major advantage for Passport. The project has good infrastructure: access to BNSF rail lines, Interstate 40 and power. In August 2008, the Arizona Geological Survey published an open file report (OFR 08-07), based on its review of the historic drilling data, which suggested further potash exploration in the Holbrook Basin is warranted.

Passport recently appointed David J.



On the right Joshua Bleak, President and CEO Passport Potash and Clay Meyer, KM Drilling, at Holbrook Basin Project, Arizona. Photo courtesy of Passport Potash Inc.

Salisbury as a Director and Chairman of its Board of Directors. Salisbury has experience in all phases of mine development; his 40 years' experience includes seventeen years with Rio Tinto plc., serving as President and CEO of Resolution Copper, President and CEO of Kennecott Minerals Company, Managing Director and CEO of Rössing Uranium Ltd., President of Cordero Mining Company/Sun Coal Company, President and COO of the Al Hamilton Operating Company/Bradford Coal Company and President of The Coteau Properties Company/North American Coal Corporation.

"We are thrilled to have someone of Mr. Salisbury's caliber joining us as Chairman of Passport's Board of Directors. There are few mining executives who can match the breadth of Mr. Salisbury's experience or his record of success in the mining industry," said Bleak.

Former US Congressman, Matthew Salmon, also recently joined Passport's board, effective February 1, 2012.

In January of 2012, Passport closed a non-brokered, private placement consisting of 41,666,425 units of the company, at a subscription price of \$0.18 per unit, for gross proceeds of \$7,499,956.50. Passport has 168.3 million shares issued and outstanding. ■