Holbrook Area Potash Project

American West Potash

Winter 2012

Agenda

- Who we are
- Why we are here
- Potash Overview
- Holbrook Basin : 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
- Will be conventionally mined, then followed by solution mining
- Great infrastructure- road, rail, electrical
- 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

Potash

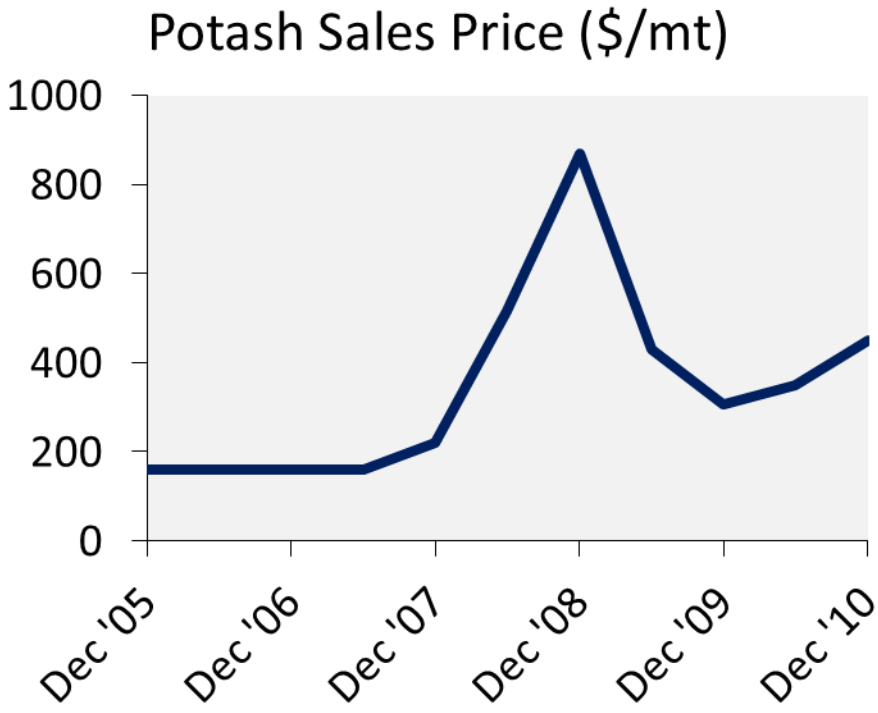
- What is it?
- Where is it found
- World statistics
  - Tons used-60mm
  - World trade
  - Domestic activity

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

- We now have 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 plan to prove-up potash resource

Mining, Manufacturing and Fertilizer Experience

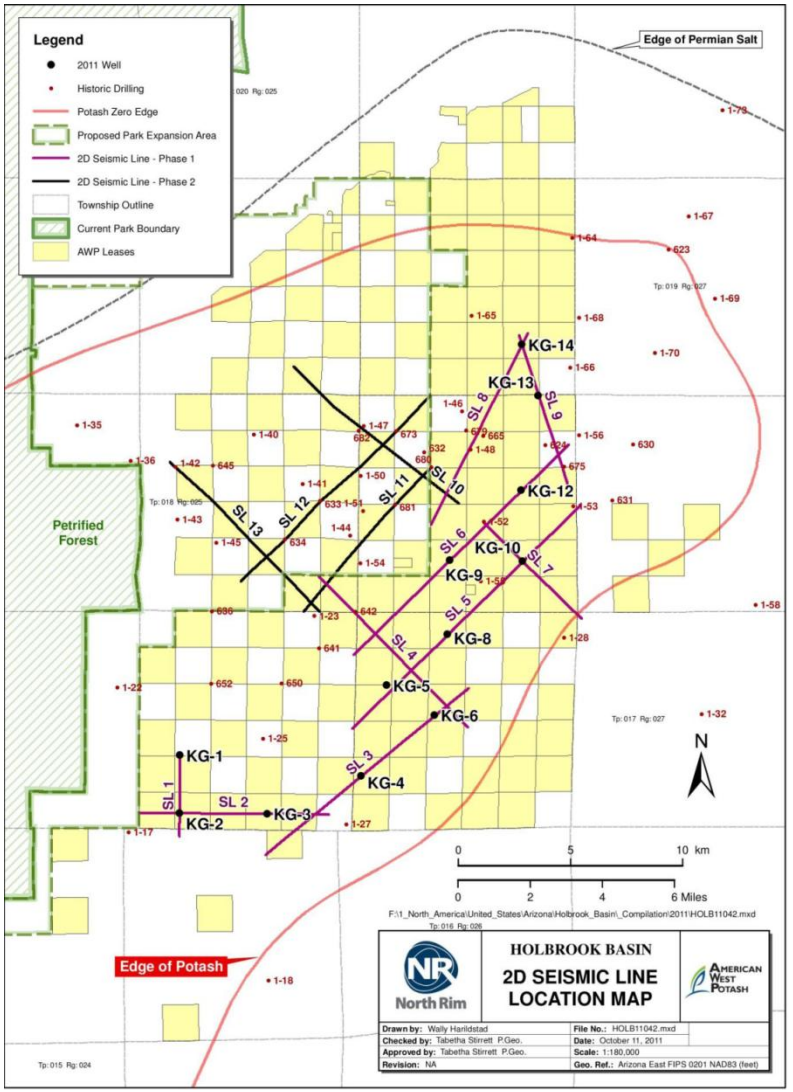
- Potash: Led last six projects in the US
  - Expansion of three underground mines and surface plants (NM, UT)
  - Design and engineering of opening an abandoned mine (NM)
  - Two major solution mining projects (NM, UT)
- Manage all aspects of fertilizer design, engineering, construction, production,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

Accomplishments

- Leasehold accumulation through multiple transactions
  - 150 sections, 42 state sections,108 private sections
  - Approximately 93,000 acres
- Completed 43-101 Resource Report
  - 718mm tonnes resource containing 82mm tonnes K_2O and 132mm tonnes KCl
  - 11.5% K_2O ore grade- 40-60 years of mining
- Prepared preliminary design, budget and permitting plan for full 2.0mm finished tonne production facility
- Completed Preliminary Economic Assessment that shows our capital and operating costs to be very competitive and viable
- Teamed up with industry experts North Rim Exploration and Tetra Tech
- Created cooperative processes and relationships in the area

NI 43-101 Resource Calculation

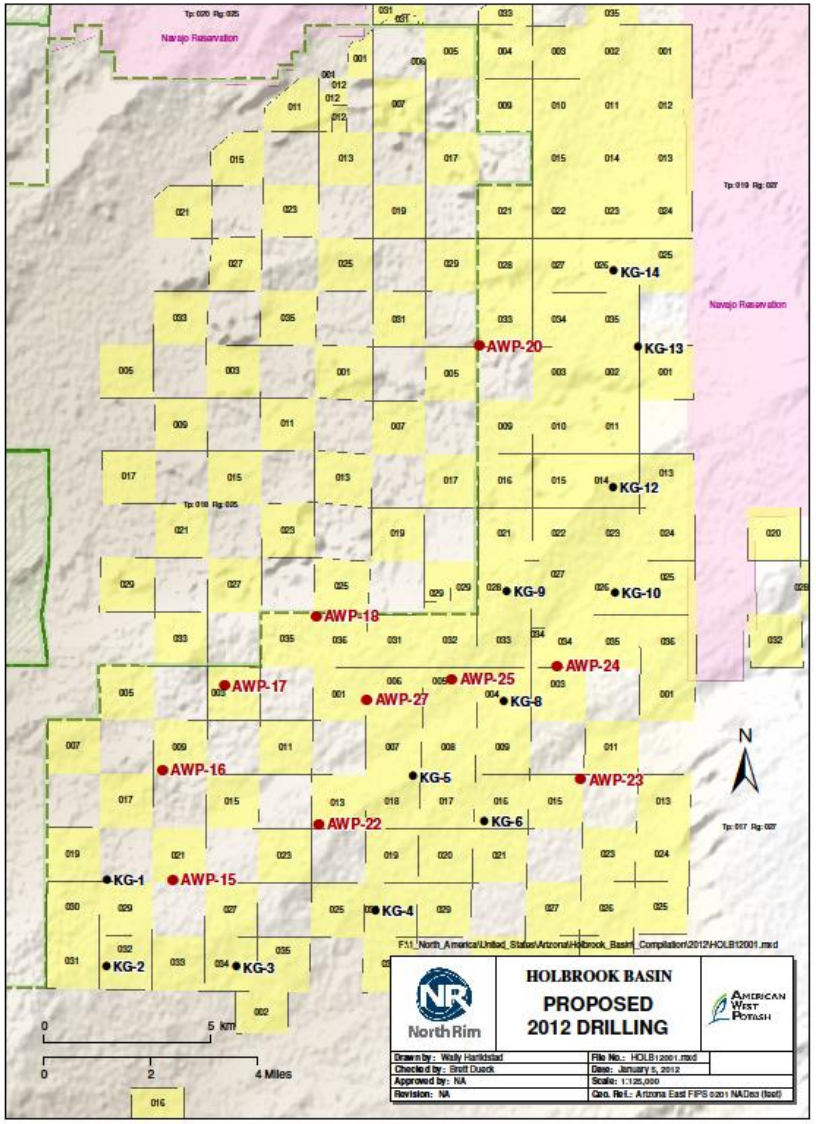
- Drilled and cored 12 new wells; 6 wells twinned historical wells
- Acquired 70 miles 2D seismic
- Mapped all historical information
- Larger resource than initially anticipated
- Plan Phase 2 to increase resource



2012 Phase 2 Drilling Program

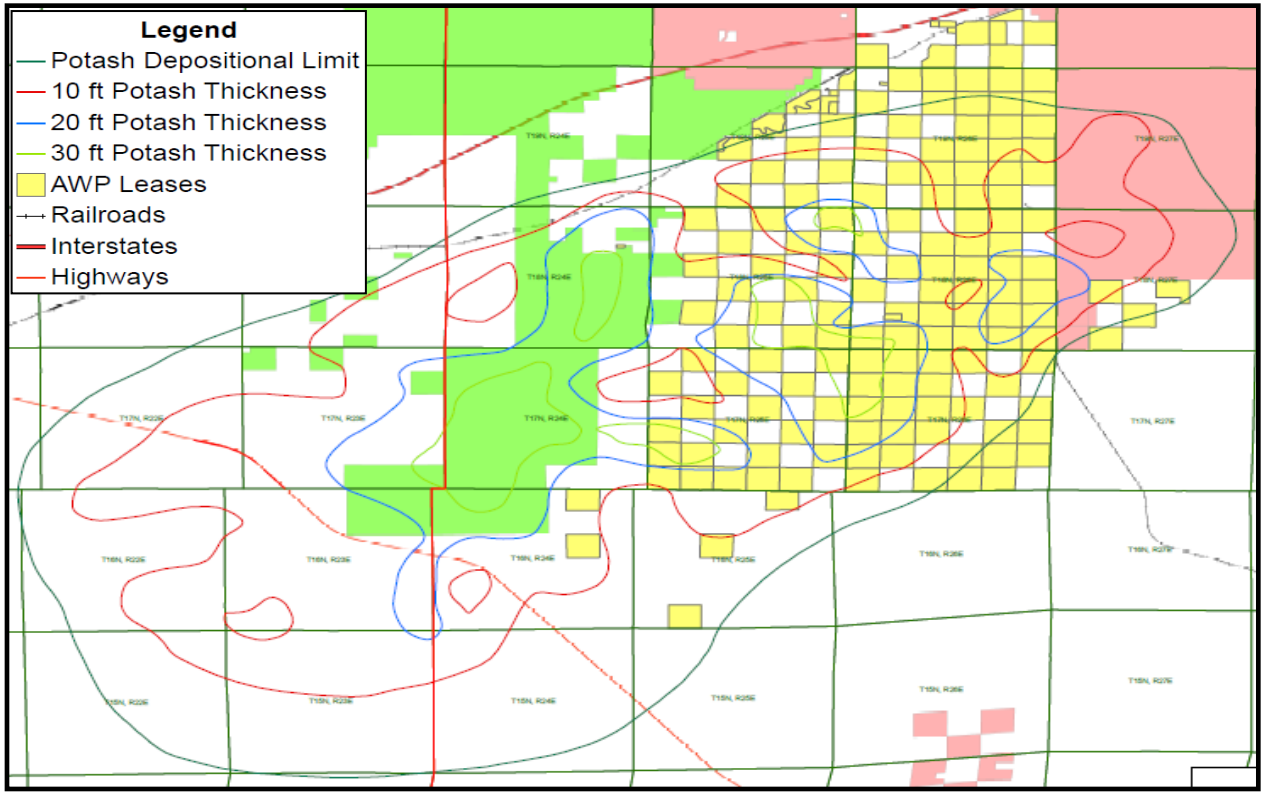
- More drilling to:
  - increase resource
  - increase ore grade
  - more detailed mine plan

- February-May



Strong Correlations

- New data showed strong correlation to Rauzi Report and historical data
- Justifies development of potash resource



Next Steps

- Proceed with pre-development activity
  - 2012 Phase 2 Drilling Program
  - Mine Plan – First half of 2012
- Development activity
  - Feasibility study
  - Long term budget
  - File All State Permits- March 2012
  - Order Long Lead Equipment
- Construction

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

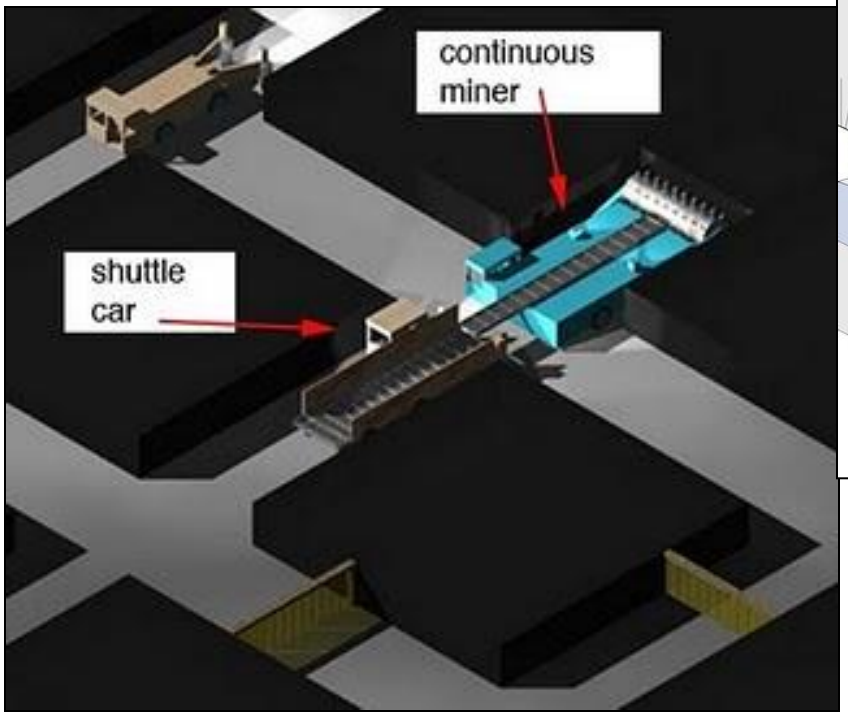
Key Conclusions

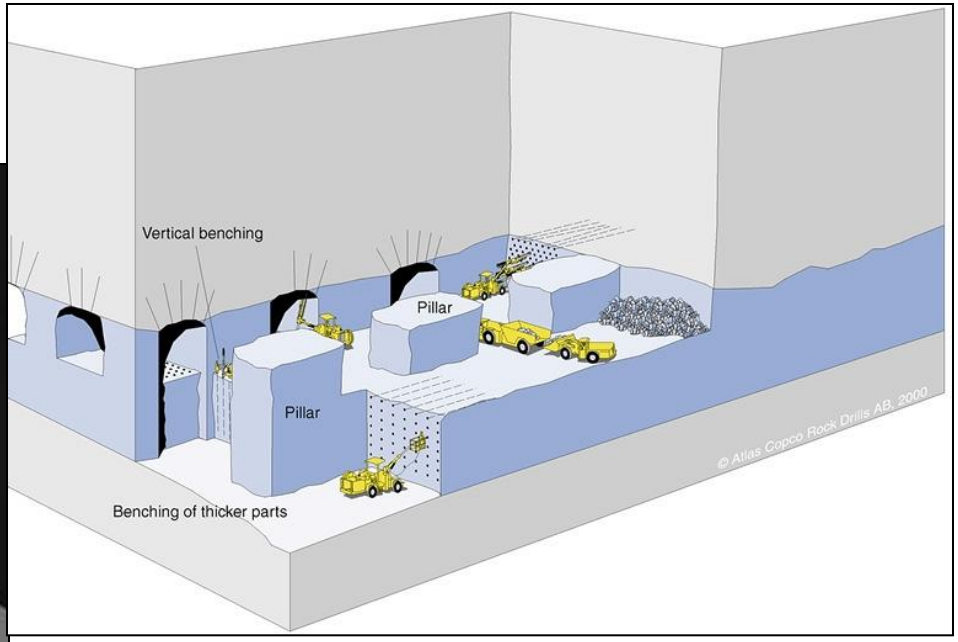
- Significant land position and resource
  - 150 sections, 93,000 acres
  - 718mm tonnes resource containing 82mm tonnes K_2O and 132mm tonnes KCl
  - 2mm tonnes per year production
  - > 40 year mine life
  - Very competitive in Capital and Operating Costs with global producers and developmental projects
- Cooperative efforts with adjacent land owners
- Favorable region and conditions: reserves, depth, climate, markets and business environment

A Snap Shot of Potash Mining and Processing

- Underground Mine
- Surface Processing Plant: flotation, 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





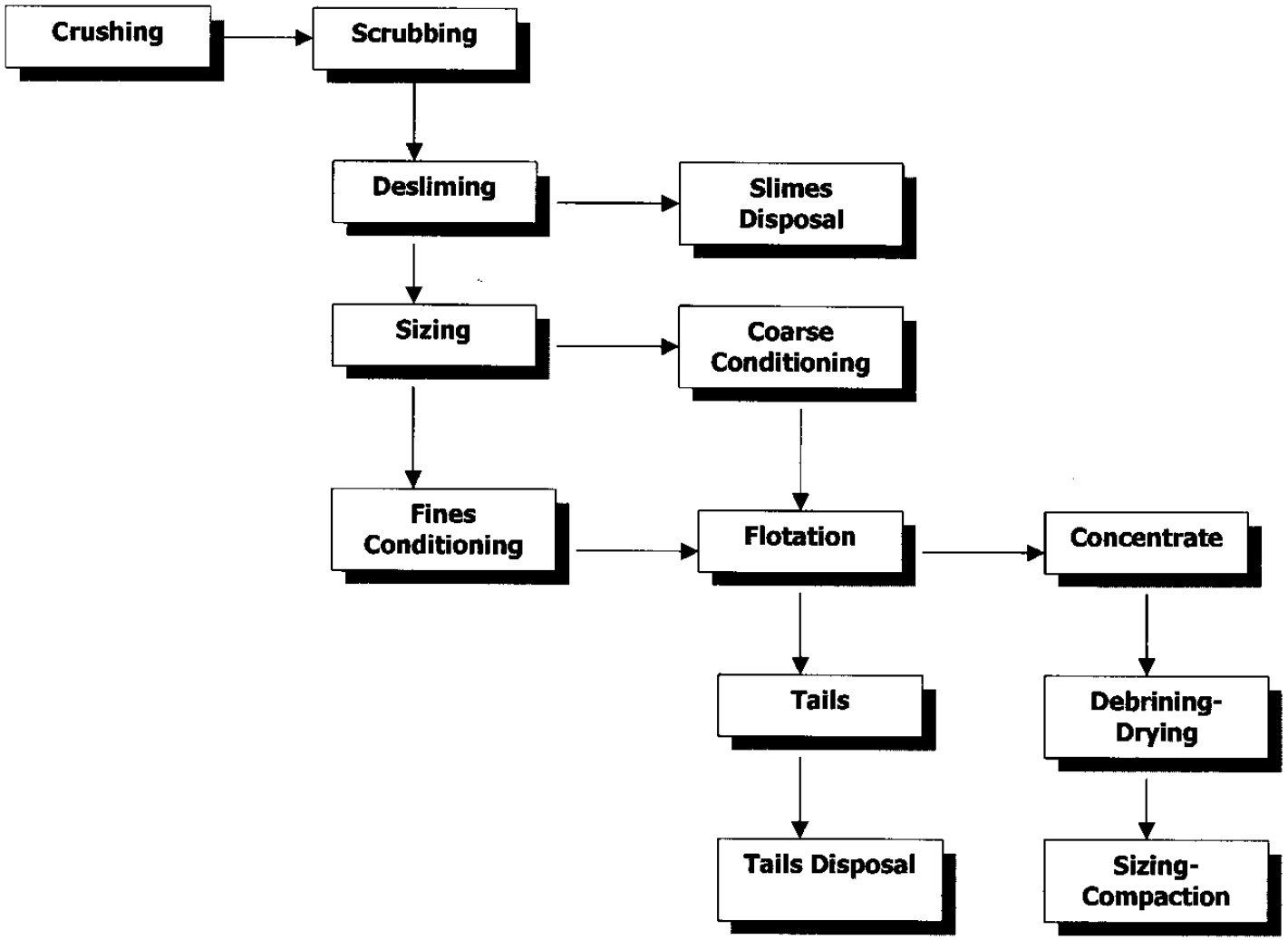
Underground Mining

- 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

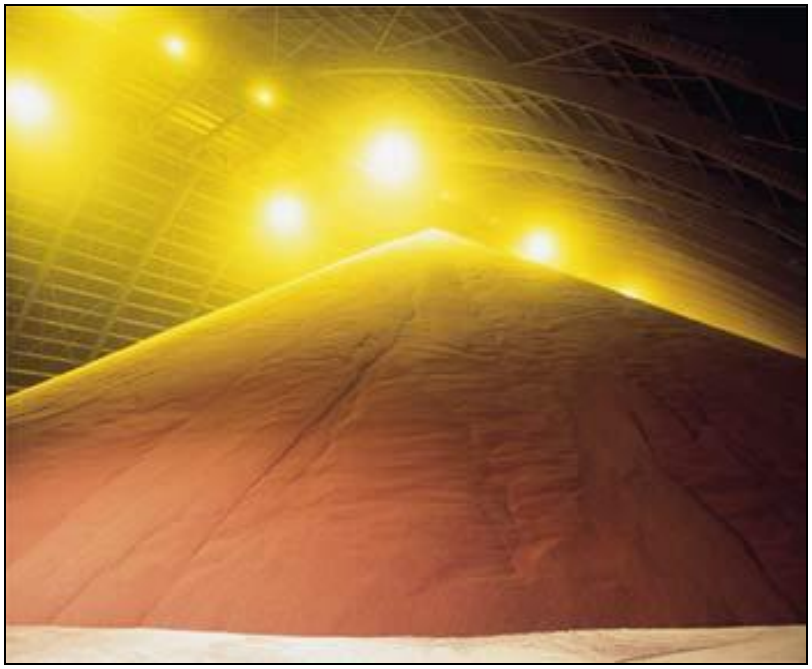
Surface Process



Flotation Building

Product

Holbrook will produce red standard and granular



Potash Facility – A good industrial partner and neighbor

Questions?