



Potash Will Have Region-Wide Impact; AZ Potash Website Debuts

Progress reports from Passport Potash and American West Potash indicate that potash mining may have a greater than expected impact on production, job creation and capital investment throughout the Real AZ Corridor.



Passport Potash is based in Vancouver, BC and Apache Junction, AZ and has interests in more than 86,000 acres in the Holbrook Basin. The company also has a letter of intent to purchase an additional 41,000 acres of private land. An exploration campaign that began in 2009 is now in its second phase and the company has more than 52 new exploration drill holes in license areas and on adjacent Hopi Tribe land.

The 52 drill holes from 2012 provided the basis for a Preliminary Economic Assessment (PEA) which was released in March 2013. According to the PEA, the combined totals for the resources of the Passport and Hopi properties have been identified as 34.77 million tons measured, 363.17 million tons indicated and 790.73 million tons of inferred potash at an average depth of 800 to 1,400 feet, and with an average KCI grade of 14.68%.

A 2012 agreement with the Hopi tribe allowed Passport to access and conduct exploration activities on an additional 12,853 acres of privately held Hopi land (non-Reservation land) while allowing the tribe to share in the study results.

The company expects that conventional mining methods can recover up to 80 percent of the mineral in the deposits and that the life of the mine might be 25 to 30 years. The significantly higher resources reported in the March 2013 PEA (versus the company's 2012 NI-43-101 resource estimate) led Passport to increase its job creation projections to 1,770 full-time permanent workers, potentially beginning in 2017/2018.

American West Potash is based in Denver, CO and owned by **Prospect Global Resources**. The company has stated

April 2013

Corridor Names New Coordinator

Gus Lundberg has been appointed Coordinator for the **Real AZ Corridor** and the **Real AZ Development Council**.



Gus was also recently named Town Manager in Taylor. He brings more than seven years of experience to his work for both entities. Gus worked briefly for the Navajo County Finance Department after serving five years as Finance Director for the Town of Taylor, and two years in the Finance Department in Show Low.

He holds a Bachelor's Degree in Business Administration from Dixie State University, is a two-time Phi Beta Lambda national business competition finalist, and lives in Snowflake with his wife, Natalie, and their six children.

Gus takes over coordinating, lead follow up and outreach responsibilities for the **Real AZ Corridor** from former coordinator Eric Duthie, who left his position with the Town of Taylor in February.

Gus can be reached at glundberg@realazcorridor.com or by calling (928) 243-8840.

that it plans to invest more than \$1.4 billion in initial capital costs in the Holbrook Basin, and that it expects potash mining in the region to be a catalyst for related industries, including vendors for supplies and services.

Prospect Global has acquired leaseholds on more than 94,000 acres of state and private land in the region. The American West Potash project is located within Apache County, immediately east of the Petrified Forest National Park. The center of the project area is approximately 10 miles south of Interstate 40 and is close to the city of St. Johns.



The company completed a PEA in 2011 which included 70 miles of seismic studies, 12 new wells and 81 historic wells. The mineral resource estimate is 3 million tons measured, 25 million tons indicated and 66 million tons inferred at an average depth of 1,427 feet. An independent geologist's report concluded that Prospect Global's properties can produce 2 million to 3 million tons of potash per year for 40 years. At today's potash prices, 40 years of production could be worth \$40 to \$60 billion in sales.

Preliminary design, budget and permitting plans call for a facility that will produce 2 million finished tons of potash per year. The company expects to create 500 to 800 temporary construction jobs in the first 18 to 30 months, and then 300 to 400 permanent mining/production jobs once operations begin. In 2012, Prospect Global entered into an agreement with Sichuan Chemistry Industry Holding to buy a minimum of 500,000 tons (and up to 1 million tons) of potash per year for 10 years. The amount could represent about 25% to 50% of Prospect Global's estimated annual production of potash.

NEW! A website dedicated to providing updates on business, job and training opportunities related to the development of potash mining in the **Real AZ Corridor** debuted this month. You can learn more about Potash Mining and its expected, related growth throughout the **Real AZ Corridor** at www.azpotash.com ... at www.potashsector.com ... and on the **Real AZ Corridor** website [HERE](#).

[Read updates on these and other projects in the Real AZ Corridor HERE](#)

4FRI Update: Forest Management Projects Take Shape Slowly

Plans to build a \$230 million lumber processing plant on 500 acres near Winslow have slowed while **Pioneer Forest Products** works to source project funding.

Marketing Strategy Targets Job and Business Growth in Potash Mining Sector

The **Real AZ Development Council (RADC)** has developed a targeted Potash Sector Marketing plan that it will use to facilitate job growth, business development and capital investment throughout the **Real AZ Corridor**.

Key elements of the strategy include **Marketing** to publicize successes and opportunities that are related to potash mining in the Corridor; **Workforce Development and Training** initiatives that will help assure a ready, well-trained workforce to support sustainable mining operations; and **New Business Development** to attract and encourage the creation of businesses that are related to potash mining in the **Real AZ Corridor**.

RADC will concentrate its efforts on working to attract businesses in sectors that are related to potash mining, e.g. *Transportation/Rail/Trucking, Equipment Sales & Services and Distribution Services*. Mining is also expected to create opportunities for new and existing businesses to grow in *Services* (home products, personal, business, hospitality and entertainment), *Retail* (grocery, convenience, apparel), *Housing, Healthcare* and *Training/Education*.

"Our goal is to build a diversified economy and created expanded job opportunities throughout the region, noted **RADC Chair David Tenney**.

The plan was funded through a \$50,000 grant award from the **Arizona Commerce Authority (ACA)** for 'key sector marketing and job development'. **RADC** is focusing on facilitating job creation and industry growth in two key sectors: **Potash Mining and Distribution** and

Pioneer was awarded a 10-year contract from the **U. S. Forest Service (USFS)** in May 2012 to perform restoration treatments on 300,000 acres of national forest lands as part of the **Four Forest Restoration Initiative (4FRI)**. As part of that contract, the company said that it would build a state-of-the-art mill and timber processing facility that would be used to convert small diameter pine timber into high value finger-jointed material. A portion of the woody biomass generated through thinning operations will be used to create bio-diesel fuel.



Pioneer is sourcing loggers and equipment operators to help it restore 30,000 acres in the Apache-Sitgreaves, Tonto, Coconino and Kaibab national forests each year. The USFS is expected to issue the first task order in April or May, which will require Pioneer and its contractors to begin work.

About the Real AZ Corridor

The **Real AZ Corridor** spans two counties and includes nine communities in northeastern Arizona. It stretches over a 110-mile wide area that runs from Winslow and Holbrook in Navajo County to Eagar and Springerville in Apache County and includes the non-Reservation areas that are located south of Interstate 40.

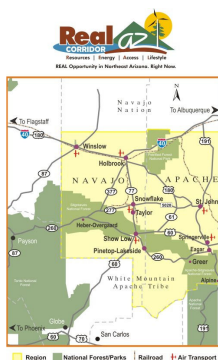
The **Real AZ Corridor** is a region offering abundant water resources, renewable energy assets (wind, biomass, solar, geothermal), an emerging future forest industry and exceptional opportunities in sectors including potash mining and processing; diversified energy production and storage; carbon offset credits; algae and biosciences; and tourism, entrepreneurship and technology. Opportunity is everywhere you look.

Learn more:

Real AZ Development Council

Gus Lundberg, Coordinator (928) 243-8840

www.realazcorridor.com Email us: info@realazcorridor.com



Future Forest/Forest Management.

Implementation of the Potash Mining Sector strategy began at the **RADC** meeting in April.

RADC is working with **Lori Martinek** of **ED/c Partners** to develop and implement targeted marketing strategies for both sectors. The 12-month ACA award includes funding for outreach materials.

Contact the REAL AZ Corridor:

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Contact the Corridor Communities:

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[Pinetop-Lakeside](#)

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