

## Passport Potash Inc.

(PPI-V C\$0.59)

## Fertilizer Watchlist

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**BUY, Venture Risk\***  
12-month target price: N/A

### Begins Releasing Drill Results from 2011 Program - First Drill Holes Reasonable

Vitals	
Exchanges	TSX-V
Fiscal Year End	28-Feb
52-Week Range	\$0.04 - \$1.86
Basic Shares Outstanding (mln)	122.7
Diluted Shares Outstanding (mln)	135.2
Market Capitalization (\$mln)	\$72.4
Current Dividend	\$0.00
Current Yield	0.00%
Cash (\$mln)	\$10.5

Source: See Note 1

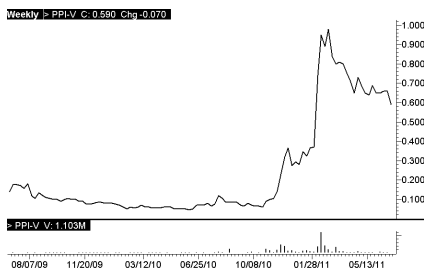
#### Shallow Depth - Average Grades of KCl

- Passport Potash announced Monday assay results released from Skyline Laboratories (Tucson, Arizona) for two drill cores related to the company's 2011 drill program. The results were generally in-line with historical drill results in KCl grade and depth, but suggesting a slight upward dip to the potash layer from north to south.
- "Core 1" (drill hole PPI2011-04) intersected potash from 446m to 449m grading 12.3% KCl and "Core 2" (drill hole PPI2011-06) intersected potash from 438m to 440m grading 11.9% KCl. While relatively shallow when compared to the ~1,000m depth of potash layers in Saskatchewan, these results were deeper than historical results ranging from ~270m to ~315m deep.

#### Upcoming Catalysts - Maiden NI 43-101 Resource Estimate

- Results of drill cores currently undergoing analysis.** Following the release of Cores 1 & 2, the company has five additional cores at Skyline Laboratories undergoing analysis, results of which we expect to be released shortly. Including the two recently released cores, the company has drilled 19 holes: 4 cores were drilled in 2009; 8 are rotary holes to provide downhole geophysics and gamma ray logging; and the remaining 7 were drilled on the Twin Buttes property in the northern part of Passport's concessions.
- Maiden NI 43-101 resource estimate.** The company has stated they will be releasing an initial NI 43-101 compliant resource estimate by the beginning of August (prepared by SRK) aiming to include the 19 announced drill holes, 35-45 historic drill holes (spread across the Twin Buttes property, the federal/provincial lands in the south, and the Ringbolt property to the east), and the 50 line-miles of 2D seismic surveys conducted by Zonge International,
- Updated NI 43-101 resource estimate.** Following the initial technical report, the company aims to then update that resource estimate to include 15 additional exploration holes on the Ringbolt property and an additional 50-mile seismic survey for a total of 34 drill holes and 100 miles of 2D seismic surveys. The company expects to have an updated 43-101 resource estimate prepared by September/October 2011.

#### PPI-V: Price/Volume Chart



Source: Thomson ONE

#### Company Description

Passport Potash is an early stage exploration company which owns a 100% interest in a potash project in the Holbrook Basin of Arizona, USA, as well as several mineral properties under option. The company is currently midst of its drilling program to establish an NI 43-101 compliant resources estimate, the technical report of which should be available in June 2011.

#### Potential to Become Significant Regional Producer

Passport Potash has the advantage of being the only significant explorer/developer in the Holbrook basin, and could help alleviate the U.S.'s dependence on potash imports (currently 8-9 million tonnes per year). There is very little domestic supply and if Passport Potash can successfully prove up an adequate reserve, we think the jurisdiction and significant supporting infrastructure (rail, roads, power, etc.) will help bring funding to the project.

**Exhibit 1: Passport Potash - Recently Announced Drill Results**

Passport Potash Holbrook Potash Project 2011 Drill Results to Date						
	From (m)	To (m)	Drill Width (m)	KCl Grade	K2O Grade*	Highlights
PPI2011-04 "Core 1"	446	449	2.9	12.3%	7.6%	Including 1.2m of 18.3% KCl from 447m to 448m
PPI2011-06 "Core 2"	438	440	2.3	11.9%	7.4%	Including 0.8m of 24.3% KCl from 438.6m to 439.4m

\*K2O grade assumes conversion @ 0.62 KCl

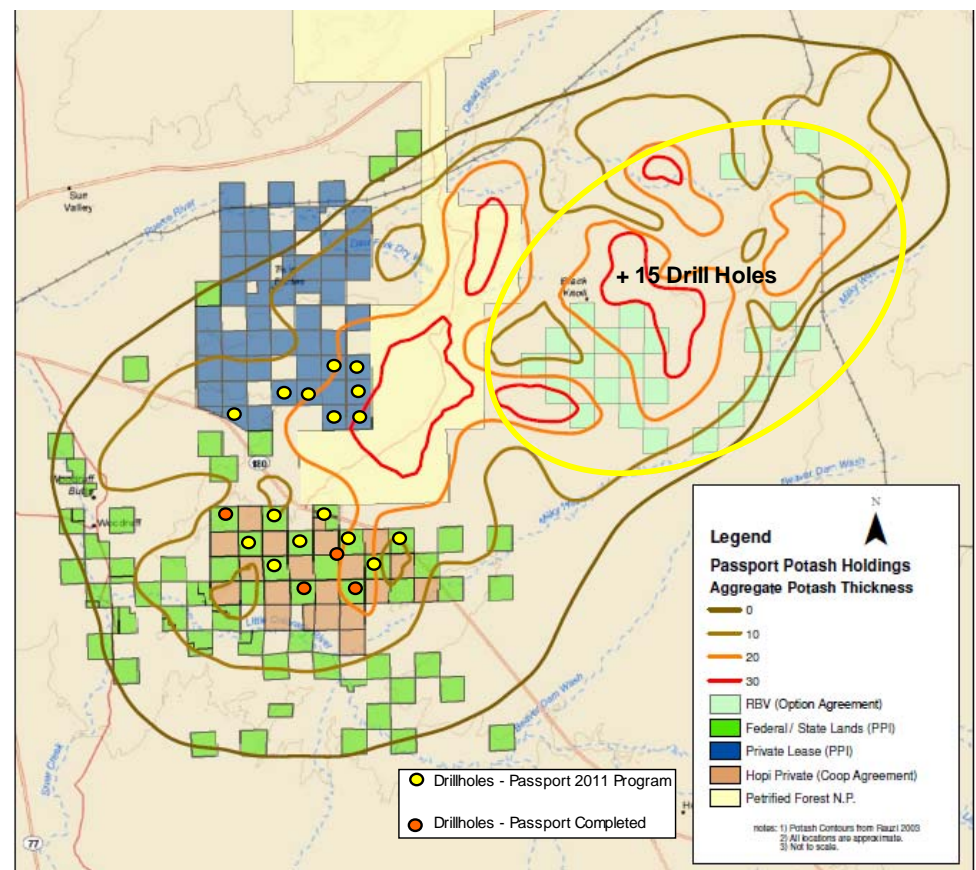
Source: Passport Potash Inc.

**Exhibit 2: Passport Potash - Historic Drill Results**

Passport	Meters (from)	Meters (to)	%KCl	Arkla	Meters (from)	Meters (to)	%KCl
PP-DDH-01-09	272.8	274.2	23.42	Arkla 99	281.6	282.9	22.4
PP-DDH-09-09	302.4	303.6	18.56	Arkla 14	309.2	310.4	17.68
PP-DDH-09-09	292.6	293.5	11.17	Arkla 32	296.0	297.2	23.34
PP-DDH-04-09	311.7	312.4	15.76	Arkla 59	312.9	314.1	19.44

Source: Passport Potash Inc.

**Exhibit 3: Passport Potash - Drill Hole Locations**



Source: Passport Potash Inc.

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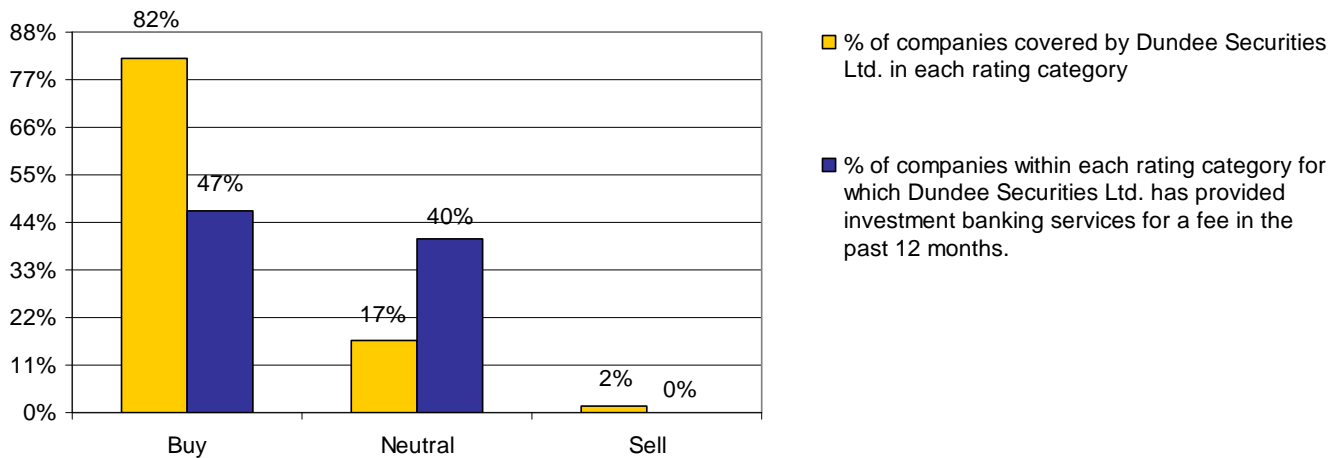
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