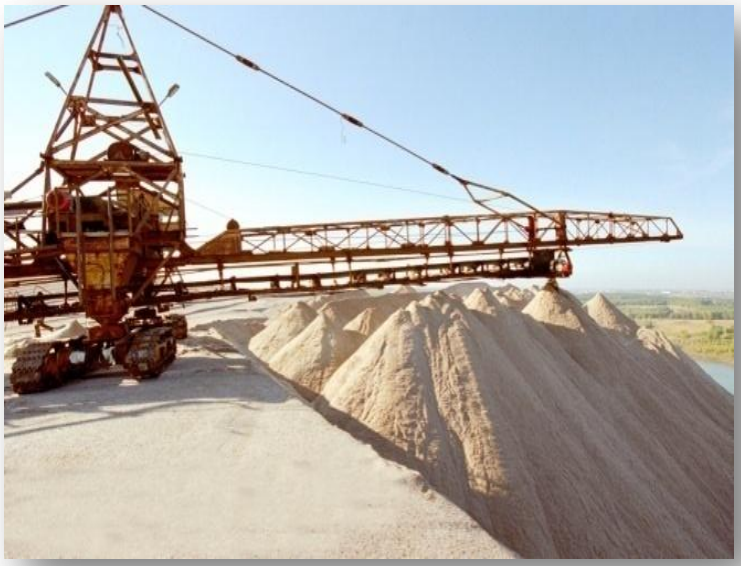
IMC Montan
International Economic and Energy Consulting

MINERAL RESOURCE AND RESERVE VALUATION
LLC Verkhnekamsk Potash Company

Talitsky Site at Verkhnekamsk Potassium-Magnesium Salts Deposit

BEREZNIKI, PERM KRAI, RUSSIAN FEDERATION



Effective Valuation Date: January 1, 2011

FINAL REPORT (SUMMARY)

prepared for
LLC Verkhnekamsk Potash Company

by
International Economic and Energy Consulting / OOO IEEC

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August 2011

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1 INTRODUCTION

1.1 Preface

This report is prepared by International Economic & Energy Consulting (IEEC) following a request from LLC Verkhnekamsk Potash Company (hereinafter referred to as VPC) with a view of valuation of JORC resources and reserves.

1.2 Capability Statement

IMC Montan is a group of international independent mining consultancies. The group includes IMC Group Consulting Limited (UK), DMT GmbH (Germany), WYG International (UK), International Economic and Energy Consulting and OOO IEEC (UK, Russia).

IMC Montan expertise covers the following: Competent Person Reports; resource audits and valuation of reserves for mining companies in compliance with international systems of classification; technical, economic and environmental assessment and expertise of projects; bankable feasibility study; project development with relation to a wide range of engineering and scientific studies.

More detailed information about IMC Montan is available on www.imcmontan.ru and the websites of the group's other companies.

Project Team and Site Visit

IEEC carried out the valuation with involvement of a group of international and Russian experts. Each expert is a staff member or an experienced associate partner of the company. A list of experts is given below.

John Bacharach	Project Director
Aleksey Zhura	Project Manager
Rakhimbek Kuzembaev	Mining Engineer
Neil Scott	Geologist, Competent Person
Alexander Pokusaev	Geologist
Denis Tibilov	Economist
Andrey Postolatiev	Processing specialist
Tatyana Voron	Environment specialist

IMC Montan team that was on the site visit included the following specialists: project manager, mining engineer, geologist, environment specialist and processing specialist.

IMC Montan would like to thank VPC specialists: L.M. Spekhov, VPC Perm branch Director, A.V. Motovilov, VPC Technical Director, M.N. Vyatkin, VPC Chief Miner, V.N Yanin, VPC Perm branch Deputy Director and B.M. Golubev, VPC Chief Geologist for their effective cooperation and assistance in the preparation of this report.

1.3 Location of Deposit

VPC raw material base is Talitsky Site of VPMSD (Verkhnekamsk potassium-magnesium salt deposit in Perm Krai).

Talitsky Site is located in Usolsky municipal district, the town of Berezniki, Perm Krai, 18 km to the south-east of the town of Berezniki, in the eastern margins of VPMSD south.

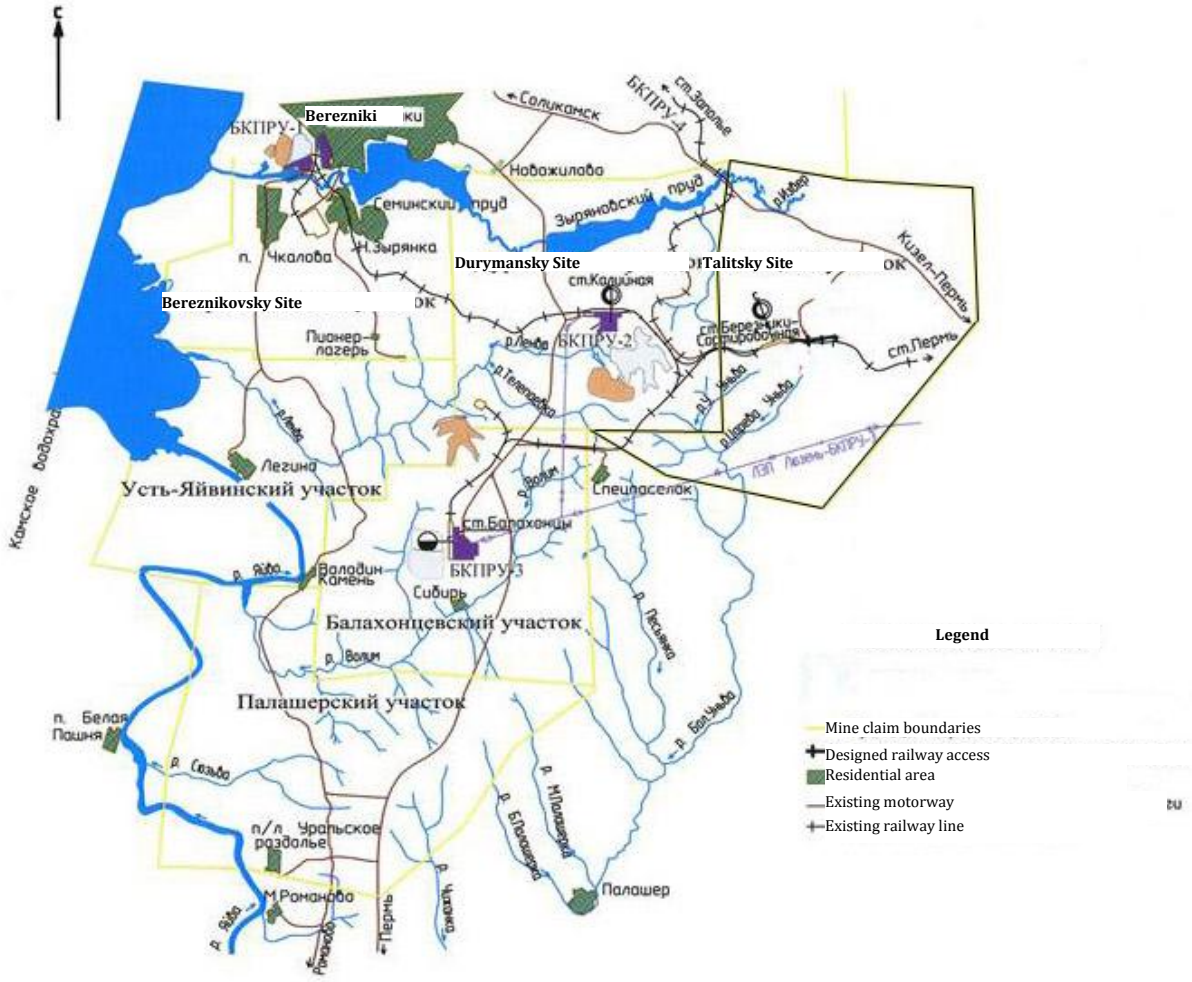


Figure 1-1 Location Map of VPMSD Talitsky Site

In the west this site adjoins the boundaries of the mine take claim of OJSC Uralkali 2nd Bereznikovsky mine extracting reserves of Durymansky site. In the north it adjoins the boundaries of the mine take claim of OJSC Uralkali 4th Bereznikovsky mine extracting reserves of Bygelsko-Troitsky site of the deposit. In the south and in the east Talitsky Site adjoins the potassium-magnesium salt estimate boundaries (category C_2) recorded on the state balance as the Rest Area of Verkhnekamsk potash deposit.

Morphologically the site area is a hilly terrain cut by the stream, creek and gully valleys. A.s.l. elevations of the area terrain vary from 123.5 m in the north-west of the area in the Zyryanka Stream valley to 242.22 m.

The major water course is the Kama River flowing in the western part of the deposit. A distance effect of Kamsky water reservoir damming takes place as far as the latitude of the town of Solikamsk. In addition to the Kama, the main hydrographic network of the area includes rivers Yaiva, Yazva, Kolynva, Glukhaya Vilva, Borovaya, Usolka, Visherka, Zyryanka and their tributaries. The area is characterized by significant bogginess.

Location of the Verkhnekamsk Region at the joint of the Russian Plain and the Urals foothills determines moderate continental nature of the climate. Seasonal changes of the climate characteristics in the area are well-defined: the winter is cold and long with perseverant frosts, and the summer is warm and rainy.

The snow cover holds from November till April. The period with air temperatures below 0°C lasts for 5-6 months.

Over 60% of the deposit area is covered by forest with predominat development of coniferous species.

The population is mainly concentrated in the towns of Berezniki, Solikamsk, Usolie. The rest of the population reside in urban-type communities (Orel, Yaiva) and rural communities. In addition, there are about 30 villages with population from three to two hundred people.

Industries are mainly related to development of VPMSD. The deposit is mined by OJSC Uralkali (Berezniki) and JSC Silvinit (Solikamsk). There is a number of big companies, e.g. JSC Beraton, JSC Avisma, JSC Azot, JSC Berezniki Soda Plant in the town of Berezniki; and JSC Solikamsk Magnesium Plant, JSC Solikamsk Pulp&Paper Mill in the town of Solikamsk. Besides, there is a number of smaller companies in the area: household cleaning products, electric and lighting equipment, reinforced concrete products, prefabricated housing plants, calcium-silicate brick yard, garment factory etc. The power supply of all the companies is from the Urals grid that incorporates all the local power and heat plants.

The major transport arteries are the Kama River, a railway line from Chusovskaya to Solikamsk and a motorway from Perm to Solikamsk and Krasnovishersk that are lines of communications with the Krai centre. In addition, there is a number of local asphalt and improved roads: from Solikamsk to Polovodovo, from Solikamsk to Sim, from Solikamsk to Tyulkino, from Berezniki to Usolie. There is a branched network of local earth roads. In muddy seasons the local roads are hardly passable.

1.4 Geology

VPC has a license for exploration and mining of potassium-magnesium salts at the Talitsky Site of Verkhnekamsk potassium-magnesium salt deposit, Perm Krai, issued and registered in Federal Agency for Subsoil Use of the Ministry of Natural Resources under No. 5391/PEM 14465 TE on 06.05.2008. The license expires on 15.04.2028.

Geological Exploration and Database

Geological exploration of the site took place in 1968-1969. Reserves were approved by the USSR GKZ in 1969. In 2009-2010 additional exploration of the site was carried out to specify its geological structure and in compliance with the license agreement that is a supplement to license PEM 14465 TE. Results of the additional exploration will be contained in a report that is at its completion stage. Approval of mining parameters feasibility study and a report with a reserve statement is planned for the Q4 of 2011 and for the Q1 of 2012, respectively. Twenty-eight exploration boreholes, 4 hydrogeological wells and 11 stratigraphic boreholes were drilled within the site area during 1968-1969 additional exploration campaign. Besides, 11 boreholes were drilled during Talitsky Site prospecting and preliminary exploration stages and exploration of the adjoining areas (Durymansky and Bygelsko-Troitsky sites).

The borehole grid density for seam KrII is characterized by the following figures: for A category – 0.57 sq km/1 borehole; for B category – 0.71 sq km/1 borehole; for C_1 category – 2.2 sq km/1 borehole.

Nine hundred eighty-three core samples were taken from the boreholes, including 305 sylvinite samples, 69 carnallite rock samples, 505 rock salt samples and 104 salt clay samples. The samples were assayed for K, Na, Mg, Ca, Cl, SO_4, Br and insoluble residue.

1.5 Resources and Reserves

The USSR GKZ Protocol No. 5820 of November 21, 1969 approved and recorded Talitsky reserves on to the State balance as is given in Table 1-1.

Table 1-1 Approved Talitsky Reserves of Potassium-Magnesium Salts (as of 01.01.1969)

Categories	Reserves, '000 t					
	Natural Salts	KCl	K_2O	$MgCl_2$	MgO	Br
Balance Reserves						
Sylvinite						
A	86,930	30,071	18,999			38
B	175,016	62,307	39,365			84
C_1	461,631	161,183	101,834			190
$A+B+C_1$	**723,577**	**253,561**	**160,198**			**312**
C_2	27,315	9,874	6,238			10
Mixed Chloride Salts						
C_1	1,868	552	349	135	57	1
Out-of-Balance Reserves						
Sylvinite						
A	9,540	3,781	2,389			
B	42,287	16,985	10,731			
C_1	875,533	229,830	145,210			
$A+B+C_1$	**927,360**	**250,526**	**158,330**			
C_2	8,718	2,707	1,710			
Carnallite Rock						
C_2	705,119	101,879	64,366	76,614	32,432	

In 2004-2005 OJSC Uralkali carried out in-house re-estimation of reserves within the mine claim delineation of VPMSD Talitsky Site. This was necessitated by the need to exclude the adjoining mine claim reserves partly overlapping the license area of Talitsky reserves. The remaining reserves as of 01.01.2007 are given in Table 1-2:

Table 1-2 Reserves of Talitsky Potassium-Magnesium Salts (as of 01.01.2007)

Categories	Reserves, '000 t					
	Natural Salts	KCl	K_2O	$MgCl_2$	MgO	Br
Balance Reserves						
Sylvinite						
A	86,930	30,071	18,999			38
B	163,469	58,186	36,761			79
C_1	431,146	150,317	94,967			176
$A+B+C_1$	**681,545**	**238,574**	**150,727**			**293**
C_2	27,315	9,875	6,238			10
Mixed Chloride Salts						
C_1	1,868	552	349	135	57	1
Off-Balance Reserves						
Sylvinite						
A	9,540	3,781	2,389			
B	42,287	16,985	10,731			
C_1	849,648	223,240	141,044			
$A+B+C_1$	**901,475**	**244,006**	**154,164**			

C_2	8,718	2,707	1,710			
Carnallite Rock						
C_2	668,853	96,618	61,042	72,758	30,799	

Sylvinite and carnallite reserves of seam V are classified as off-balance reserves due to small thickness of the seam and $MgCl_2$ low grade.

Reserves in seams G, D, E, Zh, Z, I, K are classified as off-balance due to small thickness or for some other technical reason (are part of water sealing strata).

Since reserves of Talitsky Site additional exploration have not yet been approved, VPC current balance reserves according to 5-gr form reporting changes of reserves to GKZ Rosnedra as of 01.01.2011 has the tonnage of reserves as shown in Table 1-3:

Table 1-3 5-gr Form Reserves (as of 01.01.2011)

Categories	Reserves, '000t			
	Natural Salts	K_2O	KCl	$MgCl_2$
Balance Reserves				
Sylvinite				
A	86,930	18,999	30,071	
B	163,469	36,761	58,186	
C_1	431,146	94,967	150,317	
$A+B+C_1$	**681,545**	**150,727**	**238,574**	
C_2	27,315	6,238	9,875	
Mixed Chloride Salts				
C_1	1,868	349	552	135
Off-Balance Reserves				
Sylvinite				
A	9,540	2,389	3,781	
B	42,287	10,731	16,985	
C_1	849,648	141,044	223,240	
$A+B+C_1$	**901,475**	**154,164**	**244,006**	
C_2	8,718	1,710	2,707	
Carnallite Rock				
C_2	668,853	61,042	96,618	72,758

Having reviewed the presented vast materials, IMC Montan believes that 1968 exploration campaign on this site of Verkhnekamsk deposit was carried out on a professional level, the results of the work are reliable and thanks to that the exploration data are suitable for use in a reserve valuation.

IMC Montan has not carried out formal conversion of the site reserves into western classification systems, since this work takes much time and requires detailed analysis of exploration data, methodology of estimation and technical and economic factors used for the deposit reserve estimate. However reserves of A, B, C_1 and C_2 categories within the design boundaries may approximately be equivalent to **Measured** and **Indicated Resources** of the JORC Code classification system.

With reference to the extent of the deposit knowledge after detailed exploration and logging, the **Measured** and the **Indicated Resources** may include resources down to the design boundary of 350 m. The borehole spacing down to the above level as well as the integrity of data available for the study are sufficient to classify the resources as **Measured** and **Indicated Resources**.

Conversion of GKZ balance reserves to resources under the JORC Code carried out by IMC Montan

implies that A+B+C_1 category reserves are equivalent to the **Measured Resources** and reserves of category C_2 are equivalent to the **Indicated Resources**. Off-balance reserves are equivalent to the **Inferred resources**, since they cannot be mined due to complex mining and technical conditions based on the data of 2004-2005 in-house re-estimation of reserves.

1.6 Mining

Design solutions were developed at the stage of pre-design estimates. In 2011 the deposit report is to be completed and the feasibility study of mining parameters is to be approved, mineralogical and technological properties of ores will be studied and it is planned to start work at the deposit development project.

Mining and technical conditions of ore occurrence on Talitsky Site do not vary much from the conditions of other VPMSD operations and allow using underground mining method.

Thickness of water sealing strata within the mining site varies from 40.6 m (seam AB) to 119 m (seam KrIII a+b). The above water sealing strata thickness is in compliance with various standard requirements developed for the mines operating at VPMSD.

In general, the adopted design solutions satisfy the up-to-date requirements and take account of vast experiences of the adjoining potash operations.

Losses and dilution factors adopted in the design solutions are reasonable. At the same time a more detailed study of selective mining potential in seam KrIII a+b and other seams, including thin seams, is a potential for increasing recovery of underground reserves and a decisive factor for increasing ore potash grade and reduction of insoluble residue in ore.

Based on the fact that hazards are similar to the potash mining operations, the safety measures adopted will take account of their experience. It is also planned to use the state-of-the art technologies and to actively use experience of the world potash sector, which will ensure the risks minimization.

The design solutions envisage hydraulic gob fill using salt tailings and slurry. Production capacity of the backfilling facilities is 2.5 Mtpa salt tailings in terms of solid (63.6% of the total salt tailings formed) and 300 ktpa slurry (49.8%).

The production waste is placed underground at a higher level than in other operating mines, which will positively influence the reduction of negative environmental impact.

1.7 Processing

It is planned to use a flotation method to process sylvinite ore at Talitsky mine processing facility.

Size distribution, chemical and mineralogical composition of ores were studied and ore characteristics were described. Investigations of the material composition of saliferous and non-saliferous minerals were also carried out. Technological investigations – laboratory flotation tests, ore desliming using grinding and disintegration – were carried out to determine recovery of the productive component and concentrate quality. Based on the investigations carried out, a processing flow sheet was proposed that achieves satisfactory desliming and high insoluble residue ore flotation results.

1.8 Infrastructure

It is planned to deploy Talitsky mine facilities in the central part of Perm Krai 14.5 km away from the town of Berezniki and 6 km away from BKPRU-2 industrial site.

The selected industrial site area is located 1.5 km away from the towns of Shishi and Zheleznodorozhny.

Transport network is represented by district and regional motorways; main railway of Sverdlovsk railway division from Solikamsk through Berezniki to Perm; water transport of the Kama water reservoir.

The 110 kV electricity supply line passes along the southern boundary of the industrial site, and 500 kV electricity supply line passes 0.5 km away from the lower corner of the eastern boundary.

It is planned to construct an approach road to the industrial site 9 km long, including 3.5 km of a new road, 5.5 km of a road to be renovated, and to an access railway line from the station of Talitskaya to the station of Berezniki-Sortirovochnaya 4 km long.

1.9 Environmental Protection and Restoration

The area of Talitsky subsoil area of Verkhnekamsk potassium-magnesium salt deposit is distinct for its low level of human-induced disturbances.

Safety zones of natural sites and engineering structures will be limiting factors for deployment of VPC production facilities within the area under review.

Negative environmental impact due to realization of the planned potash production is caused by formation of production waste and will imply withdrawal of land resources to deploy the waste, deforestation and partial landscape modification.

At the present work stage the company has developed main design solutions envisaging measures to protect soil and water bodies from pollution, to reduce impact on plants, to prevent formation of subsidence, to reduce the area of the land to be withdrawn.

According to standard, license and contract documentation requirements and with a view of restoration of the disturbed land value, the company is to carry out restoration. The facilities that are subject to restoration are: tailings storage facilities and industrial site areas. Restoration of salt dumps was not included since this is subject to further mining as a man-made halite deposit.

1.10 Human Resources

On achieving the production capacity the number of the mine employees will be around 3,000-3,500 people, including auxiliary operations and service organizations. The closest towns: Berezniki, Solikamsk and Kizel are planned to be sources of labour. In the Region there are training centres indispensable for mining and chemical industry: Perm State Technical University (PSTU), Berezniki Branch of PSTU, the Urals Mining University (Ekaterinburg) etc.

1.11 Economic Valuation

IMC Montan carried out valuation of Talitsky Site resources of Verkhnekamsk deposit based on the current stage of the project development (feasibility study of final exploration parameters is at the stage of development). Economic valuation was carried out as a preliminary analysis of the deposit resource mining efficiency.

Preliminary valuation of VPMSD Talitsky Site resources demonstrated economic viability of further Talitsky Site development according to dates approved by the company.

2 RESOURCES AND RESERVES

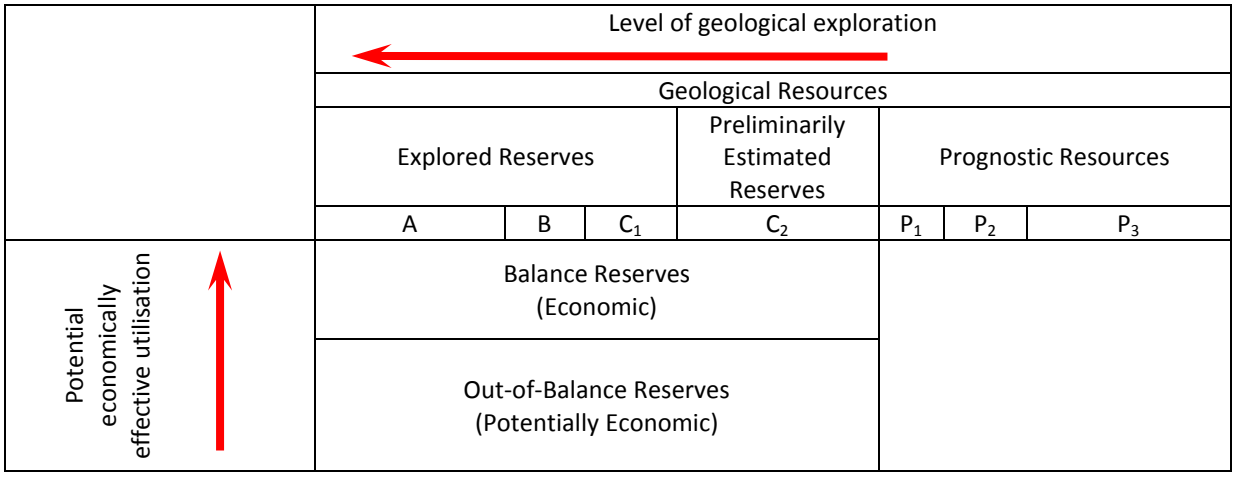
2.1 Russian Resource and Reserve Reporting System

Russian resource and reserve reporting system is based on the principles which were adopted in the former Soviet Union. Principles underlying the Russian system are similar to the ones used in other countries, especially Poland and China.

The system is based on two coordinate axes; the horizontal axis shows the degree of reserve exploration increasing right to left, and the vertical axis demonstrates the potential economically effective utilisation of reserves increasing bottom up.

Russian mining laws define a mineral deposit as a natural or artificial concentration of mineral which can be mined with economic benefits. The term "reserves" means "identified tonnage of mineral, part of which can be mined cost effectively."

This system divides mineral resources into the following groups: Explored Reserves, Preliminarily Estimated Reserves and Prognostic Resources along the horizontal axis, and **Economic (Balance)** Reserves and **Potentially Economic (Out-of-Balance) Reserves** along the vertical axis.



2.2 International Resource and Reserve Estimation Standards

Several reporting codes exist in the international mining industry and the various regulatory authorities have now urged the conformity of codes and made reporting to code standards mandatory in any public documents issued by public companies. The chief Reporting Standards are:

- USA — USGS Circular 831
- Canada — OSC Instrument 43-101
- Australia — JORC Code
- UK, Ireland — IMMM Reporting Code
- South Africa — SAMREC Reporting Code

All have common terminology and nomenclature and recognise the difference between Mineral Resources and Ore Reserves. Conversion from a resource to a reserve requires the influence and application of "modifying factors." These include mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. Resources are estimated geologically. Taking account of the modifiers, especially mining and economic they are upgraded to reserves. There are rigorous principles of quality assessment and data accounting for different commodities produced in mining sector.

International practice is increasingly using the Australasian JORC Code as an industry standard for reporting reserves.

The JORC Code defines **Measured**, **Indicated** and **Inferred Resources** as follows - in all three cases, they must have reasonable prospects of eventual economic extraction.

Measured Resources

A Measured Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence.

Indicated Resources

An Indicated Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence.

Inferred Resources

An Inferred Mineral Resource is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence.

Proved and Probable Reserves

Proved Reserve is the economically mineable part of a Measured Mineral Resource, while a Probable Reserve is the economically mineable part of an Indicated Mineral Resource. JORC Proved and Probable reserves should include allowance for dilution and loss.

Financial Section

Classification of mineral resources under the JORC Code mainly depends on reliability of the geological exploration of the deposit. Further mineral resources are upgraded to reserves based on a number of modifying factors, including mining (proposed realistic mining methods), metallurgical, economic, marketing, legal, environmental, social and governmental factors.

2.3 Comparison of Resource/Reserve Reporting System

An international committee, CRIRSCO (Committee for Mineral Reserves Reporting Standards), and representatives of GKZ, approved a uniform procedure for interpreting reserves statements under the Russian system in the framework of international reporting in September 2010. The GRIRSCO classification system is very similar to JORC Code.

Deposit complexity group on geological structure		Russian reserve and prognostic resource categories					
		Extent of geological exploration details ←					
		A	B	C_1	C_2	P_1	P_2
Increase of deposit complexity ↓	I	Measured	Measured	Measured	Indicated	Inferred	
	II		Measured	Measured	Indicated	Inferred	
	III			Measured	Indicated	Inferred	
	IV			Indicated	Indicated	Inferred	Unclassified

2.4 Resource Estimate

In this work below IMC Montan reviews methodology that was used for resource estimate of Talitsky Site of potassium salt deposit in accordance with JORC Code (edition of 2004).

IMC Montan experts did not re-estimate the potassium salt resources, but verified the GKZ reserves and converted them into JORC resources and reserves (based on VPC data).

Requirements to Borehole Spacing Adopted for Reserves Estimate

According to GKZ Guidelines for use of the classification of reserves and prognostic resources of solid mineral deposits, reserves and prognostic resources of the mineral deposits are subdivided into groups by complexity of geological structure and extent of exploration.

VPMSD Talitsky Site is classified as Group I (site of a large deposit, characterized by seam-like deposits, consistent in thickness and salt quality).

Requirements to spacing of exploratory holes for Group I deposits with a view of assigning balance reserves to a certain category, are provided in Table 2-1.

Table 2-1 Requirements to Borehole Spacing for Various Categories of Reserves and Prognostic Resources for Group I Deposits, Guidelines for Comparison of CRIRSCO Resources with Russian GKZ Classification

Balance Reserves	**A**	Borehole spacing 1,000 m X 1,200 m
	B	Borehole spacing 1,200 m X 1,600 m
	C_1	Borehole spacing 1,600 m X 2,400 m
	C_2	Borehole spacing 2 to 4 times higher than that for category C_1

Actual borehole spacing on Talitsky Site by categories of reserves is presented in Table 2-2.

Table 2-2 Actual Boreholes Grid Spacing in 1968 Exploration Campaign on Talitsky Site

Balance Reserves	**A**	Borehole spacing 1,000 m X 1,200 m
	B	Borehole spacing 1,000 m X 2,400 m
	C_1	Borehole spacing 1,300 m X 3,900 m
	C_2	Borehole spacing 1,600 m X 3,900 m

Database Integrity

IMC Montan analyzed and verified the data for all 38 boreholes of the site and did not discover differences in calculations of average grades by boreholes. No capping high grades were found in the database, so it was assessed as reliable.

Geological Data Interpretation

Reliability of geological interpretation of the deposit data is high. The consistency of potassium salt strata is shown, along with consistency of chemical and mineralogical composition of the main seam (KrII). This deposit is delineated using 39 boreholes and is studied to a sufficient extent. IMC Montan experts consider geological interpretations to be correct and equivalent to the reliability level of **Measured** and **Indicated resources.**

Mineral Seam Quality

Resources of VPMSD Talitsky Site were identified in the area of 69.6 sq km. Seam reserves of commercial interest are classified into balance and off-balance categories.

The main types of mineral resources at Talitsky Site are sylvinite, and mixed salts within a comparatively small area. Balance reserves include sylvinite of KrIIIa-b, KrII seams and mixed salts of seam AB.

Off-balance reserves include sylvinite seam KrI due to low thickness of the seam (average thickness by blocks varies from 0.58 m to 1.04 m). Reserves of carnallite rock of seam V are classified as off-balance due to low $MgCl_2$ content (average – 15.42%). Reserves in seams G, D, E, Zh, Z, I, K are classified as off-balance due to low thickness or for other technical reasons (are contained in water-sealing strata).

Average chemical composition of sylvinite in seam KrIIIa-v (%,%) is: KCl - 25.29; $MgCl_2$ - 0.29; NaCl - 66.02; $CaSO_4$-1.85; insoluble residue - 5.67; H_20 – 0.72; Br - 0.034.

Average chemical composition of sylvinite in seam KrII (%,%) is: KCl - 39.28; $MgCl_2$ - 0.24; NaCl - 54.0; $CaSO_4$ - 1.85; insoluble residue - 4.1; H_20 – 0.52; Br – 0.048.

Average chemical composition of sylvinite in seam AB (%,%) is: KCl - 44.94; $MgCl_2$ - 0.30; NaCl - 48.54; $CaSO_4$ -1.40; insoluble residue - 3.92; H_20 – 0.98; Br - 0.034.

Average chemical composition of mixed salts in seam AB (%,%) is: KCl - 29.53; $MgCl_2$ - 7.19; NaCl - 45.76; $CaSO_4$ - 1.35; insoluble residue - 6.93; H_20 – 9.22; Br – 0.075.

2.5 VPMSD Talitsky Site JORC Resources

Table 2-3 VPMSD Talitsky Site JORC Resources

Measured ('000t)				
Type of Salt	**Salt**	**K_2O**	**KCl**	**$MgCl_2$**
Sylvinite	681,545	150,727	238,574	0
Mixed salts	1,868	349	552	135
Indicated ('000t)				
Sylvinite	27,315	6,238	9,875	0
Inferred ('000t)				
Sylvinite	910,193	155,874	246,713	0
Carnallite rock	668,853	61,042	96,618	72,758

IMC Montan believes that based on geological interpretation, database integrity, estimate methods, mining parameters, assumptions on mining and processing and specific weight, that were used to estimate **Measured** and **Indicated resources**, the resource estimate is rather reliable.

IMC Montan believes that the 1960 feasibility study of the project was prepared at a pre-feasibility accuracy but at the level not sufficient for technically feasible and economically efficient mine planning, since not all relevant modifying factors were taken into account and assessed at the current level. Thus, at this stage JORC reserve valuation has not been carried out.

Upon approval of the additional exploration data by the state authorities (provisionally, due to incorporation of off-balance reserves that were previously considered below cut-off parameters the site balance reserves will grow by 100 Mt), approval of the mining project taking account of the current economic requirements, JORC resources can be upgraded to reserves.