Potash One Legacy Project Feasibility Study Projects Annual Output of 2.8 Million Tonnes from Long-Life Mine

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VANCOUVER, BRITISH COLUMBIA -- (Marketwire) -- 10/21/10 -- Potash One Inc. (TSX: KCL) - Robert Friedland, Chairman and Paul Matysek, President and Chief Executive Officer announced today the successful conclusion of the feasibility study on the Company's 100%-owned Legacy Project (the 'Feasibility Study'), located 80 kilometres northwest of Regina, Saskatchewan, Canada, prepared by a group of leading, independent international consultants led by SNC-Lavalin, of Montreal, Quebec.

The Feasibility Study completed in conjunction with a NI 43-101-compliant technical report by Agapito Associates, of Grand Junction, Colorado, projects an economically viable solution mine with the capacity and reserves to initially produce 2.86 million tonnes of potash product every year for a minimum of 47 years.

'The development path for Potash One's Legacy Project now is clear,' said Paul F. Matysek, President and Chief Executive Officer of Potash One. 'This Feasibility will expedite our ongoing discussions with major international companies and organizations with Legacy, because it is the highest quality greenfield potash project and pre-eminent candidate to be the first new potash production in Saskatchewan since 1971.'

'The Feasibility Study is a major milestone in our company's development. It provides independent confirmation that the economics of the Legacy Project support a long-life, low-risk, economically robust potash solution mine. I congratulate the Potash One project team for its work.'

Robert Friedland, Chairman of the Board of Directors of Potash One, said that '... with defined resources now upgraded to reserves, the Legacy Solution-Mining Project is ready to move into the development and production phases.'

'The project's potential to produce much-needed potash extends beyond the initial 40-year mine life used in the financial model and well into the next century. Given the results of the Feasibility Study and the project's outstanding economics, Potash One now is in a position to maximize shareholder value through the financing and development of this world-class project,' Mr. Friedland added.

Feasibility Study highlights

The financial analysis yielded the following results (all dollar figures expressed in US$)

	With Risk Allowance	Without Risk Allowance
IRR(i) - Before Taxes	22.7%	23.4%
IRR(i)- After Taxes	17.9%	18.5%
NPV(i) - Before Taxes	$5.38 B	$5.51 B
NPV(i) - after Taxes (10% discount rate)	$2.63 B	$ 2.72 B

(i) Estimated

After-tax payback period on start-up capital of $2,781 million of approximately six years.

The financial model was based on the following assumptions:

- 100% equity case.

- Initial 40 year economic life.

- Estimated construction costs of $2,505 million, which includes $364 million in contingency and escalation allowances.

- Total start-up capital requirements of about $2,781 million, with the inclusion of risk allowance, and capital expenditures during the first years of operation, which will be financed during the construction phase.

- Long-term estimated operating costs of $63 per tonne of KCl (potash product) at the Legacy mine site. The stated operating costs are the full operating cost estimates which include all-site cash production costs.

- Long-term estimated operating costs of $48 per tonne of KCl for transportation and logistics, port storage and handling, sales, general, and administrative costs (SG&A) and associated operating cost risks.

- Potash price forecasts by British Sulphur Consultants as of September 2010, FOB Vancouver port.

- Construction is slated to begin in the first half of 2011, subject to financing, with production targeted for Q3 2014.

The Legacy Project's environmental impact statement is continuing through a review process with the Saskatchewan Ministry of Environment.

As outlined in a Potash One news release issued on October 18, 2010, the technical report upgraded resources and estimated that the Legacy Project now contains 135.8 million tonnes of proven and probable reserves, sufficient for an initial 47 years of production at an annual rate of 2.8 million tonnes, plus an additional Indicated resource of 80 million tonnes and an Inferred resource of 859 million tonnes.

The Executive Summary of the Feasibility Study and the companion 43-101 technical report will be available on SEDAR at www.sedar.com and also on the Company's website at www.potash1.com within the time frames prescribed by the NI 43-101.

Financial Analysis

The Feasibility Study estimated the net present value (NPV) after taxes and royalties of the Project at various discount rates using British Sulphur Consultants September 2010 potash price estimates (FOB vessel, Vancouver).

Based on the foregoing assumptions, the NPV of the Legacy Project yields a full equity base case estimated Internal Rate of Return (IRR) of 18.5% and a net present value estimate of $2.72 billion at a discount rate of 10%, both calculated after income taxes, production potash tax and royalties, in nominal terms. On a before tax basis, the project yields an estimated IRR of 23.4% and a net present value of $5.51 billion. The analysis assumes an annual inflation rate of 2% during operation (applied on operating costs and sustaining capital costs and without risk allowance).

Sensitivity Table

	NPV (US$ millions)(1)
Discount Rate of 8%	$4,405
Discount Rate of 10%	$2,721
Discount Rate of 12%	$1,635

(1) Excludes Risk Allowance

Estimated Start-up Capital Costs for Construction (Capex):

	(1 000's US$)
DIRECT COSTS(i)	1,572,255
INDIRECT COSTS (EPCM and Field Indirects)(i)	361,420
OTHER COSTS(i)	
Owner's Cost	86,323
Commissioning & Start-up	25,752
Transport and Handling	16,334
Contingency	188,187
Escalation	175,604
Taxes and Duties	79,033
SUB-TOTAL OTHER COSTS(i)	571,233
TOTAL ESTIMATED CONSTRUCTION COST	$2,504,908

An additional $125 million in risk allowance, $65 million in pre-production operating costs and working capital and $100 million of the deferred capital costs will need to be financed during the construction period for total start-up capital of $2,781 million, anticipated to be spent between December 2010 and October 2014.

Estimated Operating Costs (Opex)

Long-term unit costs, starting in year seven and continuing for the life of the mine with adjustments for inflation, are estimated in the following table:

	(US$ per tonne of KCl product)
Mine	4.55
Process Plant	32.05
Process Steam	24.09
Infrastructure	1.96
SUB-TOTAL, ESTIMATED OPEX AT LEGACY MINESITE	$62.65
Product Shipping	45.50
Other	2.37
SUB-TOTAL, ESTIMATED OPEX WITHOUT RISK ALLOWANCE	$110.52
Risk Allowance	1.27
TOTAL ESTIMATED OPEX WITH RISK ALLOWANCE	$111.79

Feasibility versus Pre-Feasibility cost variance

The Feasibility Study capital estimate represents a 39% increase from the pre-Feasibility Study capital estimate, released on July 23, 2009 (NR 09-16). The variance in the estimated construction cost can be largely attributed to:

CAD/USD Exchange Rate Variance	$275M	39.6%
Increase to Mine Production Capacity	$250M	36.0%
Enhancement of Process Expansion Capability	$140M	20.1%
Increased Product Storage	$30M	4.3%
Total	$695M	100.0%

The executive summary provides a detailed explanation of all variances.

Conclusion & Recommendations from SNC-Lavalin

Based on the data and inputs that are part of the Feasibility Study, the results of the financial analysis and the low perceived risk associated with the project, SNC-Lavalin concluded that the Legacy Project be advanced to the implementation phase, including project financing and detailed engineering. SNC- Lavalin further recommended that project financing be completed, environmental impact assessment be approved and key construction licenses be obtained from environmental authorities before work starts on procurement activities and construction.

Mike Ferguson, P.Eng., Vice President, Projects for Potash One Inc. is a Qualified Person as defined by NI 43-101 and has reviewed and approved the contents of this news release.

Max Ramey, PE, Vice President, Solution Mining for Potash One Inc. is a Qualified Person as defined by NI 43-101 and has reviewed and approved the contents of this news release.

Mike Hardy, PhD, PE, President Agapito Associates Inc. is a Qualified Person as defined by NI 43-101 and has reviewed and approved the contents of this news release.

ON BEHALF OF THE BOARD OF DIRECTORS,

Paul F. Matysek, M.Sc., P.Geo.
President and Chief Executive Officer

About Potash One

Potash One Inc. is a TSX-listed Canadian resource company engaged in the exploration and development of advanced potash properties. The Company owns 100% of more than 515,000 acres of Potash Subsurface Exploration Permits in Saskatchewan, Canada. It includes the Legacy Project which is located in the southern portion of the 97,240 acre KP 289 permit where previous mineral resources have been up-graded to 27.3 million tonnes of recoverable KCl proven reserves from material grading 28.6% KCl and 108.5 million tonnes of recoverable KCl probable reserves from material grading 29.0% KCl. The total proven and probable reserves is 135.8 million tonnes of potassium chloride from material with a weighted average grade of 28.9% KCl. Indicated resources of 80.1 million tonnes of KCl are estimated from material grading 27.05% KCl. Inferred resources of 859.4 million tonnes of KCl are estimated from material grading 26.9% KCl. The Legacy Project is adjacent to the Mosaic Belle Plaine operations which is the largest producing solution potash mine in the world.

Forward-Looking Statements:

Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading 'Risk Factors' and elsewhere in the corporations' periodic filings with Canadian Securities Regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. Statements in this press release other than purely historical information, including statements relating to the companies' future plans and objectives or expected results, constitute forward-looking statements. Forward looking statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in the companies' business, including risks inherent in mineral exploration and development. The companies do not assume the obligation to update any forward-looking statement. In particular, a decision to place the Legacy Project into development, and the implementation of that decision, are subject to numerous risks and factors, including that ability to access capital sufficient to finance start-up costs. Additional risks include changes to economic factors used in the Feasibility Study that may impact the feasibility of the project, unexpected limitations on expansion of estimates of resource and reserves, permitting risks and other economic and processing factors, all of which may be beyond our control.

The Toronto Stock Exchange has neither approved nor disapproved the contents of this press release.

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