



For Immediate Release

6 May 2015

Circum Minerals Ltd.

Circum's Ethiopian Danakil Project Proves Up 4.2B tonnes of Potash

Exploration Potential from Seismic Data indicates a further 7-9B tonnes

Total Resource Potential shows World Class Potash Project of 11- 13B tonnes

Circum's Danakil Project to Impact Potash Market

The Chairman and Co-founder of Circum Minerals Ltd. ("Circum" or the "Company") Stephen Dattels, today announces that "Circum has proven up a major world-class potash project in the Danakil Basin in Ethiopia. Given its location on the doorstep of the Asian Markets this discovery has the potential to dramatically change the dynamics of the potash industry and become a future source of significant supply of potash".

Circum owns a 100% interest in an exploration license encompassing 365 square kilometers in the Danakil Basin in North-Eastern Ethiopia (the "Danakil Project"). The Company acquired the rights to the deposit in 2013 and has been privately financed to date with total equity raised of some US\$50 million inclusive of share issuances for acquisition costs and service agreements. As well as the founders, Stephen Dattels and Mike Beck, the Company's shareholders include Plinian Capital Limited (which also is the operator), led by former BHP Senior Executive, Brad Mills, and African Minerals Exploration & Development Fund II SICAR ("AMED"), an African focused natural resources private equity group.

Circum is currently in the process of completing a private placing of approximately US\$30 million through Smith & Williamson Corporate Finance Limited, a UK based specialist investment bank and advisory group, to fund optimization of the Phase 1 Definitive Feasibility Study (DFS) (2.75 million tonnes of annual production), costs to convert its exploration license to an exploitation license, a Phase 2 scoping study for an additional 2-3 million tonnes of annual production and value-adding engineering studies taking the Company's work program through to the end of 2016. Furthermore, the Company is in the process of engaging a major international investment bank to provide strategic advice on the options to be pursued to develop and maximize the value of this game changing potash industry asset.

Brad Mills explained that "Circum's Danakil Potash Project, which is located just 600 km's from the major port facility of Tadjoura, Djibouti on the Indian Ocean, is expected to be one of the world's largest and potentially lowest cost potash deposits. The current NI 43-101 compliant Mineral Resource Estimate, which has tested about 35% of the license area to a depth of 400 meters, consists of 2.6 billion tonnes of Measured and Indicated material grading, on average, 18.5% KCl (the average of the Sylvinitic layer, Upper and Lower Carnallite layers and the lower Kainitite layer) and 1.6 billion tonnes of Inferred material grading on average 17.1% KCl. The geologic estimate of the endowment of the remaining 65% of the project area is an additional 7-9 billion tonnes to a depth of

approximately 800 meters. With a total geologic endowment projected in the range of 11-13+ billion tonnes of potash rich mineral salts, Circum's Project in the Danakil Basin of North-Eastern Ethiopia will be one of the world's best and largest undeveloped potash mineral deposits. Its uniquely shallow depths and multiple bed lithology lend themselves to the development of a large scale, exceptionally low capital and low operating cost in-situ leaching and solar evaporation process well suited for the area, given temperatures on site that average 40 degrees Celsius year round."

The DFS for Phase 1 of the Project is scheduled for completion in July 2015. The Phase 1 Project Plan is to produce 2 million tonnes per annum of muriate of potash ("MOP") and 0.75 million tonnes per annum of sulphate of potash ("SOP"). With estimated lowest quartile operating costs and capital intensity of approximately half of that of existing major producers in Russia and Canada, Circum will be an extremely competitive producer. When added to its substantial transportation advantages to India, South East Asia and South China, Circum is poised to become one of the suppliers of choice for all countries close to the Indian Ocean and South China Sea. Beyond Phase 1, Circum envisions that its resources are sufficient to support at least two and possibly three production expansions of similar size giving it the ultimate capacity to meet a significant amount of the demand for MOP and SOP in this, its natural marketing region.

With a population of 4 billion in its target market and a market that is leading the world as the fastest in terms of GDP growth per capita, Circum has the right deposit in the right location to be a fundamental underpin for sustaining this growth over the long term.

Key Competitive Attributes

Developing 2 million tonnes of MOP and 0.75 million tonnes of SOP with production targeted from mid-2018 onwards from Ethiopia's Danakil Basin with shipment from the Port of Djibouti.

High quality extensive resources with significant upside

- The current NI 43-101 compliant Mineral Resource has drill tested 35% of the concession area.
- The Measured and Indicated Resource is 2.6 billion tonnes of potash salts at depths of 150 to 400 meters. The Inferred Resource is another 1.6 billion tonnes giving a total resource of 4.2 billion tonnes of potash salt.
- Seismic data confirms the continuity of the potash layers throughout the rest of the concession area with maximum depths of about 600 to 800 meters in the central part of the basin and becoming shallow again to the east. This suggests an overall resource size of 11 to 13+ billion tonnes of potash bearing salt beds within the concession boundary.
- Average thickness of the Upper Sylvinite layer is 6.2 meters at a grade of 27.5% KCl in the western deposit.
- Average thickness of the Lower Kainitite layer is 8.8 meters with a grade of 19% KCl (as K₂SO₄) in the western deposit.

Low cost, low risk, in-situ leaching extraction method

- Due to the shallow nature of the deposit, it is easily amenable to low cost solution mining. Extensive work has been completed on test wells by Allana Potash Corp. and Yara International ASA to the south on thinner horizons.
- Circum is conducting a large scale pilot test leaching program with a large diameter production well (0.45 meters) to test cavern design, leach rates, solution quality and evaporation characteristics as part of the Phase 1 DFS. This test production well will also produce both MOP and SOP raw material as an input into final plant design.
- Due to the extremely hot surface temperatures (+50 degrees Celsius) in summer, the Danakil Project will be able to use solar evaporation year round as the primary concentration method for its brines.
- There are abundant nearby water resources in the large alluvial fans to the west and north.
- MOP ex-mine cash costs are expected to be around US\$75-\$100 per tonne and SOP ex-mine cash costs are expected to be among the lowest in the industry at between US\$110 and \$150 per tonne.

Low capital intensity

The Danakil Project will have one of the lowest capital intensity per annual tonne of production of any major potash project in the world. The preliminary estimate for the initial project is in the range of US\$750 to US\$900 per tonne of annual production.

Significant infrastructure support from the Ethiopian Government

- The Ethiopian Government is currently upgrading local roads and has recently already completed a paved road from the city of Mekele (where Circum's logistics base is located) to the Danakil Basin.
- The Ethiopian Electric Power Corporation has informed the Company that a feasibility study to expand the national grid from the city of Mekele to the Danakil region is underway.
- The Government has agreed to build a re-enforced concrete main production haulage road for potash transport out of the Danakil Basin to the main rail line (approximately 400km).
- Rail transport is being evaluated by Circum with the intention of incorporating it into the project economics once production in the Danakil Basin exceeds 5 million tonnes per annum.

Significant scale project with serial expansion capability

- The initial Danakil Project is designed to produce 2 million tonnes of MOP and 0.75 million tonnes of SOP. While significant, this will give the project a life over 100 years based on the current Measured and Indicated Resource.
- The project is easily scalable and Circum expects that the ultimate production capability on its property will be in the order of 7 to 10 million tonnes of MOP annually and to fully satisfy the SOP market.
- Circum's current Kainitite resource is the largest naturally occurring Kainitite (SOP) deposit in the world.

Excellent logistics and transportation cost to the South East Asian Markets

- The primary exit from Ethiopia will be the Tadjoura port of Djibouti. This port will have the lowest transportation cost of any major potash producer to the Indian, Malaysian, Indonesian, Thailand and South Chinese markets.
- The Djibouti Government-owned Port Authority supports the project and discussions are underway for Circum to be allocated an area for product storage facilities at the brand new bulk terminal at the port expected to be completed in the first quarter of 2016.

Short pathway to production, low risk development

- The Phase 1 DFS is scheduled to be completed in July 2015.
- Circum anticipates that the mining license for the development of the Project will be granted in the second half of 2015 once the Ethiopian Government has reviewed the DFS.
- All of the technology to be employed is well proven industry standard.
- Infrastructure development is well advanced.

Fair Fiscal Regime in Ethiopia, stable government and strong support from EBRD, World Bank and the US

Strategic Alternatives

Circum is in the process of appointing a major international investment bank to advise the Company on its strategic alternatives given the Danakil Project's importance to the potash industry and the Asian markets. Circum has already identified interest from a number of Asian institutions in becoming involved in various aspects of this highly valuable Project's development.

About Circum Minerals Ltd.

Circum Minerals Ltd. is a private company focused on the development of a significant potash deposit in the Danakil Basin of Ethiopia. Through its wholly-owned subsidiary, Circum Minerals Potash Ltd., the Company holds a 100% interest in an exploration license covering 365 square kilometers. For more information regarding Circum visit its website at www.circumminerals.com.

For additional information please contact:

Chris Gilchrist
Chief Operating Officer
Circum Minerals Ltd.
chris@gilchristmining.com +353419883409

Toby Hall
Public Relations Advisor
GTH Communications
tobyh@gth.co.uk +447713341072

Certain statements in this press release are forward looking statements. These forward looking statements are not based on historical facts but rather on management's expectations regarding the Company's future growth, results of operations, performance, future capital and other expenditures, competitive advantages, planned exploration and development activity and the results of such activity, business prospects and opportunities. Such forward looking statements reflect management's current beliefs and assumptions and are based on information currently available to management. Forward looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, the results of exploration and development drilling and related activities, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligations to update publicly or otherwise revise any forward-looking information.