

# Magna Resources Receives Third Drill Permit and Submits Exploration Plan, Green River Potash Project, Utah

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VANCOUVER, Sept. 13, 2012 /CNW/ - Magna Resources Ltd. (the "**Company**") is pleased to announce that American Potash LLC ("**American Potash**"), a wholly owned subsidiary, has received final approval from the State of Utah to commence drilling on three of its State leases which form part of the 100% owned Green River Potash Project (the "**Property**") in Utah's renowned Paradox Basin.

Key highlights include:

- To date, 3 drill permits granted on State leases;
- Proposed drill holes in vicinity of historic 24.3% eKCl\* over 5.9m and 26.4% eKCl over 3.4m intercepts;
- Exploration Plan submitted to BLM initiates review process towards the granting of prospecting permits on Federal Lands;
- Property contains a 600 million - 1 billion tonne potash NI 43-101 Exploration Target\*\* with Cycle 5, the main target, known to host potash at a nearby producing mine; and
- Drilling is planned for early 2013 on the State Leases to test the extent, grade and thickness of Cycle 5 within the Property.

## State Lease Drill Permits

Stratigraphic test wells have been designed to test the Cycle 5 potash evaporite horizon in the northwest portion of the Green River Potash Project on select Utah State leases. To date, three drill permits have been granted.

The first drill hole to receive final approval (as announced in Company press release dated March 28, 2012) is "Duma Point" targeting the Cycle 5 potash zone proximal to the historic Shell Quintana Fed 1-1 well that intercepted 5.9 m (19.4 feet) of potash mineralization grading 24.3% eKCl\* (\*the prefix 'e' in eKCl indicates that the grade was estimated utilizing the response from the gamma ray log surveys and was not measured from chemical analysis of the core).

The other two drill holes to receive final approval are "Ten Mile" and "Mineral Springs", situated 5 kms (3 miles) to the SW and 8 kms (5 miles) to the South respectively from "Duma Point", that straddle the historic Federal 1-26 well that intercepted 3.4 m (11.2 feet) of potash mineralization grading 26.4% eKCl.

The Company plans to commence drilling on the State Leases in early 2013 to test the extent, grade and thickness of Cycle 5 within the Property.

## Exploration Plan

As stated in the Company's May 26, 2011 press release, a Memorandum of Understanding was executed with the Bureau of Land Management ("**BLM**") to expedite drilling on Federal Lands administered by the BLM. The Company has formally initiated the review process towards the granting of prospecting permits on Federal Lands by recently submitting an Exploration Plan. The Exploration Plan calls for drilling 4 exploration holes on Federal Lands in addition to the 4 holes proposed on State Leases.

The exploration Plan is currently under review and the Company is focussed on facilitating a timely completion to the Prospecting Permit approval process.

## Green River Potash Project

The Property is situated in the renowned Paradox Basin, which contains the stratigraphic sequence of evaporite/salt layers that comprise the United States' sole solution mining potash operation, the Cane Creek potash mine. The Cane Creek mine is currently exploiting Potash Cycle 5, which underlies and extends throughout the Green River Project area and is the Company's prime exploration target.

Preliminary analysis of down-hole electric log ("**elog**") data from 33 local and regional oil and gas wells suggests that Potash Cycle 5 is a regionally extensive syl/mte-sylvinitic bed in the northern Paradox Basin demonstrating continuous thicknesses and improving in thickness and grade across the Property to the northwest. The most prospective zone of mineralization appears to be located beneath the central and northwest portion of the Property where potash-bearing Cycle 5 is inferred to range from about 3 to 6 m thick and grades from 22 to 25% eKCl.

The Company's technical report on the Green River Potash Project (the "**Report**") classifies Cycle 5 as a NI 43-101 exploration target (the "**Exploration Target**") projected to contain between 600 million and 1 billion tonnes of sylvinitic with an average grade ranging between 19 and 29% eKCl, assuming a bed thickness cut-off of 2.0 m and a composite grade cut-off of 15.8% eKCl. Cycle 5 ranges between 1,200 and 1,900 m depth on the Property.

Table 1: Summary of the Cycle 5 Exploration Target\*\*

	Range
Average grade (% eKCl)	19 - 29
Average thickness (m)	2.5 - 5.0
Tonnage (Mt)	600 - 1,000

Target cut-offs: 15.8% eKCl bed composite grade and 2.0 m bed thickness.

\*\*It should be noted that Exploration Targets are conceptual in nature and there has been insufficient exploration to define them as Mineral Resources, and, while reasonable potential may exist, it is uncertain whether further exploration will result in the determination of a Mineral Resource under NI 43-101. The Exploration Target stated in the Report is not being reported as part of any Mineral Resource or Mineral Reserve.

The Report was prepared by Vanessa Santos, Chief Geologist with Agapito and a Licensed Professional Geologist in the State of South Carolina, and Registered Member of the Society for Mining, Metallurgy, and Exploration, and Leo Gilbride, Senior Consultant with Agapito and a licensed Professional Engineer in the State of Colorado, each of which are qualified persons as defined by and independent of the Company for the purposes of National Instrument 43-101; and have reviewed the related scientific and technical information in this press release.

The specific data referred to in the Report was obtained from historical sources believed to be reliable but which have not and cannot be verified. For additional details regarding the Property, the Report and the Exploration Target, refer to the Company's press release dated May 30, 2012.

The Report is available under the Company's profile on the System for Electronic Document Analysis and Retrieval (SEDAR).

## About the Company

Magna Resources Ltd. is dedicated to the acquisition and development of potash mineral deposits in the USA and elsewhere, and trades on the Canadian National Stock Exchange under the symbol MNA. American Potash, a Nevada limited liability corporation, is a wholly owned subsidiary of Magna Resources Ltd., which holds certain potash leases and an option in respect of certain potash lease applications in the State of Utah that constitute the Green River Potash Project.

Neither the Canadian National Stock Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian National Stock

Exchange) accepts responsibility for the adequacy or accuracy of this release. Statements in this press release other than purely historical information, historical estimates should not be relied upon, including statements relating to the Company's future plans and objectives or expected results, are forward-looking statements. News release contains certain "Forward-Looking Statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. Forward-looking statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in resource exploration and development. As a result, actual results may vary materially from those described in the forward-looking statements.

SOURCE: Magna Resources Ltd.

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**For further information:**

Mike Sieb  
President  
Tel: 604-558-4955  
Fax: 604-558-4956  
[mikesieb@magnaresourcesltd.com](mailto:mikesieb@magnaresourcesltd.com)

CO: Magna Resources Ltd.

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