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## NEWS RELEASE

### **Technical Report Indicates Significant Potential for Magna's Green River Potash Project, Paradox Basin, Utah**

**Vancouver, B.C., May 30, 2012.** Magna Resources Ltd. ("**Magna**")(**MNA:CNSX**) is pleased to announce that American Potash LLC ("**American Potash**"), a wholly-owned subsidiary of Magna (jointly the "**Company**"), has received an independent Qualified Person ("**QP**") review and National Instrument ("**NI**") 43-101 compliant Technical Report prepared by Agapito Associates Inc. of Grand Junction, Colorado ("**Agapito Report**") regarding the Company's extensive 20,620 hectares Green River Potash Project (the "**Property**") located within the geologically favorable Paradox Basin near the town of Moab in Grand County, Utah.

Key Highlights of the Agapito Report include:

- 600 million – 1 billion tonnes of potash are permissive in the horizon known as Cycle 5, the main exploration target, and is known to host potash at a nearby producing mine;
- The Cycle 5 potash bearing horizon has the potential to grade up to 19-29% KCl (potassium chloride) as indicated by down hole gamma ray surveys; and
- The Cycle 5 sedimentary horizon is extensive and very continuous at depth throughout the Company's large 20,620 hectare property.

The Property is situated in the renowned Paradox Basin, host to the same geological setting as the United States' sole solution mining potash operation called Cane Creek. There, the sedimentary bed known as Cycle 5, which underlies and extends throughout the Property, contains the principal potash mineralization that is mined at Cane Creek and is the Company's prime exploration target. Magna's Property has excellent infrastructure and year-round access, and drilling is planned for the coming fall months.

"The postulated size and grade of the exploration target at the Company's Green River Potash Project, as indicated by the Agapito technical report, is impressive" states Mike Sieb, President, Magna Resources Ltd. "Tapping into one of the largest commodity growth sectors with a project of this potential magnitude, combined with a favourable location and climate, represents a rare undeveloped opportunity for Magna."

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## Exploration Target

The Agapito NI 43-101 compliant technical report states that Magna's Green River project has the potential to contain significant potash mineralization in sufficient quantities and grade to be an attractive target for exploration and potentially amenable to solution mining.

While no potash drilling has been conducted to date on the Property, numerous oil and gas wells blanket the area. A total of 33 local and regional wells were reviewed, forming the basis for the exploration target determination in the Agapito Report. The majority of these historic wells penetrated the potash beds of interest as indicated by a combination of lithology and down hole geophysical surveys including gamma ray, neutron density, neutron, resistivity and sonic log data. Gamma ray response levels provided the principal basis to infer the location, identification and estimation of potash beds' grade and thickness in oil and gas wells.

Preliminary analysis of down-hole electric log ("**elog**") data suggests that Potash Cycle 5 is a regionally extensive sylvinite bed in the northern Paradox Basin demonstrating continuous thicknesses and improving in thickness and grade across the Property to the northeast. The best zone of mineralization appears centralized to the northeast quadrant of the Property where inferred potash-bearing Cycle 5 ranges from about 3 to 6 m thick and grades 22 to 25% 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 Agapito Report classifies Cycle 5 as a NI 43-101 exploration target ("**Exploration Target**") projected to contain between 600 million and 1 billion tonnes of sylvinite 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.

The Company is planning an initial drill program for the fall of 2012 to test the extent, grade and thickness of Cycle 5 within the Property.

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



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uncertain whether further exploration will result in the determination of a Mineral Resource under NI 43-101. The Exploration Target stated in the Agapito Report is not being reported as part of any Mineral Resource or Mineral Reserve.

### **General Aspects of the Green River Potash Property**

The Property encompasses 20,620 hectares (“ha”) of land comprised of 11 state potash leases totaling 2,853 ha owned by the State of Utah and 25 federal potash prospecting permit applications (“PPA”) totaling 17,767 ha applied for with the Bureau of Land Management (“BLM”) located in Grand County, Utah, 32 kilometers (“km”) west of Moab. The Property is adjacent to the Green River which lies to the west. The Green River Property is accessed via numerous improved and unimproved roads from US Highway 191 and Interstate 70, which is a major traffic corridor connecting with Grand Junction (180 km) to the east and Salt Lake City (370 km) to the northwest.

Major oil and gas pipelines and electrical transmission lines pass through utility corridors in close proximity to the Property. The Union Pacific Railroad Central Corridor mainline, connecting Denver and Salt Lake City, is 18 km north and the Cane Creek Subdivision railroad spur, servicing the potash solution mine operated by Intrepid Potash Inc. (“Intrepid”), is 16 km east of the Property.

The Property encompasses relatively flat, sparsely vegetated terrain on the east side of the Green River, consisting of broad stepped mesas with low rolling hills generally ranging in elevation between 1,370 and 1,670 meters. The topography is sufficiently flat and the arid to semi-arid climate is suitable to potentially accommodate evaporation ponds on various parts of the Property.

The Property is located within a geologic province known as the Paradox Salt Basin that extends approximately 160 km in width and 320 km in length in a northwest-southeast direction spanning southeastern Utah and southwestern Colorado. During middle Pennsylvanian time, the Paradox Basin formed as a restricted shallow marine environment marked by 29 evaporite sequences with potash noted in 17 of the 29 evaporite cycles (Hite 1960, 1983). Intrepid’s local operation is extracting the potash from Cycles 5 and 9 through solution mining and utilizing solar evaporation to re-crystallize the product for sale and shipment.

On May 4, 2012, the US Department of the Interior, Bureau of Land Management, posted a notice on the Federal Registry regarding the establishment of the Ten Mile Known Potash Leasing Area (“KPLA”). This action establishes that the lands within the Ten Mile KPLA may no longer be available for non-competitive leasing for potash and may instead be available through a competitive leasing process. The newly established Ten Mile KPLA boundary overlies a portion of the Company’s prospecting permit applications (non-competitive lease applications) and as a result has reduced the Property by 8,738 ha from 29,358 ha to 20,620 ha.



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## **Green River Potash Project NI43-101 Technical Report**

Agapito Associates Inc. (“**Agapito**”), a well-respected engineering firm with recognized technical expertise in potash exploration, development and solution mining, was commissioned by the Company to provide an independent QP review and NI 43-101 Technical Report on the Property. The Agapito Report incorporates information from an earlier NI 43-101 report (“**2009 Report**”) on the Property that was an informational document focused on the Property’s incipient exploration potential. The current Agapito Report quantifies the Property’s potash exploration potential in the form of an NI 43-101 Exploration Target. The Exploration Target estimate was prepared in accordance to the NI 43-101 guidelines of the Canadian securities regulators.

Potash bed correlations were developed from a total of 33 historical oil and gas wells within which top and bottom picks and bed composite eKCl grades were estimated and compiled. Potash bed thicknesses and grades were spatially modeled across the Property using Carlson Mining 2011 Software Geology Module (Carlson 2011), an industry-recognized commercial-grade geologic and mine modeling software system.

The potash beds of interest were gridded into single layers of 50-m-square blocks of variable vertical thickness representing the local thickness of the respective potash bed. Block thickness and eKCl grade values were estimated from neighboring wells (point data) using an Approximation Base on Smoothing (“**ABOS**”) modeling algorithm. The ABOS method is well-suited to modeling tabular deposits with widely spaced holes and produces results comparable to other common methods such as kriging, radial basis functions, or minimum curvature. Grids were also created for top and bottom elevations of each bed based on well intercept elevations and using the ABOS method. Seam conformance was invoked in the ABOS algorithm which forced the prescribed sequence of stratigraphy at all grid locations, thus improving structural accuracy in areas with weaker drill hole control.

In-place potash tonnages were calculated using an in situ bulk density of 2.08 tonnes per cubic meter (t/m) typical for sylvinite.

As required by NI 43-101, a technical report to support the Exploration Target estimate will be filed on SEDAR and be publically available within 45 days following the date of this release.

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, are both the Qualified Person (as defined by NI 43-101) for having prepared the Exploration Target estimates and

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scientific and technical information in this press release and has reviewed the results as reported in the table above.

The specific data referred to herein was obtained from historical sources believed to be reliable but which have not and cannot be verified.

### **About the Company**

American Potash, a Nevada limited liability corporation, is a wholly owned subsidiary of Magna Resources Ltd. Magna is a company 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. Magna consolidated 100 percent (%) membership interest in American Potash after acquiring Confederation Minerals Ltd.'s 50% interest in American Potash on January 12, 2012.

*Neither CNSX Exchange nor its Regulation Services Provider (as that term is defined in the policies of the CNSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*This news release includes certain statements that may be deemed “forward-looking statements”. All statements in this release, other than statements of historical facts, including the likelihood of commercial mining and possible future financings are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include unsuccessful exploration results, changes in metals prices, changes in the availability of funding for mineral exploration, unanticipated changes in key management personnel and general economic conditions. Mining is an inherently risky business. Accordingly the actual events may differ materially from those projected in the forward-looking statements. For more information on the Company and the risks and challenges of its business, investors should review the Company’s annual filings that are available at [www.sedar.com](http://www.sedar.com).*

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