

Sennen Enters Into Letter of Intent Over Monument Potash Solution Mining Project, Utah, USA

15.10.2012 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA -- (Marketwire) -- 10/15/12 -- Mr. Ian Rozier, President and CEO of [Sennen Resources Ltd.](#) (TSX VENTURE: SN) ("Sennen" or the "Company"), is pleased to report that the Company has entered into a Letter of Intent (the "LOI") with Paradox Basin Resources and Kalium Holdings Ltd ("the Paradox Group") for Sennen to secure the right to earn a 51% interest in and to the Monument Potash project ("Monument" or the "Project") by making certain expenditures and work commitments. The LOI contemplates Sennen having a Right of First Refusal ("ROFR") over the remaining 49% interest in the Project.

Monument is located in San Juan County in south-east Utah, and south-west Colorado, USA, an area with established mining activities and excellent infrastructure, including oil, gas, power and rail links, as well as being close to one of the world's largest agricultural markets. Monument is 70 miles south-east of the Cane Creek potash (solution and solar evaporation) mine operated by [Intrepid Potash Inc.](#) ("Intrepid") which is listed on the New York Stock Exchange. The Cane Creek Mine has successfully demonstrated that the Paradox Basin in Utah hosts a large scale, low cost potash producer using solution mining and solar evaporation technology, an extractive technology at the cutting edge of low cost potash production.

The Paradox Group currently controls a land position totaling 103,280 contiguous acres in Utah, and 2,092 adjoining acres in south-west Colorado. The land package comprises potash prospecting applications on Federal Lands, potash leases on Utah State Trust Lands, as well as potash leases on Private Lands. The potash deposits that will be the focus of drilling are in Cycle 18, a flat lying and relatively thick (5-9m) horizon with high indicated potash grades (25% K₂O). Lying at a depth of approximately 2100m with ambient temperatures of approximately 67 degrees centigrade, this is very favorable for low cost solution mining.

Geological data suggest that Monument has thicker seams and higher grades than at Cane Creek, with the same arid climate where very low humidity and solar energy year round results in rapid evaporation of brines in surface ponds. It is anticipated that the same low cost solution extraction and solar evaporation technology could be used to recover potash from brines at Monument. Lying deeper, and consequently having a higher ambient temperature, relative energy consumption per tonne produced is expected to be substantially lower. The Cane Creek mine may not necessarily be indicative of the economic potential of the Monument Property, and there is no guarantee that an operation similar to Cane Creek will be found viable at Monument.

Historical Resource Estimates

Resource estimates from geophysical logs from previous oil and gas wells have been proven to be accurate in determining salt and potash bed thickness and K₂O content in these types of flat lying sequences. Based on 7 wells immediately surrounding Monument, a technical report prepared in October 2010 by Mr O. Jay Gatten of North American Exploration Inc. (the "Gatten Report") states that ... "A large in-place potash resource can be inferred based on the interpretation of geophysical logs from nearby oil and gas wells and stratigraphic correlations"....and that..."An in-place resource of 3.1 billion tonnes of sylvinites could be present within the..... prospecting permit application area on Federal Lands."

In accordance with NI 43-101 reporting requirements, it must be clearly stated that this resource estimate is a 'historical estimate'. Although Sennen considers this resource estimate to be somewhat relevant, it does not conform to NI 43-101 requirements and therefore cannot be relied upon, as the key assumptions, parameters, and methods used to prepare them cannot be verified in accordance with NI 43-101 criteria, as this 'historical resource' estimate uses categories different from ones set out in Sections 1.2 and 1.3, of NI 43-101.

A qualified person has not done sufficient work to classify this 'historical estimate' as a current mineral resource and Sennen is not treating this 'historical estimate' as a current mineral resource.

There are no other resource estimates on the Monument project available to Sennen.

In order to upgrade or verify the 'historical estimate' as a current mineral resource, a confirmatory drill program will be required. A NI 43-101 Technical Report by Sears, Barry and Associates dated February 12th 2012 recommends the drilling of three wells. The initial drill program will focus on the Cedar Point and Six Shooter prospects in Utah, and on the Dove Creek prospect in Colorado. The cost of this recommended drill program, other seismic and well log acquisition, environmental permitting and technical reporting required to generate a NI 43-101/JORC compliant resource, is estimated to be approximately \$8M with additional technical work required to take the project to pre-feasibility level engineering.

Proposed Terms and Conditions

Sennen would have the right to earn a 40% interest in Monument from the Paradox Group under the following terms and conditions;

- By paying US\$50,000 as a contribution towards certain costs incurred in a prior transaction relating to Monument.
- By making a cash payment of US\$4.1 Million within ten (10) days of TSX Venture Exchange approval of the transaction ("Approval").
- By incurring expenditures of up to US\$9M on Monument over a period of up to 24 months after the date of Approval, such costs to include the drilling of a minimum of three drill holes and taking Monument to pre-feasibility stage to the satisfaction of Sennen.
- By issuing 50M common shares on the following schedule;
 - 10M common shares within ten days of Approval.
 - 20M common shares within 180 days of Approval.
 - 20M common shares within 360 days of Approval.
- Sennen would have the right to earn a further 11% in Monument by taking the project to full feasibility.
- Sennen would have a Right of First Refusal ("ROFR") over the remaining interest of Monument.
- Sennen would be the overall operator and will contract the Paradox Group to manage the technical work on the project.

Other Relevant Information

Sennen does not need to do any additional financing in order to meet the acquisition costs and expenditure commitments required to earn the 40% interest in Monument.

As part of its ongoing due diligence process, Sennen is conducting a Comparable Technical Analysis of several potash deposits, and when completed, these data, along with a power point presentation and other relevant information with respect to the Potash industry, will be available on the Company's website.

The Company will make a further news release when a formal agreement has been signed, which is anticipated to be on or before October 31st, 2012

The proposed transaction is subject to the approval of the TSX Venture Exchange.

Stated Ian Rozier, President and CEO of Sennen: "With its location, geology, and potential for the use of low cost solution mining and solar evaporation, Monument represents an extraordinary opportunity for the Company. We are very optimistic that with our financial resources and the technical expertise and project management provided by our partners at Paradox, the Monument asset has the potential to be developed as a low cost potash producer located in the largest global consumer market."

The technical and scientific information contained in this news release has been reviewed by Ian T. Rozier, M.Sc., P.Eng, a qualified person as defined in NI 43-101, who is an officer and director of [Sennen Resources Ltd.](#)

Neither the TSX Venture Exchange (the "TSXV") nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) has reviewed, nor do they accept responsibility for the adequacy or accuracy of, this release.

Contacts:

[Sennen Resources Ltd.](#)

Barbara Dunfield, MBA, Chief Financial Officer

(604) 685-6851

(604) 685-6493 (FAX)

info@sennenresources.com

www.sennenresources.com

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/135169--Sennen-Enters-Into-Letter-of-Intent-Over-Monument-Potash-Solution-Mining-Project-Utah-USA.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).