

# Potash Ridge Reports Fourth Quarter and Full Year Results for 2013 and Provides Update on its Blawn Mountain Project

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TORONTO, ONTARIO--(Marketwired - Mar 27, 2014) - [Potash Ridge Corp.](#) ("Potash Ridge" or the "Corporation") (TSX:PRK)(OTCQX:POTRF) today released its fourth quarter and year-end financial results.

## 2013 Q4 and Annual Financial Results

- The Corporation reported a net loss for the fourth quarter of \$0.9 million (\$0.01 per share) compared with a net loss of \$2.1 million (\$0.03 per share) for the fourth quarter of 2012.
- The Corporation had a net loss for the year ended December 31, 2013 of \$4.5 million (\$0.05 per share) compared with a net loss of \$4.8 million (\$0.07 per share) for the year ended December 31, 2012.
- A total of \$10.8 million was incurred on Blawn Mountain Project activities in 2013, of which \$2.5 million was spent during the fourth quarter. In 2012, Project spending of \$8.0 million was incurred, of which \$1.9 million was incurred in the fourth quarter. The spending in 2013 was primarily on the Prefeasibility Study, extensive metallurgical testing, a third phase of drilling and substantial advancement of permitting activities. In 2012, project spending included two phases of exploration drilling and the completion of the Preliminary Economic Assessment.
- The Corporation ended the year with cash and cash equivalents of \$8.0 million and had net working capital of \$7.0 million.

The Corporation's 2013 Annual Audited Consolidated Financial Statements and Management's Discussion & Analysis are available at [www.sedar.com](http://www.sedar.com).

## Key Project Highlights

The Corporation made significant advances in 2013 and early 2014 developing its flagship Blawn Mountain Project ("the Project").

### *Prefeasibility Study Released*

In November 2013, Norwest Corporation issued a NI 43-101 compliant Prefeasibility Study ("PFS") for the Project showing a 20.5% after tax internal rate of return and a \$1.0 billion after tax net present value using a 10% discount rate, demonstrating the technical and economical viability of the Project. The PFS contemplates producing an average of 645,000 tons of sulphate of potash ("SOP") per annum over a 40-year life. The PFS, entitled "NI 43-101 Technical Report Resources and Reserves of the Blawn Mountain Project, Beaver County, Utah" dated effective November 6, 2013 is available on SEDAR.

The PFS reflected substantial work during 2013 in a number of areas, including drilling, metallurgical testing and market analysis.

Drilling work in 2013 further defined resources identified during the 2012 drilling campaigns and resulted in 426 million tons of proven and probable reserves being recognized in the PFS. The proven and probable reserves are sufficient to support 40-years of operations and were based on 140 core and reverse circulation holes, with the potential to increase the life of operations or expand upon initial production rates through exploration of two additional zones of known mineralization.

Metallurgical testing was performed using samples collected from large diameter (PQ) core holes drilled

specifically for metallurgical testing. The core samples were composited to represent the main areas of the PFS mining plan. The test work covered all aspects of the selected PFS flowsheet, including grinding, calcining, leaching, crystallization and solid liquid separation. Since the technology used to process alunite is well understood, objectives of the test work were to test the concepts used in the historical work, to develop a flowsheet specific to the Blawn Mountain ore and to optimize the selected flowsheet to maximize SOP recoveries. SOP recoveries in excess of 90% were achieved in the testing program, and thus 90% recovery was used in the PFS economics.

The Corporation received SOP market studies from independent consultants, which confirmed the strong market potential for SOP. The studies provided information on yield benefits of SOP for various crops and assessed potential incremental SOP demand by crop in key regions. The studies concluded that potential SOP demand is well in excess of existing supply, with limited supply growth opportunities from existing production processes.

This untapped demand is evident when comparing robust pricing for SOP in North America with pricing for common potash (potassium chloride or MOP). In Q4 2013, North American average realized MOP prices declined by 27% to \$282 per tonne over the same period in 2012, whereas average realized SOP prices remained steady at \$690 per tonne over the same period.

#### *Permitting Progress Continues on Track*

A number of important permitting milestones were achieved in 2013 and early 2014.

In July 2013, Beaver County announced that its application for a federal right-of-way to improve an existing County road had been granted. This existing County road provides access to the Project as well as other parcels of development land. The Corporation has worked with Beaver County to complete final engineering drawings for the upgrading of the road.

The twelve month baseline air-monitoring program concluded in September 2013, with final baseline reports filed with the Utah Division of Air Quality in late October 2013. In December 2013, the Corporation received notice from the Utah Division of Air Quality that it had satisfied all of the conditions of its Quality Assurance Project Plan.

Progress continues on the Corporation's application for water rights in the Wah Wah Valley near the Project. A formal hearing by the Utah State Engineer took place in November 2013. In February 2014, the State Engineer held a further meeting in support of an amended policy allowing for commercial use of water in the Wah Wah Valley, an important step in the approval of the Corporation's application. The public comment period for this policy change ended in early March 2014.

The Large Mine Permit Application for the Project was filed in late December 2013. Numerous baseline environmental studies were completed and utilized in compiling the application. No issues that would impede Project development were identified.

The Corporation was notified that the Utah office of the U.S. Army Corp of Engineers ("ACOE") concurred with the Corporation's findings that no jurisdictional waters or wetlands will be impacted by the Project. The Corporation received final confirmation from ACOE and a letter stating that a "Department of the Army Permit" is not required for the Project in March 2014.

#### *Mining Lease Initiated*

On March 24, 2014 the Corporation converted its Exploration Agreement with the Utah State School and Institutional Land Trust Administration ("SITLA") into a Mining Lease. Concurrent with the exercise of the Option, the Corporation entered into an agreement with SITLA, whereby the upfront payment requirement of \$1,020,000 was replaced with an initial payment of US\$200,000 plus five equal semi-annual installments of US\$164,000 commencing in March 2015. Interest will accrue on unpaid installments at an annual rate of 5.75%.

## **2014 Outlook**

A number of significant milestones are anticipated in the year ahead.

### *Engineering, Technical and Commercial*

- A Request For Proposal for a feasibility study will be issued in the second quarter of 2014 to a number of independent qualified engineering firms, with a target of awarding the contract around mid-year.
- A number of potential markets have been identified for the alumina-rich leach residue, which in the PFS is assumed to go to the tailings. Metallurgical test work is ongoing with respect to ascertaining the best market for this material and the extent of upgrading required to meet consumer specifications.
- Discussions continue with various interested parties with respect to build-own-operate arrangements for various infrastructure components, including power, natural gas, water treatment, rail and sulphuric acid. Signing of commercial arrangements is anticipated during 2014 for most of these components.
- Negotiations for sulphuric acid offtake arrangements are continuing. A Memorandum of Understanding has been signed for approximately 20% of average annual production, with additional offtake agreements expected during 2014.

### *Permitting*

- Granting of water rights is anticipated during the second quarter of 2014.
- A public consultation period with respect to the Large Mine Permit Application is anticipated to take place in the second quarter of 2014, with a decision on the application during the second half of the year.
- Receipt of the Groundwater Discharge Permit is expected later in 2014.
- Additional modeling for the air permit application will continue in parallel with the feasibility study.

### *Liquidity and Capital Resources*

The Corporation ended 2013 with \$8.0 million of cash. This cash will allow the Corporation to continue the majority of its ongoing initiatives throughout 2014 and beyond. Additional capital will, however, be required before the feasibility study can commence. A number of strategies to raise this additional capital are currently being pursued. The Corporation is targeting to raise approximately US\$25 million for the feasibility study and for nearer term working capital requirements. The Corporation currently expects that this additional funding will bring the development of the Project to the beginning of the execution phase and the commencement of detailed engineering, assuming receipt of a positive feasibility study.

## **About Potash Ridge**

Potash Ridge is a Canadian based exploration and development company focused on developing a surface Alunite deposit at the Company's Blawn Mountain Project in Southern Utah. It is expected to produce premium fertilizer sulphate of potash ("SOP") and a possible alumina rich by-product.

Located in Utah, a mining friendly jurisdiction with established infrastructure nearby, the Project is expected to produce an average of 645,000 tons of SOP per annum over a 40 year mine life. A NI 43-101 compliant Prefeasibility Study completed in November 2013 by Norwest Corporation, which demonstrated the Project is both technically and economically viable. The Prefeasibility Study, entitled "NI 43-101 Technical Report Resources and Reserves of the Blawn Mountain Project, Beaver County, Utah" dated effective November 6, 2013 is available on SEDAR.

Potash Ridge has a highly qualified and proven management team with significant financial, project management and operational experience and the proven ability to take projects into production.

## **Forward-Looking Statements**

*This press release contains forward-looking statements, which reflect the Corporation's expectations regarding future growth, results of operations, performance and business prospects. These forward-looking*

*statements may include statements that are predictive in nature, or that depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates", "guidance" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent the Corporation's expectations, estimates and projections regarding future events. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: the future financial or operating performance of the Corporation and its subsidiaries and its mineral projects; the anticipated results of exploration activities; the estimation of mineral resources; the realization of mineral resource estimates; capital, development, operating and exploration expenditures; costs and timing of the development of the Corporation's mineral projects; timing of future exploration; requirements for additional capital; climate conditions; government regulation of mining operations; anticipated results of economic and technical studies; environmental matters; receipt of the necessary permits, approvals and licenses in connection with exploration and development activities; appropriation of the necessary water rights and water sources; changes in commodity prices; recruiting and retaining key employees; construction delays; litigation; competition in the mining industry; reclamation expenses; reliability of historical exploration work; reliance on historical information acquired by the Corporation; optimization of technology to be employed by the Corporation; title disputes or claims and other similar matters.*

*If any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained herein. Such assumptions include, but are not limited to, the following: that general business, economic, competitive, political and social uncertainties remain favorable; that agriculture fertilizers are expected to be a major driver in increasing yields to address demand for premium produce, such as fruits and vegetables, as well as diversified protein rich diets necessitating grains and other animal feed; that actual results of exploration activities justify further studies and development of the Corporation's mineral projects; that the future prices of minerals remain at levels that justify the exploration and future development and operation of the Corporation's mineral projects; that there is no failure of plant, equipment or processes to operate as anticipated; that accidents, labour disputes and other risks of the mining industry do not occur; that there are no unanticipated delays in obtaining governmental approvals or financing or in the completion of future studies, development or construction activities; that the actual costs of exploration and studies remain within budgeted amounts; that regulatory and legal requirements required for exploration or development activities do not change in any adverse manner; that input cost assumptions do not change in any adverse manner, as well as those factors discussed in the section entitled "Risk Factors" in the Corporation's Annual Information Form (AIF) for the year-ended December 31, 2013 found on [sedar.com](http://sedar.com). The Corporation disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.*

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