

# Potash Ridge Reports First Quarter 2014 Financial Results and Provides Update on Its Blawn Mountain Sulphate of Potash Project

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TORONTO, ONTARIO--(Marketwired - May 8, 2014) - [Potash Ridge Corp.](#) ("Potash Ridge" or the "Corporation") (TSX:PRK) (OTCQX:POTRF) today released its first quarter financial results.

## 2014 Q1 Financial Results

- The Corporation reported a net loss for the first quarter of \$0.2 million (\$0.00 per share) compared with a net loss of \$1.0 million (\$0.01 per share) for the first quarter of 2013.
- A total of \$2.6 million was incurred on Blawn Mountain Project (the "Project") activities in the first quarter compared with \$3.6 million on project activities for the first quarter of 2013.
- The Corporation closed the first quarter of 2014 with cash and cash equivalents of \$5.5 million and had accounts payable and accrued liabilities of \$0.9 million.

The Corporation's first quarter unaudited Financial Statements and Management's Discussion & Analysis are available at [www.sedar.com](http://www.sedar.com).

## Key Project Highlights of the Three Months Ended March 31, 2014

- Various studies undertaken by the Corporation's consultants have established premiums growers are willing to pay for sulphate of potash ("SOP") over muriate of potash ("MOP") for certain key crops due to yield benefits, and also the market demand potential for SOP in various key markets. These studies indicate that growers are willing to pay significant premiums, and that the demand growth potential in key markets is robust. During the quarter, the Corporation initiated discussions with various purchasers and users of SOP in North America, all of which have indicated a severe supply shortage. This supply shortage is expected to persist, given limited growth potential using existing SOP production processes.

The impact of the supply deficit, and the willingness and ability of growers to pay a significant premium for SOP over MOP is evident when comparing prices. In North America, average realized SOP prices were approximately US\$670/tonne for the first quarter of 2014 compared with approximately US\$690/tonne for the same period in 2013. By contrast, North American MOP average realized prices declined to approximately US\$250/tonne during the first quarter of 2014 from approximately US\$363/tonne during the same period in 2013. The average realized price for SOP is currently approximately 170% over the average realized price for MOP.

- In February 2014, the Corporation filed its groundwater discharge permit application. The permit is expected in the second quarter of 2014.
- In March 2014, the U.S. Army Corp of Engineers confirmed the Corporation's findings that no jurisdictional waters or wetlands will be impacted by the Project and, accordingly, a "Department of the Army Permit" is not required for the Project. Following receipt of this confirmation, no further federal permitting issues are expected as it pertains to the Project site.
- 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 US\$1,020,000 upon conversion 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%.

- The Corporation has initiated discussions with a number of independent engineering firms regarding the upcoming feasibility study for the Project. It is expected that the feasibility study contract will be awarded by mid-year, subject to receipt of additional financing by the Corporation.
- The scope of additional metallurgical test work required for the upcoming feasibility study has been determined and proposals are being obtained from metallurgical testing firms to carry out this testing program. The test program will include variability testing, continuous testing and testing at vendor facilities, with the objective of obtaining process guarantees.
- The Corporation is advancing discussions towards securing build, own, operate type arrangements for various infrastructure aspects of the Project, such as the electricity transmission line, a natural gas pipeline, short-line rail and load-out facilities, sulphuric acid plant and water treatment plant.

## 2014 Outlook

Several initiatives are currently underway that are expected to result in the achievement of various key milestones during 2014 and beyond

- The Corporation continues to advance its permitting strategy:
  - The water rights application, submitted jointly with SITLA in late 2012, is currently being reviewed by the Utah Division of Water Rights. The approval of this application is anticipated during the second quarter of 2014;
  - The Corporation filed an application for a large mining permit with the Utah Division of Oil, Gas and Mining in late 2013, and it is anticipated that the approval of the application will be received in mid-2014; and
  - Air monitoring data was collected over a one-year period that ended in October 2013. Modeling for the air permit application will continue in parallel with the feasibility study.
- Various commercial discussions currently underway with respect to infrastructure and marketing initiatives are expected to conclude with signing of commercial arrangements with third parties.
- The Corporation is targeting to raise approximately US\$25 million for the feasibility study phase and near 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. A number of strategies to raise this additional capital are currently being pursued.

## About Potash Ridge

Potash Ridge is a Canadian based exploration and development company focused on developing a surface alunite deposit in southern Utah called the Blawn Mountain Project. It is expected to produce a premium fertilizer called sulphate of potash 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 demonstrated that 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 available at [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.

## Contact

[Potash Ridge Corp.](http://www.potashridge.com)

Laura Sandilands

Manager of Investor Relations

416.362.8640 ext. 101

[info@potashridge.com](mailto:info@potashridge.com)

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