

# Allana Potash Initiates Preliminary Economic Assessment on Production of Sulphate of Potash (SOP)

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TORONTO, ONTARIO -- (Marketwired - Sep 8, 2014) - [Allana Potash Corp.](#) (TSX:AAA) ("Allana" or the "Company") announces that it has engaged ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau ("ERCOSPLAN") to complete a Preliminary Economic Assessment ("PEA") on Kainitite resources that may be amenable to SOP production on its Danakhil Project in Ethiopia. SOP is commonly used on chloride sensitive crops such as tobacco, fruits and vegetables and vineyards and typically commands a premium price to Muriate of Potash (MOP). The price differential between MOP and SOP is substantial, and has averaged approximately US\$ 125-150/tonne above the MOP price over the past several years. However, recently the differential has increased to over US\$350/tonne.

Farhad Abasov, President and CEO of Allana, commented, "We are pleased to have engaged ERCOSPLAN to complete a PEA evaluating the potential of the vast Kainitite resources on the Danakhil Project. As we move to completion on the development of our MOP operations, it makes sense to start to plan for the development of SOP as an Allana product line, particularly given the extent of our estimated SOP-based resource. The SOP PEA will proceed independently but in parallel with our development and optimization work on our MOP production facility as outlined in the MOP project's Feasibility Study completed in 2013. The Kainitite is ubiquitous on our project license and management believes a positive PEA may allow Allana to add significant value for our shareholders. If the results of the SOP PEA are positive Allana may consider establishing a special purpose company dedicated to developing the SOP resources for sale in the global market."

The Kainitite mineral resources on Allana's Danakhil Project are extensive (see table below) and dominated by the mineral kainite ( $4\text{KMg}(\text{SO}_4)\text{Cl} \times 11\text{H}_2\text{O}$ ). For details on the Kainitite mineral resources see Technical Report entitled "Resource Update for the Danakhil Potash Deposit, Danakhil Depression, Afar State, Ethiopia" dated effective April 17, 2013 filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) on August 7, 2013.

RESOURCE ESTIMATE	TONNAGE (MT)	GRADE (% KCL)
MEASURED	552.3	19.2
INDICATED	598.2	19.5
INFERRED	481.8	19.8

## Notes

1. MT=Million Tonnes, tonnage is for in-situ resource with no discount for recovery as mining method is to be determined.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimates of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
3. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

The PEA will outline the potential to produce SOP ( $\text{K}_2\text{SO}_4$ ) from kainite derived from the Kainitite Horizon in the project area. The Kainitite Horizon is interpreted as a primary evaporite unit in the basin and has been intersected in diamond drilling in most of the mining license area. The PEA will examine the use of solution mining to mine the Kainitite Horizon and produce 1,000,000 tonnes per year of SOP product from the brine as a separate operation from the current development program which will produce 1,000,000 tonnes per year of MOP.

The PEA will focus on six main areas covering the following:



1. Preliminary Brine Field Design
2. Preliminary Evaporation Ponds Design
3. Preliminary Process Development
4. Preliminary Definition of Additional Infrastructure
5. Preliminary Cost Estimates (CAPEX and OPEX)
6. Preliminary Market Study and Financial Model

ERCOSPLAN has extensive experience with potassium sulphate minerals and processing through its work in the potash industry in Germany where SOP is and has been produced from different combinations of potassium chloride and/or magnesium sulfate bearing minerals. The PEA is expected to be completed by Q1, 2015

### **About Allana Potash Corp.**

Allana is a publicly traded corporation with a focus on the acquisition and development of potash assets internationally with its major focus on its potash property in Ethiopia. Allana has secured financial support from three significant strategic investors: ICL, one of the world's largest potash producers, IFC, a member of World Bank Group, and LMM, a member of Liberty Mutual Group. Allana has estimated measured Sylvinitic mineral resources of 115.3 million tonnes of 27.8% KCl; indicated Sylvinitic mineral resources of 212.1 million tonnes of 28.6% KCl, and an estimated inferred Sylvinitic mineral resource of 90.8 million tonnes grading 27.8% KCl. In addition, the Project hosts measured Kainitite mineral resources of 552.3 million tonnes at 19.4% KCl, indicated Kainitite mineral resources of 598.2 million tonnes of 19.5% KCl and an estimated inferred Kainitite mineral resource of 481.8 million tonnes of 19.8% KCl; estimated measured Upper Carnallitite mineral resources of 121.5 million tonnes grading 17.5% KCl, estimated indicated Upper Carnallitite mineral resources of 289.8 million tonnes of 17.2% KCl and estimated inferred Upper Carnallitite mineral resources of 175.5 million tonnes of 16.5% KCl; estimated measured Lower Carnallitite mineral resources of 235.0 million tonnes of 9.7% KCl, estimated indicated Lower Carnallitite mineral resources of 322.2 million tonnes of 8.9% KCl and estimated inferred Lower Carnallitite mineral resources of 369.3 million tonnes grading 7.7% KCl. The foregoing mineral resource estimates are as at April 17, 2013. For more information with respect to the data verification procedures undertaken and the key assumptions, parameters and risks associated with the foregoing estimates, refer to Allana's Technical Report entitled "Resource Update for the Danakil Potash Deposit, Danakil Depression, Afar State, Ethiopia" dated effective April 17, 2013 filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) on August 7, 2013. Allana has approximately 325.2 million common shares outstanding. Allana trades on the Toronto Stock Exchange under the symbol "AAA". For more information, please visit the Company's website at [www.allanapotash.com](http://www.allanapotash.com).

The mineral resource estimates disclosed herein were completed by ERCOSPLAN under the supervision of Dr. Henry Rauche, Ph.D., EurGeol, Managing Director, CEO ERCOSPLAN, Dr. Sebastiaan van der Klauw, Ph.D., EurGeol., Consulting Geologist, ERCOSPLAN and Euro Ingenieur Ralf Linsenbarth of ERCOSPLAN Ingenieurbüro Anlagentechnik GmbH who are each independent Qualified Persons for the purposes of National Instrument 43-101.

Dr. Peter J. MacLean, Ph.D., P. Geo., Allana's Senior VP Exploration, is the Company's designated Qualified Person and has reviewed and approved the technical information presented in this release.

### **Forward-Looking Statement**

*Except for statements of historical fact relating to the Company, certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Statements with respect to the impact of the engagement and the PEA on the Company and the timing of the completion of the work are forward-looking statements. Forward-looking statements are based on the opinions, assumptions estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Such risks are discussed in the risk factors sections of our latest annual information form, our technical reports and other continuous disclosure documents filed from time to time at [www.sedar.com](http://www.sedar.com). Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in*

*forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company does not undertake to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except in accordance with applicable securities laws.*

## Contact

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