

Great Quest Files Updated PEA for Multi-Phased Phosphate Production

03.02.2015 | [Marketwired](#)

Internal Rate of Return Increases to 55% for Full-scale Production Phase; Director Victor Jones Resigns

VANCOUVER, BC--(Marketwired - February 03, 2015) - [Great Quest Fertilizer Ltd.](#) ("the Company") (TSX VENTURE: GQ) (FRANKFURT: GQM) is pleased to report the filing of an updated Preliminary Economic Assessment ("PEA") of its Tilemsi Phosphate project in Mali, West Africa. The PEA, originally filed on February 17, 2013, has been updated to include the pilot plant phase of operation announced on December 18, 2014 (See Release for details). The newly combined multi-phased production plan is now available on SEDAR. The addition of the pilot phase of production (Phase 1) has allowed for greater optimization of Phase II, the full scale operation. Phase I has a demonstrable impact on the economics and risk profile of the project. This has resulted in a new Net Present Value after tax ("NPV") of \$432.1 million dollars and internal rate of return after tax ("IRR") of 55%.

The PEA evaluates the economics of the proposed initial phases of the phosphate mining and processing at the Tilemsi Phosphate Project in Mali. The Phase I conceptual project development includes pilot-scale mining, beneficiation, NPK blending and the granulation of 40,000 tons of phosphate rock per annum for twelve years. The pilot plant will be located in the agricultural area of Dogofry, 1,024 km south west of the Tilemsi mining property. The Phase II proposed project development would proceed upon determination of the success of Phase I results over a complete year of full operation. The Phase II operations will be located in Bourem, 95 km from the Tilemsi mining property. Phase II aspects of the PEA include the 2011 drilling program, in addition to the construction of phosphate beneficiation and granulation plants and their associated infrastructure and utilities.

Phase I Key Economic Highlights:

NPV at 10% discount rate	US\$ Million	17.3
Project IRR	%	29.5
Great Quest Capital Expenditure	US\$ Million	16.3

The Phase I production is a unique circumstance where a pilot plant generates internal profits. Additional attributes of Phase I include:

- Market building step, the initial small scale production in the region allows the Company to establish the product and build familiarity with potential large off-takers
- Reduces the capital expenditure required to achieve profitable production
- Allows for secure production and investment while the situation further stabilizes in Northern Mali

The pilot phase of production will allow for steeper production profile at the initiation of Phase II. As a consequence the internal rate of return is increased, the pay back period is reduced as is the projected mine life, from 20 years to 17 years. A significant finding of the updated study is the elimination of a Company owned and operated fertilizer distribution business. Such a business would have put the Company in competition with the now proposed distributors, in a lower margin, labour intensive business. As a consequence the IRR has been increased, but the net present value has decreased.

Phase II Key Economic Highlights [Updated/(previous)]:

NPV at 10% discount rate	US\$ Million	432.1 (522.5)
Project IRR	%	55.0 (35.2)
Pay back Period	Years	2.4 (3.5)
Initial Capital Expenditure	US\$ Million	157.9 (157.9)

The Initial capital expenditure includes \$10.2 million in development costs and further feasibility studies plus \$147.7 million in construction costs. The economic highlights listed above were calculated assuming a 60/40% debt equity split. Project economics without financial gearing indicate the net present value after tax increases to \$466.5 million and the internal rate of return after tax falls to 40.8%. Debt and equity financing costs, including political risk insurance premiums, are estimated at \$29 million.

Jed Richardson, President and CEO, stated, "This multi-phased plan demonstrates the inherent value of our high quality resource located in this rapidly growing agricultural region. The inclusion of the pilot plant mitigates market, technical and geo-political risks associated with the project. This allows for a streamlined large-scale operation when the construction decision is made, and is an attainable entry into commercial fertilizer production."

Competitive Advantage

This initial pilot plant project will be the only local source of high quality fertilizer in Mali. The proximity to the Western African market is a major cost advantage of the project's location. All the fertilizers currently available in the region are imported through the ports of Dakar in Senegal or Abidjan in Cote d'Ivoire, respectively located at 1,500 km and 1,100 km from the agricultural areas the project will serve. As a consequence of the high costs of transport and the poor transportation logistics in the region, together with the border levies and taxes, the resulting prices of fertilizers are considerably higher in the region than are international market prices.

Victor Jones Resigns as Director

Great Quest Fertilizer would like to thank founding director Victor Jones for his outstanding contribution. Mr. Jones has resigned from the Board of Directors after 25 years of service to the Company. At different times through his tenure he has served as Chairman, CEO and CFO, most recently his contribution was instrumental in the transition to fertilizer development from gold exploration.

Qualified Person

The technical information in this press release has been reviewed and approved by Jed Diner, MSc. P.Geol., a Qualified Person as defined by National Instrument 43-101. Mr. Diner, a consulting geologist to the Company, completed his MSc. in Applied Earth Science at Stanford University in 1983 and works internationally on mineral exploration and resource development projects. He has consulted on other Phosphate projects in Uzbekistan, Peru and Angola.

Readers are cautioned that a Preliminary Economic Assessment (PEA) is conceptual in nature and is based on mine plans, process flowsheets and inferred mineral resources, which are considered to be highly speculative geologically. There is no certainty that a PEA will be realized.

Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. 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 mineral resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

About Great Quest

[Great Quest Fertilizer Ltd.](#) is a Canadian mineral exploration company focused on the development of African agricultural mineral projects for local production of farm ready fertilizers. The Company's flagship asset is the Tilemsi Phosphate Project, encompassing 1,206 km² in northeastern Mali, containing high quality phosphate resources amenable to use as direct application fertilizer. Great Quest is listed on the TSX Venture Exchange under the symbol GQ, and the Frankfurt Stock Exchange under the symbol GQM.

ON BEHALF OF THE BOARD OF DIRECTORS OF [Great Quest Fertilizer Ltd.](#)

"Jed Richardson"
President, Chief Executive Officer and Director

Neither the TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release. The statements that are not historical facts and are forward-looking statements involving known and unknown risks and uncertainties could cause actual results to vary materially from the targeted results. We seek safe harbor.

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