

TORONTO, ONTARIO--(Marketwired - Aug 15, 2016) - [Potash Ridge Corp.](#) ("Potash Ridge" or "the Corporation") (TSX:PRK), a near term producer of premium fertilizer in North America, today provided an update on its corporate activities.

Potash Ridge's strategy is to become a low cost, high volume producer of sulphate of potash ("SOP") in North America. The Corporation owns two SOP projects: the Valleyfield Project in Quebec ("Valleyfield") that plans to produce SOP through the Mannheim Process; and the world-class Blawn Mountain Project in Utah ("Blawn Mountain") with the focus of becoming one of the world's lowest cost producers of SOP.

The Corporation is focused on bringing both projects through to production, and is currently engaged with multiple parties on various aspects, including long-term offtake contracts, commercial arrangements and non-dilutive project financing.

SOP is the world's most popular low-chloride fertilizer. It is beneficial to soils and plants, and is considered one of the world's most important specialty potash fertilizers. Combining potassium and sulphur, SOP provides a high concentration of nutrients for plants. Its low chloride content makes it the ideal potash-based fertilizer for high value crops, and for soils at risk to salinity.

SOP improves crop yield and quality, increases resistance to drought, frost, pests and disease. SOP also improves a crop's nutritional value, taste and appearance and adds to durability during transportation and storage.

Global consumption of SOP is approximately 5,000,000 tonnes per year, and is expected to double over the next 4 years. The Corporation views its North American target market as under-supplied, with only one domestic supplier currently serving the bulk of this market. SOP prices in North America are approximately US\$700 per tonne, nearly triple the price of muriate of potash ("MOP"). SOP demand in North America and the rest of the world is well in excess of current production capacity.

The Corporation continues to make significant progress moving these two world class projects towards production:

Valleyfield

Valleyfield's strategy is to become the first sulphate of potash ("SOP") producer in North America utilizing the proven Mannheim process. The Mannheim process is used in Europe and Asia, and currently accounts for approximately 30% of the world's SOP supply.

In July 2016, the Corporation engaged SNC-Lavalin ("SNC") on the first phase of an Engineering, Procurement and Construction ("EPC") program for Valleyfield. This contract comprises two distinct phases. The first phase is expected to be a four-month process during which SNC will finalize engineering and process drawings, prepare equipment lists, schedule long lead items, and award early vendor works contracts such as the Mannheim furnace package, for a 40,000 tonnes per year sulphate of potash facility at a capital cost of \$50 million. A second phase under evaluation has the potential to increase the size of the facility to 80,000 tonnes per year.

The Corporation expects to file its environmental certification permit application in September 2016, with the approval process anticipated to take 90 days.

On the commercial front, the Corporation is actively negotiating supply, offtake, non-dilutive financing and other arrangements, all of which are anticipated to be finalized in the coming weeks and months. A memorandum of understanding for the offtake of 100% of the by-product hydrochloric acid is already in place. The Corporation is also in discussions regarding a technology support agreement with a major producer of SOP using the Mannheim technology.

Construction at Valleyfield is scheduled to commence towards the end of 2016, with the plant anticipated to be fully operational in late 2017.

Blawn Mountain

The Corporation also remains focused on advancing Blawn Mountain. With all major permits already in place and a 40-year reserve life, Blawn Mountain is a world class project and expects to become one of the world's lowest cost producers of SOP once operational.

In June 2016, the Corporation engaged SNC to undertake a study (the "Scaling Study") for the development of Blawn Mountain at a more modest scale than was contemplated in the 2013 Blawn Mountain Project 43-101 Prefeasibility Study Technical Report (the "Prefeasibility Study"). The Prefeasibility Study contemplated an average production rate of 645,000 tons per annum of SOP over a 40-year mine life. The Scaling Study will assess a likely initial production rate of approximately one third of the original rate, with expansion potential up to 645,000 tons per annum.

Also, under the terms of the arrangements with SNC, SNC will have the exclusive option to execute the development of Blawn Mountain and will confer and negotiate in good faith the terms of a lump sum, fixed price EPC contract immediately upon completion of the Scaling Study.

In parallel with the Scaling Study, the Corporation is advancing the negotiation of various commercial arrangements for Blawn Mountain, including infrastructure tie-ins, natural gas supply. Offtake discussions and financing for the construction of Blawn Mountain have commenced with various global entities.

Subject to completion of the Scaling Study and other commercial and financing activities, it is anticipated that construction at Blawn Mountain will commence in 2017, with first production in 2019.

About Potash Ridge

Potash Ridge's strategy is to become a premier producer of sulphate of potash or SOP in North America. The Corporation owns two SOP projects: the Valleyfield Project that plans to produce SOP through the Mannheim Process; and the Blawn Mountain Project in Utah that plans to produce SOP by processing an alunite material. Potash Ridge has a highly qualified and proven management team in place with significant financial, project management and operational experience and the 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, 2015 found on 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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