

TORONTO, ONTARIO--(Marketwired - Dec 16, 2016) - [Potash Ridge Corp.](#) (the "Corporation") (TSX:PRK), a near term producer of premium fertilizer in North America, is pleased to announce that it has entered into a convertible security funding agreement (the "Agreement") with an entity managed by The Lind Partners, a New York based asset management firm ("Lind").

Transaction Highlights

- Up to approximately U.S.\$11.8 million in two tranches; first tranche of U.S.\$2.64 million
- Four-month hold prior to initial conversion; conversion amounts limited during two year term
- Conversion price based on prevailing market prices at time of conversion
- Buy-back rights and early repayment incentives
- Funding significantly advances both Blawn and Valleyfield projects

"We have advanced the Valleyfield and Blawn Mountain Projects to the point of attracting a high caliber investment partner in The Lind Partners," commented Guy Bentinck, Potash Ridge's President and CEO. "This financial commitment confirms the underlying value of our sulphate of potash strategy, and will enable us to continue advancing both projects towards construction. Discussions with potential project financing partners in Canada and elsewhere are continuing, with the objective of structuring construction financing in a manner that maximizes value to Potash Ridge shareholders."

Under the terms of the Agreement, U.S.\$2,640,000, less a closing fee of U.S.\$132,000, will be provided by way of the issuance of an initial convertible security with a face value of U.S.\$3,168,000 (the "First Convertible Security"), which is expected to occur on or around December 23, 2016 (the "First Tranche"). Lind can increase the funding under the First Convertible Security by an additional U.S.\$871,200 during its two-year term.

Subject to certain conditions, the Agreement also provides for the issuance of a second convertible security on mutual agreement of the Corporation and Lind, in which Lind will fund up to another U.S.\$6,200,000 (the "Second Tranche"). Like the First Tranche, Lind can also increase the funding under the Second Convertible Security by up to U.S.\$2,046,000. If the Second Tranche occurs, the Corporation would pay Lind a closing fee equal to 5% of the amount advanced in the Second Tranche.

The proceeds will be used to continue advancement of the Corporation's Valleyfield Project in Québec and Blawn Mountain Project in Utah, and provides working capital for general corporate purposes for more than 12-months.

Phillip Valliere, Managing Director at The Lind Partners said, "Lind has been interested in Potash Ridge for several years. We are impressed by the management team who has continued to grow the company and create shareholder value during a very difficult period in the mining sector. With recent corporate activities and improving market conditions within the fertilizer industry - specifically, sulphate of potash - we are pleased to make a significant investment to advance Potash Ridge's development activities and feel it will be in a strong position to unlock the inherent value in its projects."

Each convertible security has a two-year term from the date of issuance and will incur a simple interest rate obligation of 10% on the amount funded that is prepaid and attributed to its face value upon the issuance of each convertible security.

The Corporation's obligations under the Agreement are secured by all of the Corporation's present and after-acquired property, including a pledge of its equity interests in its subsidiaries. The Agreement does not, however, restrict the Corporation's ability to put in place project financing at the subsidiary level. The Corporation is also permitted to issue up to 15% of the current issued and outstanding shares of its subsidiaries to prospective equity investors.

Shares underlying each convertible security will be restricted from trading on the TSX for a period of four months and one day from the time of issuance of the applicable convertible security. Once issued, Lind will be able to convert the convertible securities in monthly installments over the term at a conversion price equal to 85% of the 5-day trailing volume-weighted average price ("VWAP") of the Corporation's common shares prior to the date that notice of conversion is provided by Lind. The Agreement contains restrictions on how much of the convertible securities may be converted in any particular month; however, Lind is entitled to accelerate its conversion right to the full amount of the face value or demand repayment of the face value in cash upon a default and other specified events. To the extent that the full face value has not been converted at maturity, the balance of the face value is to be paid in cash at the end of the two-year term.

The Corporation has the option to buy-back the convertible securities in cash at any time by paying a buy-back premium equal to 5% of the outstanding balance of the applicable convertible security, except that no such premium is payable if the Corporation elects to buy back the First Convertible Security within the first six months of its issuance.

Lind does not and has agreed not to short sell shares of the Corporation.

In addition, the Corporation has agreed to issue warrants to Lind in respect of the First Convertible Security, exercisable for 60 months at an exercise price of \$0.50 per share. The number of warrants to be issued in connection with the First Convertible Security will be 50% of the amount advanced by Lind (i.e., U.S.\$2,640,000) divided by the VWAP of the common shares of the

Corporation on the TSX for the five trading days immediately preceding the closing date. In respect of the Second Tranche (if any), the Corporation has agreed to issue such number of warrants equal to 50% of the amount advanced by Lind in respect of the Second Convertible Security divided by the VWAP of the common shares for the five trading days immediately preceding the issuance of the Second Convertible Security. Warrants calculated in the same manner will also be issued to Lind if it elects to increase the size of any convertible security as described above. All subsequent warrants issued to Lind pursuant to the Agreement will be exercisable for 60 months from the date of issuance at an exercise price equal to 125% of the five-day VWAP of the common shares immediately prior to the applicable closing date.

The Agreement and the issuance of securities thereunder is subject to the acceptance of the TSX and to satisfaction of customary closing conditions.

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.

About Lind

The Lind Partners is a New York-based alternative asset management firm that manages several institutional investment funds focused on small- and mid-cap companies publicly traded in Australia, Canada and the UK across the mining, oil & gas, biotech and technology sectors. Lind employs a multi-strategy investment approach: direct investments of new capital (equity, debt and hybrid); participation in syndicated equity placements; IPO/pre-IPO investments; and selective stock trades on the open market. Since 2009, the Lind team has completed over 75 direct investments totaling over \$600 million in value. For more information, please visit www.thelindpartners.com.

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 include statements related to advancing the Valleyfield Project and may also 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 state of the equity capital markets; the receipt of any required approvals for the private placement; 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.

Contact

[Potash Ridge Corp.](#)

Ross Phillips

Chief Financial Officer

416-362-8640 ext. 103

rphillips@potashridge.com

[Potash Ridge Corp.](#)

Jay Hussey

Vice President, Corporate Finance &

President, Valleyfield Fertilizer Corp.

416-362-8640 ext. 102 or 416.918.6589

jhussey@potashridge.com