

TORONTO, Sept. 20, 2017 /CNW/ - [Potash Ridge Corp.](#) (the "Company" and "PRK") (TSX:PRK) a near term producer of premium fertilizer in North America is pleased to provide the following corporate update to its shareholders.

PRK is in the fortunate position of having two highly de-risked and advanced development stage potassium sulphate ("SOP") projects with its significant Blawn Mountain assets in Utah and its strategically located Valleyfield project in Quebec. Both projects are well received in their respective jurisdictions and have garnered strong support from the various levels of government, agencies, financial groups, and stakeholders in their province or state.

While both projects produce SOP - they are fundamentally different in size and scope as the Blawn Mountain project is a large scale mining operation and the Valleyfield project is a smaller scale manufacturing plant. The variances between the projects makes them appeal to different investor groups on a regional, national, and international level.

After a thorough review of its assets and operations in both Utah and Quebec, the Company has determined the value of PRK does not reflect the combined value of its two assets and that it is in the best interest of its shareholders that the Valleyfield Fertilizer Corporation be spun out from PRK into a separate publically traded vehicle, a change which management feels would better reflect the value of the Company's assets moving forward. By separating Valleyfield from Blawn Mountain, both projects will be given the priority and the valuation they deserve.

The Company has unlocked tremendous value in Valleyfield by advancing the project's engineering, regulatory approval and permitting process to a high level of completion and have further de-risked the project by arranging several successful commercial agreements. Valleyfield is now at an advanced stage of development awaiting financing for site acquisition, final permitting and construction.

The Company has observed a very high level of local interest for its Valleyfield project in Quebec and in order to capitalize on this strong regional support, management believes that the project will be best served as a stand alone entity based in and focused on the Quebec market.

The format and mechanics of spinning the Valleyfield project out as a separately traded vehicle may take many forms and the Company is reviewing several options including an equity spin out in favor of the shareholders of PRK, a sale for cash and equity, or a joint venture. The Company is currently in discussions regarding each of these options.

This separation of projects will allow PRK to focus all its resources and effort on advancing its world class Blawn Mountain project in Utah. The development plan for the proposed 255,000 tons per year, \$482MM NPV(after tax) project is in its final stages of completion with all major environmental and regulatory permits in place. Blawn Mountain has the potential to become a significant and lowest cost producer of potassium sulphate ("SOP") in North America.

Andrew Squires, President and CEO of [Potash Ridge Corp.](#) stated, "We will be looking to solidify the deal that has the best possible upside and return on investment for all our stakeholders. We are focused on full execution of the above over the next 60-120 days."

Mr. Squires goes on to state: "Recent changes to the Board of Directors and Management has vastly strengthened the Corporation and better positions PRK to advance the Blawn project. Blawn Mountain is a world-class SOP fertilizer project, with large production capacity, long project life and very low operating costs. The project design and engineering is essentially complete and one of our final undertakings is to perform some additional metallurgical testing to develop the large alumina content contained in our tailings. The alumina has the potential to provide significant value upside potential and diversity to our revenue stream. The project has been satisfactorily de-risked to actively start securing offtakes and other commercial agreements and PRK has already begun preliminary discussions as such with an international State Owned Enterprise."

PRK intends to target its SOP production primarily at the US market. According to USGS USA, SOP imports were 144,000 tons in 2015. USA SOP imports have been steadily increasing in the last seven years, growing on average 9% a year. Studies undertaken by PRK, based on utilization rates for certain key crops, indicates that there is potential incremental SOP demand of up to 533,000 tons per year in the United States.

PRK intends to focus its marketing efforts on the economic value of SOP to growers of premium value crops. California will be a key market given its large agricultural base of premium crops. Florida, Georgia, South Carolina, Texas, New Mexico and the Great Lakes region will be other key targets. We believe the Blawn Mountain project's realized SOP price will be closely tied to the crop (fruits, nuts and vegetables) markets in California, which continue to show a robust growth and are forecast to grow between 4% and 6% globally. The State's growers tripled their budget allocated to fertilizers and soil amendments. California farm inputs (fertilizers and lime) purchases grew to over \$2.3 billion in 2014.

Blawn Mountain, Utah

Potash Ridge achieved significant milestones in advancing its wholly-owned Blawn Mountain SOP

Project during the first half of 2017. The Company secured unencumbered mining lease rights for the Blawn Mountain project

with the final instalment of US\$0.7 million being made in June 2017 to the Utah School and Institutional Trust Lands Administration pursuant to the terms of converting its Exploration and Option Agreement for the Blawn Mountain property into a Mining Lease.

The Company also published an updated NI 43-101 compliant pre-feasibility report in April 2017. The report included the following highlights:

- Expected to be the lowest cost producer of SOP in North America with average net cash operating costs after by-product sulphuric acid credits of \$177/ton of SOP (exclusive of royalties), which includes approximately \$40/ton in transportation costs;
- Projected after-tax net present value of \$482 million using a 10% discount rate, with no terminal value added to the NPV, which assumes no extension to life of operations;
- Unlevered after-tax internal rate of return of 20.1%, based on assumed price of \$675/ton for SOP and \$115/ton for sulphuric acid in 2020 and 2% inflation;
- Installed potassium sulphate capital cost of \$456 million;
- Proven and probable mineral reserves of 153 million tons which support a 46-year project life;
- 19.4 million tons of measured and indicated alumina resources, which represents potential upside for the project as these resources are not currently incorporated in the project economics;
- An average of 255,000 tons of SOP per annum during first 10 years of operation after ramp-up with life of mine average of 232,000 tons of SOP per annum;
- Flexible process capable of producing both crystalline soluble and granular potassium sulphate to meet market conditions; and
- Potential economic upside with the expansion of the initial production rate and the possible monetization of the residual waste material given its high concentrations of alumina.

#### Valleyfield, Quebec

The Company also made significant progress this year in developing its wholly-owned Valleyfield SOP project, including:

- Secured a lump-sum EPC (engineering, procurement and construction) contract with SNC-Lavalin for the construction of Valleyfield;
- Obtained a letter of intent with a leading integrated agricultural organization for up to 25% of the annual production of SOP;
- Signed off-take and funding arrangement with Jones-Hamilton Co., a leading U.S.-based chemicals company, whereby Jones-Hamilton will fund the hydrochloric acid equipment for Valleyfield and exclusively sell 100% of the hydrochloric acid production from Valleyfield;
- Signed a five-year contract with a major North American chemical company for 100% of Valleyfield's sulphuric acid requirements; and
- Engaged Novopro Projects Inc. to act as lead Owner's Engineer to advance the project through final engineering and construction completion.

#### Focus for the remainder of 2017

For the remainder of 2017, Potash Ridge will focus on:

#### Valleyfield

- Pursue and evaluate potential opportunities for the spin out of the Valleyfield project into a separate publically traded vehicle;
- Continuing to advance discussions with SOP off-take partners;

#### Blawn Mountain

- Continuing to advance discussions with SOP off-take and investment partners;
- Initiating discussions on commercial agreements with parties interested in Blawn Mountain's alumina resource;
- Performing additional metallurgical testing on the Alumina resource;
- Advancing the technical and commercial aspects of the alumina resource to incorporate the alumina in the economics of a NI 43-101 compliant report; and
- Commencing discussions for a fixed price EPC contract for the development of Blawn Mountain.

On behalf of the Board of Directors

POTASH RIDGE CORPORATION

Andrew Squires  
President & CEO

## About Potash Ridge

Potash Ridge's strategy is to become a premier producer of sulphate of potash ("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 news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Investors are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected. These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, the Company does not assume any obligation to update or revise them to reflect new events or circumstances. All of the forward-looking statements made in this press release are qualified by these cautionary statements and by those made in our filings with SEDAR in Canada (available at [www.sedar.com](http://www.sedar.com)).

SOURCE [Potash Ridge Corp.](#)

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