

SOPerior Fertilizer Corp. Announces Entering Into Joint Venture Letter of Intent

24.08.2020 | [GlobeNewswire](#)

TORONTO, Aug. 24, 2020 - [SOPerior Fertilizer Corp.](#) (the "Company") (TSX:SOP) announces that it has entered into a letter of intent ("LOI") with an arm's length party (the "Counter-Party") to form a joint venture ("Joint Venture").

The Joint Venture relates to (a) commercially developing and exploiting the Company's massive Alunite interests located on SOP's Blawn Mountain Mining Lease (specifically Mining Lease 51983-03A) (the "Lease") located in Utah, (b) completing the financing and construction of an alunite ore processing plant (the "Plant") which is to be situated on an existing processing plant facility located in the vicinity of SOP's Blawn Mountain leased ground, and (c) the ultimate processing of ore into its primary offtakes of alumina, potassium sulphate fertilizer and sulphuric acid (herein, the "Project").

The Project is still subject to the parties executing a definitive joint venture agreement in relation to same and receiving final Board of Director approval. The LOI provides that the parties have agreed that the exclusivity period to finalize the definitive agreements runs until September 30, 2020.

The Parties intend to utilize a newly formed corporate entity for the Project. Initially, the two Joint Venture Parties will have an equal 50/50 interest, but the Counter-Party will have the right to earn additional ownership interests as it successfully achieves a series of milestones (the "Milestones") which include completion of engineering studies, the acquisition of Plant processing equipment and the building of the Plant. For clarity, SOP will not be required to contribute financially to the achievement of the Milestones.

On execution of a definitive agreement in respect to the Project, the Company will receive a payment of US\$4.5 million from the Counter-Party. The Counter-Party will be the "operator" of the Joint Venture and will obtain an increasing ownership interest (and operating control) over the Project as it achieves the aforementioned Milestones.

R. Bruce Duncan, Executive Chairman of the Company, commented: "We are excited about contributing our Blawn Mountain Lease to our intended joint venture with a proven arm's length partner who has experience developing and financing similar projects. We look forward to now finalizing the definitive joint venture agreement."

About the Company

The Company's Blawn Mountain Mining Lease comprises over 15,400 acres in the mining friendly state of Utah. The ore to be mined using simple surface mining operations is alunite which is composed of alumina, potassium and sulphur. The processing of alunite yields three valuable products: alumina, SOP (potassium sulphate fertilizer) and sulphuric acid. For every ton of SOP produced, approximately 2 tons of alumina and 2.15 tons of sulphuric acid are co-produced. Having three valuable commodities produced from processing one ore results in higher revenues and lower in class supply costs with the sharing of CAPEX and OPEX. The project is permitted to produce up to 645,000 tpy (tons per year) SOP, 1.29MM tpy alumina and 1.4MM tpy sulphuric acid.

The Company's 2017 Pre-Feasibility Study reports National Instrument 43-101 proven & probable mineral resources of 426 million tons and 153.3 million tons of proven & probable mineral reserves from two explored areas of the Lease. This excludes potential resource additions from two unexplored areas within the Lease that show surface indications of alunite. This represents over 100 years of potential project reserve life even at production rates in excess of 250,000 tpy SOP.

Potassium sulphate fertilizer (SOP) is a premium type of potash fertilizer that is the preferred potassium source for high value crops such as nuts, citrus, fruits, berries, greenhouse operations as it enhances taste, appearance and shelf life. It trades at a premium to potassium chloride (typical potash) and its utilization is steadily increasing globally. The Project is ideally located with mainline rail access to supply key markets such as California as well as export market ports.

The Blawn Mountain Alunite deposit represents the largest known potential nonbauxite source of alumina in the US ⁽¹⁾. It was discovered in the 1970's in a search for nonbauxite sources for aluminum production as the US has negligible bauxite reserves and has near-total dependence on imported bauxite and alumina in primary aluminum production.

The sulphuric acid production from the project is anticipated to replace the need for imports and is slated to be used onsite in the processing of other valuable mineral deposits.

The Company recognizes the potential for Blawn Mountain with its size, multiple valuable production outputs and economics. The proposed Joint Venture, which will bring together project management, operational experience and supported by substantial financial commitments, represents a significant step towards unlocking the potential of Blawn Mountain and moving it towards large scale production.

⁽¹⁾ World Nonbauxite Aluminum Resources - Alunite, Robert B Hall, Geological Survey Professional Paper 1076A.

Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. Although [SOPerior Fertilizer Corp.](#) believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because [SOPerior Fertilizer Corp.](#) can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the Company's actual results and experience to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not limited to access to capital markets, market forces, competition from new and existing companies and regulatory conditions. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed in this news release or otherwise, and to not use future-oriented information or financial outlooks for anything other than their intended purpose. The Company undertakes no obligation to update publicly or revise any forward looking information, whether as a result of new information, future events or otherwise, except as required by law.

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On Behalf of the Board of Directors

[SOPerior Fertilizer Corp.](#)

“R. Bruce Duncan”
Executive Chairman and Director

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