

# Western Potash Signs Construction Services Contract with Stuart Olson

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VANCOUVER, May 17, 2022 - [Western Resources Corp.](#) (TSX: WRX) (the "Company") is pleased to announce that its wholly-owned subsidiary Western Potash Corp. ("Western") has entered into a cost-reimbursable construction services agreement (the "Agreement") with Stuart Olson Prairie Construction Inc., a wholly owned subsidiary of Bird Construction Inc. (TSX: BDT) ("Bird"), as general contractor to continue the bulk of the remaining construction work for the Company's Milestone Phase I Project (the "Project"). Project construction was put on hold in May 2020 when the process plant was approximately 50% complete.

The Agreement resolves all prior outstanding issues between Western and Bird and establishes a new time & material ("T&M") based contract governing completion of the remaining Project work. The scope of work will be focussed on process plant section completion, including certain steel and pipework, completion of major equipment installation, electrical and control system completion, building and site work. Bird will begin mobilization in early June, with an anticipated maximum workforce of around 100 people expected at the site. Construction is expected to be completed by Q2, 2023, and followed by a three-month general commissioning, with production to start up in Q3 of 2023.

Pursuant to the Agreement and in exchange for the cancellation of amounts owing to Bird, Western has made a cash payment of \$14 million to Bird and will cause the Company to issue 10,000,000 warrants ("Warrants") to Bird as part of the settlement for debt previously owed to Bird, which will allow Bird, after exercise, to acquire up to 10,000,000 common shares of the Company, which as of the date of this release represents 5.34% of the Company's issued and outstanding common shares, and will represent up to 5.07% of the Company's issued and outstanding common shares on a post-transaction basis. Subject to the TSX review and approval, the main terms of the Warrants are as follows:

- a) The Warrants can be exercised by cash payment or without cash consideration (cashless exercise pursuant to the formula set out in the TSX Company Manual).
- b) The exercise price of the warrants is \$0.2721, representing a 25% discount to the 5-day VWAP on May 12, 2022, the execution date of the Agreement.
- c) The term of the Warrants are 4 years from the date of the issuance of the Warrant certificate.
- d) If the Company's share price reaches at least C\$0.50/share above exercise price for 5 consecutive trading days (to be adjusted for customary anti-dilution provisions), Bird will be required to exercise (via cash payment or cashless exercise) within 5 business days.
- e) The form of Warrant certificate contains customary anti-dilution provisions.

Because the exercise price of the Warrants is less than the market price of the common shares at the date of the Agreement, issuance of the Warrants requires shareholders' approval pursuant to Section 607(i) of the TSX Company Manual.

The Company is relying on an exemption from the requirement to hold a meeting of its shareholders to approve the issuance of the Warrants as its majority shareholder Tairui Mining Inc. ("Tairui"), which holds 56.55% of the total issued and outstanding common shares of the Company as of the date hereof and has knowledge of and is familiar with the terms of the Agreement, will provide a written consent, pursuant to Section 604(d) of the TSX Company Manual.

Western is also pleased to announce that Mr. Alex Watson and Mr. Randy Lange have both joined Western and will lead its construction management team as, respectively, Project Sponsor and site Construction Manager. Western is confident that each individual's intensive project management experience tremendously increases the likelihood that remaining construction work will be completed within budget and on schedule.

Mr. Bill Xue, Chairman and CEO of the Company, commented, "we are very grateful to BIRD for the kind understanding and strong support it has provided to Western over the past two years when the Project was in suspension. Our management and financial partners are excited that Bird will soon restart Project

construction to build one of the most innovative and efficient new potash mines in Saskatchewan, which will greatly benefit local Saskatchewan communities, and the Province of Saskatchewan in general.”

### **About Western Resources Corp.**

Western Resources Corp. and the Company's wholly owned subsidiary Western Potash Corp. are constructing one of Canada's newest and most innovative, environmentally friendly and capital-efficient potash mines. It is expected to be the first potash mine internationally to leave no salt tailings at the surface, thereby reducing the water consumption by approximately half as well as significantly improving energy efficiency. Successful completion of the Project will form the basis for further expansion.

ON BEHALF OF THE BOARD OF DIRECTORS

Bill Xue  
Chairman and CEO

### **Cautions Regarding Forward-Looking Statements**

Certain statements contained in this news release constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as "anticipate", "continue", "estimate", "expect", "expected", "intend", "may", "will", "project", "plan", "should", "believe" and similar expressions (including negative variations), or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information that is set out herein, except in accordance with applicable securities laws.

For more information on the contents of this release please contact Simon Guo, Corporate Secretary, at 306-924-9378.

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