



## **SOPERIOR FERTILIZER IN DISCUSSIONS TO DEVELOP BLAWN MOUNTAIN'S SOP POTASH AND ALUMINA RESOURCES IN UTAH**

**March 1<sup>st</sup> 2019, Toronto, ON, Canada – SOPerior Fertilizer Corp. (the “Company”)** (TSX:SOP) announces that it is advancing offtake and funding discussions with several international and US-based commodity trading and construction groups. The sulphate of potash (“SOP”), possible alumina offtake agreements and commodity-linked debt funding relate to SOPerior Fertilizer’s planned production of soluble SOP fertilizer, alumina, and sulphuric acid from its Blawn Mountain project located in the state of Utah. The extraction of alumina and SOP from alunite is a proven process used at commercial scale in Azerbaijan since the late 1960’s. The soluble SOP to be produced has a large and growing unmet domestic and international market as more growers utilize fertigation technology to reduce water consumption. Fertigation requires soluble SOP instead of traditional granular SOP which makes up a large percentage of current domestic supply and is seeing reduced market demand. Alumina is a critical raw material which continues to be under pressure as US sanctions impact global aluminum supply chains.

### **Basic Overview of SOPerior Fertilizer’s Blawn Mountain Project:**

The Blawn Mountain Alunite deposit represents the largest known potential non-bauxite source of alumina in the US <sup>(1)</sup>. It was discovered in the 1970’s in a search for non-bauxite sources for aluminum production as the USA has negligible bauxite reserves and has near-total dependence on imported bauxite and alumina for primary aluminum production. Note: these prices are in US\$ per metric tons.

- Asset based in Utah, fully permitted
- Project permitted for 645,000 tpa SOP, 1<sup>st</sup> Phase is scaled to 230,000 tpa SOP with modular expansion.
- Processing alunite generates alumina (\$400+/ton), SOP (\$650/ton), and sulphuric acid (\$100+/ton)
- Three valuable commodities produced from one process results in high revenue and potential lowest in class supply costs as CAPEX and OPEX are shared between the offtake streams.
- Phase #1 yields approximately 460,000 tpa alumina, 230,000 tpa SOP, 524,000 tpa sulphuric acid
- Largest undeveloped non-bauxite alumina deposit in North America – 19.4 million tons booked resource with only partial lease explored. SOPerior Fertilizer has had inquiries about alumina offtake for 1+million tpa. Preliminary engineering suggests alumina supply cost would be much less than imported bauxite.
- Agreement with major mining company for up to 524,000 tpa of sulphuric acid per year
  - Lithium clay acid leaching in Nevada will require millions tpa sulphuric acid – huge potential market on top of strong regional mining uses (copper, gold)
- Agreement with Indian SOE for up to 100,000 tpa of SOP potash.
  - Indian government is in the process to subsidize domestic SOP use, India is 2<sup>nd</sup> largest potential SOP user with estimated 1+ million tpa market
  - Potential incremental market for 450,000+ tpa domestically
  - China unable to meet future domestic SOP demand now looking for global SOP sources

### **References**

The United States Geological Survey reports that in 2016 the quantity of bauxite consumed in the US was estimated to be 6.8 million metric tons. Alumina imports totalled 1.2 million metric tons with US primary aluminum production of 800,000 metric tons. It takes between 1.9 to 3.6 tons of bauxite to make 1 ton of alumina, and approximately 2 tons of alumina to make 1 ton of aluminum.

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

On Behalf of the Board of Directors

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