



SUPERIOR FERTILIZER PROVIDES CORPORATE UPDATE

December 6, 2021, Toronto, ON, Canada – SOPerior Fertilizer Corp. (the “Company”) (NEX:SOP.H). Further to its press release on July 6, 2021, the Company announces that it has entered into an Exclusivity Agreement with a counterparty with respect to a JV Agreement (“JV”) for the development of its Blawn Mountain alunite asset.

The counterparty has agreed to provide a USD\$200,000 exclusivity payment to secure the JV transaction until the closing date which is anticipated to occur by mid-January 2022 or earlier. If required, the exclusivity period can be extended upon mutual agreement and the receipt of additional exclusivity payments.

The terms and conditions of the JV Agreement are unchanged from those outlined in the August 24, 2020 press release.

JV Project

The proposed JV’s first phase commercial production facility and future expansion phases are to be constructed on the site of an existing copper processing operation. This location provides numerous mutual economic and operational benefits and synergies with the existing copper operations such as a reduction in labour costs and G&A from a shared workforce and reduced government and community engagement costs. Utilization of the existing infrastructure tie-ins and on-site process equipment with incorporation of process modifications is expected to result in significant capital and operating cost reductions.

Process engineering will commence immediately upon JV execution and it is anticipated that the facility can be built and online within 18 months of completing project FEED. Initial project capacity estimates of 70,000+ tons per year (“tpy”) SOP, 140,000+ tpy alumina and 150,000+ tpy sulphuric acid are envisioned but the actual capacity will be determined once the process engineering work is completed. With three valuable commodities being produced from processing a single ore stream it is projected that the project will yield lowest in class production costs.

Blawn Mountain Alunite Resource

The ore to be mined using simple surface mining operations is alunite. The processing of alunite yields three valuable products – alumina, “SOP” (sulphate of potash fertilizer – a premium high value variety of potash) and sulphuric acid. For every ton of SOP produced, approximately 2 tons of alumina and 2.15 tons of sulphuric acid are co-produced. 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 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 relies on imported bauxite and alumina in primary aluminum production. The Company’s Blawn Mountain Mining Lease comprises over 15,400 acres in the State of Utah.

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 at large commercial scale.

Alumina, SOP, H2SO4 Market Outlook

The forward market outlook for all 3 produced commodities is strong with alumina, sulphuric acid and sulphate of potash (SOP) approaching or exceeding decade highs. According to the “U.S. Producer Price Index” published by the U.S. Bureau of Labor Statistics, alumina pricing has increased to over \$400 USD/ton in Q4, 2021 and sulphuric acid is trading at over \$200USD/ton. The global potash market has come alive in 2021 as rising demand, poor international crop yields, surging crop prices and margins have combined to drive regional potash prices up 200% - 300% to above \$700USD/ton (CFR Brazil Spot) and USD\$520/ton (CFR SE Asia Spot). Historically, the ten (10) year average premium of SOP to MOP (regular potash) is USD\$221/ton with current MOP prices FOB Vancouver at over USD\$550/ton.

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 and operational experience supported by substantial financial commitments, will represent 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.

On Behalf of the Board of Directors

SUPERIOR FERTILIZER CORP.

“Andrew Squires”
CEO and Director

Contact Information

E-mail inquiries: info@SOPeriofertilizer.com
www.SOPeriofertilizer.com

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