

IC Potash's Ochoa Project de-risked and ready to move to production phase

✘ IC Potash Corp. ("ICP", TSX: ICP | OTCQX: ICPTF) aims to become the leading producer of potassium sulfate – SOP – (K₂SO₄) through its 100% owned Ochoa Project, located in southeastern New Mexico wants the. ICP has a federal permit with the State of New Mexico for potash exploration underground for the nearly 40,500-acre property. ICP is well positioned to lead a market of about 5.5 million tons per year – and rising – as one of top, and one of the lowest cost, SOP manufacturers in the world. Potassium sulfate is a chloride-free fertilizer, which is trading at a significant premium over the more common muriate of potash or MOP (potassium chloride). SOP is priced at a premium and better suited than MOP in the cultivation of fruit and vegetables, tobacco and potatoes, horticulture and it can also be used to treat sandy and dry soils, delivering higher crop yields, which have improved flavor and longer shelf life. ICP is also the only new SOP potash being developed in the world now and is marked by the lowest capital and operational costs (OPEX) as well. The projected OPEX rate per ton of production at Ochoa will be about is USD\$ 150/ton, which is about 65% -70% less than the industry average of USD\$ 500-550/ton. ICP's SOP will be the world's cheapest to produce.

ICP announced that Dr. Ross Bhappu has joined its board of directors and that it has been granted federal Preference Right Leases that complete the permitting for the 50-year Ochoa mine plan. Dr. Bhappu brings many years of experience in various roles, including director of business development at Newmont Mining (one of the largest mining companies in the world); he is a specialist in mineral economics. Perhaps, Dr. Bhappu is most famous for having led one of the biggest

private equity deals in mining history. As a partner at Resource Capital, in September 2008, Dr. Bhappu headed the takeover team that included Goldman Sachs and others that bought Molycorp from Chevron. Meanwhile, just days earlier, ICP received confirmation from the US federal Bureau of Land Management, commonly known as the 'BLM', that it has been granted; potassium Preference Right Leases (PRL) covering approximately 14,774 acres, adding to those already granted by the State of New Mexico's Land Office as part of the 50-year Ochoa mine plan that was approved by the BLM last April. Therefore, ICP can proceed with the engineering and construction of the Ochoa mine and processing facilities as described in Feasibility Study.

The PRL concession means that the BLM has reviewed any risks of ICP having a significant impact on the environment. The process is extensive and includes consultation with various agencies, at all government levels, and, more importantly, with the public itself. In the specific ICP case, the BLM has worked on the PRL process for over two years, taking into consideration the proposed mine's impact on water, air, cultural and other resources. In a sense, the BLM has already analyzed and approved the project for potential investors, reducing the environmental, social and legal risks they would otherwise have incurred. The thorough BLM approval process has actually gone a long way toward de-risking the Ochoa Project in general. ICP has a very close financial partner, Mitsubishi UFJ Financial Group ("MUFG"), which has a wide range of project finance experience, useful in helping ICP "expand relationships with strategic investors, international banks, export credit agencies and project equity, and also as we look to involve additional strategic and financial investors and off-takers of Sulphate of Potash." From now until the start of production (early in 2017) ICP will rely on the contributions and wide-reaching networks it can access through Dr. Bhappu and MUFG in order to secure the necessary funding to build the mine while setting up the related engineering procurement and

tenders.

There are also final environmental permits to be granted but ICP should have few obstacles and the BLM's PRL concessions represent one of the important steps in this direction. The Feasibility Study predicts an economically viable mining operation and processing plant, capable of producing 714,400 tons of SOP per year over a period of at least 50 years. Some of the other promising highlights from the Feasibility Study include: a three year period for construction and commissioning beginning in Q2 2014 and continuing through Q2 2017. SOP production will commence in 2017 (at first 48% of annual capacity and then full capacity expected in 2018). Room-and-pillar mining and dual split super section mining methods will be used to extract ore at a rate of 3.7 million tons/year. Capital costs are expected to be in the range of USD\$ 1.018 billion. The FS importantly notes that the Ochoa project has identified potential of 1.017 billion tons of SOP at an average grade of 83.9% (polyhalite content). The price for SOP, which was incorporated in the financial model was USD\$ 636 per ton. This is below the current average price for granular SOP of USD\$ 680/ton for California delivery in the fourth quarter of 2013. For the fourth quarter of 2013, ICP has estimated that SOP prices may increase to well above USD 700/ton the price of soluble SOP was reported to ICP estimates at 740 USD per ton at Florida Delivery.

ICP has already secured (in 2012) an offtake agreement with Yara International, one of the world's largest distributors of mineral fertilizers, which greatly facilitates the financing process. ICP's main target markets are California, Northern Europe and parts of North Africa, where soil salinity makes SOP especially effective. SOP does not contain chlorides and it typically fetches higher prices than the more common Muriate of potash (MOP); SOP is more easily adaptable to various soils, even those presenting high salinity levels (as in North Africa), and is suitable for a variety of crops such

as fruits, tobacco, potatoes and vegetables. In contrast, the more common MOP variety of potash does not tolerate high soil salinity, which reduces its range of applications. SOP is ideal for the European and South Western Asian markets, which are low in magnesium, and where Yara enjoys considerable distribution access.

IC Potash formally shifts into the operational phase

IC Potash Corp is now free to start construction at its  Ochoa Sulfate of Potash (SOP) Project in New Mexico upon obtaining the required permit from the U.S. Department of the Interior, Bureau of Land Management (BLM). The BLM has formally authorized IC Potash ('ICP', TSX: ICP | OTCQX: ICPTF), through a Record of Decision (ROD) to begin construction and, ultimately, operation at the Project, including all necessary mining and processing facilities based on the final Environmental Impact Statement (EIS). The ROD represents the completion of the last bureaucratic step needed to formally shift the project to the operational phase. ICP intends to produce a premium quality sulphate of potash (SOP) at its Ochoa facility, which is usually priced anywhere between 30-50% higher than lesser varieties of SOP. The total proven and estimated capacity at Ochoa is 400 million tons.

One of ICP's main environmental compliance advantages comes from its proximity to the Capitan Reef water source, which has contributed to industrial development in New Mexico for many years. The source is located at significant depth and while the local population and business community rely on a water supply from aquifers located at far shallower depths. This, in

essence, ensures a 'resource differentiation', meaning that ICP will have its own exclusive water source, while the local population can rest assured that the planned mine will not interfere with the potable source. The very convenient water supply also accounts for the Ochoa project's low operational cost (OPEX) per ton of production.

Last March, upon filing its NI 43-101 Feasibility Study (FS), CEO Sydney Himmel said that ICP would be ready to start securing the necessary financing to proceed with construction as early as this summer. He noted that the company has been in contact with multinational banks from Europe to Asia to secure the necessary funds. The FS suggested a three year period for construction and commissioning beginning in Q2 2014 and continuing through Q2 2017, leading to 50 years of operation. Production should start in 2017 and reach full capacity in 2018. The projected OPEX rate per ton of production at Ochoa will be about is USD\$ 150/ton, which is about 65% -70% less than the industry average of USD\$ 500-550/ton. Promising pre-feasibility studies have indicated an initial production rate of 510,000 metric tons of SOP and about 247,000 metric tons of potassium manganese sulfate (SOPM) per year. At such costs, ICP's SOP would be the world's cheapest to produce.

Thanks to the partnership with Norway's agribusiness giant Yara International, ICP will be able to link its marketing efforts to those of force to that of the Norwegian company and jointly distribute SOP worldwide. Yara, in turn, has looked to ICP as an opportunity to expand in the North America and in the more specialized and premium SOP sector. It is not surprising that Yara chose ICP as a partner, as the Ochoa facility has the potential to produce a premium SOP at lower costs than usual cost. Moreover, ICP intends to sell its SOPM and SOP as premium specialty products. For the European and South Western Asian markets, which are low in magnesium, where Yara enjoys considerable distribution access. ICP management has described the partnership with Yara as 'transformational'

for the company, given its developed international distribution channels and portfolio of premium fertilizer products.

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