IC Potash Corp. Announces the Completion of a Positive Prefeasibility Study for the Ochoa Project in Southeast New Mexico

TORONTO, November 15, 2011/CNW/ - **IC Potash Corp. ("ICP" or the "Company") (TSX: ICP; OTCQX: ICPTF)** announced today the successful conclusion of the Prefeasibility Study (the "Study") of the Company's 100%-owned Sulphate of Potash ("SOP") Ochoa Project (the "Project") in southeast New Mexico. The Study was prepared by Gustavson Associates ("Gustavson") of Lakewood, Colorado.

Mr. Sidney Himmel, President and Chief Executive Officer of the Company stated: "This independent report is a major achievement for ICP and is the culmination of our team's expertise and over a year's worth of cooperation and effort. This comprehensive prefeasibility study provides significant positive economics for the Ochoa Project with operations producing 568,000 tons of SOP per year and 275,000 tons of SOPM per year at a projected bottom quartile operating cost of $147 per ton. At this level of production, driven by our cost advantages, this Study demonstrates that the Company can enter the SOP and SOPM international potash markets on a profitable basis."

The Study confirms that the Project shows significant positive economics, with a projected full capital cost of $706 million, a projected operating cost of $147 per ton, and an after-tax net present value of $1.286 billion using a discount rate of 10%. All tons referred to in this press release are short tons, unless otherwise specified, and all dollars are in United States currency. The potash produced will be Sulphate of Potash ("SOP") and Sulphate of Potash Magnesia ("SOPM"). SOP is premium quality potash as it does not contain chloride. It sells at a strong premium price compared to regular potash, known as sylvite, potassium chloride, or Muriate of Potash ("MOP"). MOP contains chloride and is not optimal for many value-added crops such as fruits and vegetables. SOPM, otherwise known as langbeinite, is a sulphate of potash fertilizer which also contains magnesium. Therefore as SOPM satisfies the needs for potassium, sulphate, and magnesium, it also commands a premium price as a non-chloride fertilizer in many soils.

"The Study further exemplifies the competitive advantages of the Ochoa project," continues Mr. Himmel, "including our position within the niche SOP value-added market segment, lower total capital cost, and bottom quartile operating cost. Going forward, our management team will be focused on leveraging these advantages to source development capital and establish international distribution channels with the objective of bringing Ochoa into production."

Consulting Engineers:

The Study was prepared by Gustavson, a global consulting firm consisting of mining engineers, geologists, and resource financial experts. Processing equipment design and selection was carried out by FL Smidth, a leading process engineering group and supplier of equipment to the global minerals industry, and HPD, a global leader in evaporation and crystallization technology. Bench scale and locked cycle process test work was performed by Hazen Research, Inc. of Golden, Colorado, an internationally recognized laboratory with expertise in chemical processing and minerals beneficiation. Water supply studies were carried out by INTERA Inc. of New Mexico, a highly experienced consultancy in water

resource management. SOP marketing and price forecasting was carried out by CRU ("CRU"), a leading marketing consultant for the fertilizer and chemical industries.

Randy Foote, Chief Operating Officer of the Company stated: "It is my belief that this Study represents the benchmark for excellence in SOP process engineering and production. I am grateful for the hard work and dedication of the engineering, hydrological, and processing teams. I am fully confident that we will continue on the path towards the development of a major Sulphate of Potash production facility and distribution company."

Summary Economic Analysis:

The National Instrument 43-101 Compliant Prefeasibility Study ("NI 43-101") projects a base case production level of 568,000 tons per year of SOP and 275,000 tons of SOPM. The plant will have operational flexibility to produce a range of product mixes. The Study assumes a 40-year mine life, although the reserves provide for a significantly longer life at anticipated production levels. The base case production information is summarized as follows:

- Annual production at full capacity of 843,000 tons composed of 568,000 tons of SOP and 275,000 tons of SOPM. On publication of the NI 43-101 compliant Study, an expanded case will be presented. The study will be published on ("SEDAR") the System for Electronic Document Analysis and Retrieval, within 45 days.
- A mine life term of 40 years is employed. However the Proven and Probable Ore Reserves in the overall mine plan are sufficient for over 90 years of production. Additional Measured and Indicated mineral resources outside the mine plan are available to potentially extend the mine life to more than 150 years.
- Construction is planned to begin upon the completion of the Environmental Impact Study ("EIS") expected in late 2013.
- The pre-production construction period is expected to be 24 months (completion during Q4 of 2015), with completion of a second train of crystallizers 9 months following initial production.
- Full production is to be achieved approximately 18 months after plant start up. With production commencing Q4, 2015, production of 80% capacity will be reached Q4, 2016 and full capacity will be reached by Q2, 2017.
- Internal rate of return on a before-tax basis is 32%, on a 100% equity case, and 26% on an after-tax basis.
- The after-tax net present value is $1.286 billion, using an after tax discount rate of 10% and no debt.
- The after-tax net present value is $1.815 billion, using an after-tax discount rate of 8% and no debt.
- The payback period from the commencement of production is 3.9 years after tax.
- The operating production cost is $147 per ton of SOP and SOPM.

- Of energy costs, approximately 1/3 is for natural gas and 2/3 is for electricity. Local electricity and gas companies provided independent estimates of energy costs, which are used in the Study. Gas prices used in the forecasts averaged $3.75 per million cubic feet.
- The projected full capacity capital cost of the project is $706 million.
- The underground mining rate varies with mine grade. The average planned production rate is 3.5 million tons of ore per year with an average concentration ratio of 4.15:1.
- The average mining extraction rate is estimated at 83%. The extraction rate is 90% in areas remote from oil and gas wells, and 60 % in areas proximal to such wells. No subsidence whatsoever is forecast where mining is at 60% extraction.
- The average metallurgical recovery is estimated at 90%.
- SOP prices were forecast by CRU for the period 2015 to 2025. The forecast price was for standard SOP delivered in northwest Europe. It is currently planned however that the SOP will be distributed initially in North America, where SOP prices have been significantly higher than Northwest Europe prices. Also, the majority of the product will be granular SOP, which sells at a premium to standard SOP prices. The average CRU price per ton of SOP price adjusted for granular grade, for 2015 to 2025 was $725. For 2026 to 2055 the average per ton price for the 5 years prior to 2026 was used.
- The CRU forecasted SOPM prices per ton for 2015 to 2025 was at $238 per ton. For 2026 to 2055 the average price per ton used was $261.
- Average realized price per ton of product for the 40 year mine life is $623.
- The October 13, 2011 press release announced a Measured plus Indicated Mineral Resource of 838 million tons at 80.2% polyhalite. Of that Resource, there are 139 million tons of recoverable potash Reserves in the Proven and Probable ore category within the 40 year mine plan, and an additional 205 million tons of recoverable potash Reserves in the mine plan area not included in the 40 year economic model.
- The Study considers all facilities required to mine the potash reserve and to process it into SOP and SOPM, including comminution, calcination, leaching, crystallization, drying, and granulation. Also included in the Study are the storage and load-out facilities required for product shipment.

Trade-Off Studies:

The Study commenced with trade-off studies comparing various alternatives including the benefits and costs of solar evaporation versus the use of evaporators and crystallizers. The January 2011 Preliminary Economic Assessment utilized solar evaporation to concentrate leached liquors from calcined polyhalite. In the current Study it was concluded that standard thermal and mechanical evaporation and crystallization technologies demonstrate substantial advantages. These include:

- Significantly lower water requirements;
- Significantly reduced surface area disturbance;
- Elimination of susceptibility to annual climate variability;

- Reduced working capital;
- Increased early cash flow generation;
- Lower per ton operating cost;
- Flexibility in product mix with respect to a variety of potassium, magnesium, sulphate fertilizers;
- Reduction of tailings; and
- Increased utilization of the resource.

With the evaporation-crystallization technology, the utilization of water is reduced from 7,000 gallons per minute to below 1,000 gallons per minute. Further, the land disturbance for ponds is reduced from 1,800 acres to less than 200 acres. With the substantial established benefits from the use of evaporators and crystallizers compared to the use of solar evaporation ponds, the Company determined that the evaporator-crystallizer approach should be used as the base case model.

Potash Reserve:

The ore reserves of the Project are as follows.

Reserves Within 40 Year Economic Model - Mine Plan			
	Total Ore Tons	**Recovered Ore Tons**	**Diluted Grade Percent Polyhalite**
Proven	76,950,000	64,861,000	80.14%
Probable	93,632,000	74,613,000	78.78%
Total Proven & Probable	**170,582,000**	**139,474,000**	**79.39%**
Reserves Within Proposed Mine Plan not in Economic Model			
Proven	115,709,000	97,911,000	76.51%
Probable	128,163,000	106,935,000	75.33%
Total Proven & Probable	**243,872,000**	**204,846,000**	**75.89%**
Total Proven and Probable Reserves Within Proposed Mine Plan			
	414,454,000	**344,320,000**	**77.33%**

Operating Costs:

Area of Operations	Cost Per Ton Of Ore	Cost Per ton of Product
Mining	$6.91	$ 28.95
Processing	$24.72	$ 103.54

G&A	$ 3.53	$ 14.78
Total	$35.17	$ 147.28

Economic Sensitivity Analysis:

The following table provides the range of after tax net present values and internal rates of return for the Project based on a sensitivity analysis with respect to SOP and SOPM price changes and changes in operating costs per ton, and total capital cost.

Operating Cost	Capital Cost	Sales Price	NPV @ 8%	NPV @ 10%	IRR
-10%	0	0%	$1,887	$1,343	26.54%
0	0	0%	$1,816	$1,286	25.86%
10%	0	0%	$1,744	$1,230	25.17%
0	-10%	0%	$1,891	$1,358	28.16%
0	0	0%	$1,816	$1,286	25.86%
0	10%	0%	$1,740	$1,215	23.92%
0	0	-10%	$1,502	$1,043	23.24%
0	0	0%	$1,816	$1,286	25.86%
0	0	10%	$2,126	$1,528	28.33%

Mining Methods:

The Study envisages mining methods common to the New Mexico potash mining district. Room and pillar mining with continuous mining equipment is planned. Shuttle cars will transport ore from the continuous miner at the mining face to feeder breakers where the ore will be sized for transport on conveyors. Each mining panel has a transfer conveyor that moves ore to the main conveyors, which transport the ore to the surface via an inclined ramp. The ramp concept was found to be more cost effective than a production shaft. A minimum mining height of 5 feet was used in the Study, though both 5.5 and 6 foot mining heights were also considered. The mined ore grades include an average of 7% mining dilution. Six inches to one foot of anhydrite lies above the polyhalite and is mined on a second pass in order to ensure a stable back; the anhydrite is placed as “fill” in mined-out rooms.

Processing:

Processing polyhalite to produce SOP and SOPM involves 7 main steps: primary crushing of the ore, wet grinding and halite salt removal, calcination, leaching, evaporative crystallization of SOP, evaporative crystallization of SOPM, drying, and granulation of the products. The polyhalite ore is first crushed and washed to remove salt associated with the ore. The resulting product is then heated in kilns to drive off waters of hydration, substantially increasing the potassium sulphate and magnesium sulphate solubility. The calcined product is then cooled to recover energy and leached in a counter- current circuit using Mechanical Vapor Recompression (“MVR”) condensate as the primary source solvent with first cut R/O treated brackish water making up the difference. This leaves inert calcium sulphate tailings. The tailings are removed and sent to solid waste management areas. The concentrated brines from the leach phase

are pumped to evaporator crystallizers where SOP and SOPM are produced. The crystals harvested from the crystallizers are dried and sized or granulated.

The current plan utilizes MVR evaporation machinery. MVR is highly efficient from both energy utilization and water conservation aspects. MVR technology has been around since the late 1960s and has widespread use in a number of industries including industrial minerals and fertilizers. The MVR compresses water vapor evaporated from a large enclosed evaporation vessel. The compressed vapor condenses, allowing water for re-use in the process. Heat is recovered for re-use through a heat exchanger and is used to heat the mother liquor. Sufficient fertilizer mineral crystals form under the various controlled conditions as required. The crystals are treated and granulated to make the grades of SOP and SOPM as required by the market.

Source of Water for the Project:

Alternative water supply sources were evaluated as part of the Study. This included the use of brackish water, existing municipal water supply systems, existing private water rights, out of state sources, and new fresh water rights. Fresh water resources may not be optimal for mining and processing purposes; however, deeper brackish water aquifers are available for industrial use. The processing methods used in the Study utilize untreated brackish water from a nearby deep aquifer for the bulk of its water needs. Such water is too deep and too brackish for other uses, such as agricultural and municipal uses. The brackish water will be pumped from 2 or 3 wells located about 18 miles from the mine facility, and at a rate sufficient to produce 1,000 to 1,500 gallons per minute.

Marketing:

CRU forecasts that over the fifteen years from 2010 to 2025, global demand for SOP will maintain a compound average annual growth rate of 1.8% and consumption will increase by 1.2 million tonnes with the most rapid growth taking place in Latin America and Asia. These markets will be easily accessible to the Company via the Port of Houston and existing rail links. CRU also forecasts that SOP prices will continue to command their historic premium to MOP prices. The basis for CRU's price forecast for SOP is standard grade SOP, Freight on Board ("FOB"), Northwest Europe. Standard grade SOP is chiefly used in the manufacturing of the compound NPK fertilizers popular in Europe. The principal grade of SOP that ICP will produce is granular grade. This grade sells for $30 more per metric ton than standard Northwest Europe SOP.

SOPM contains potassium, magnesium, and sulphate. Much of the demand is from agriculture in magnesium deficient soils and locations where soluble sulphate is desirable. This includes parts of the southeast United States. There are currently two producers of SOPM in the United States and production of SOPM has been about 900,000 to 1 million tons per year. The most important markets for SOPM are North and South America, which account for 60% of the world's demand for this important fertilizer. These regions are followed in importance by Europe and China. Like SOP, the fertilizer markets in North and South America prefer a granular grade. ICP will utilize the most advanced granulation technology to produce a premium granular SOPM.

Recommendations and Conclusions:

The Study concludes that the Ochoa SOP project is economically viable and Gustavon recommends continued development of the project including the completion of a bankable feasibility study and all environmental work and permitting work.

Dr. George Poling, Chairman of the Board of Directors of IC Potash Corp., stated: "My compliments to our world class team for the timely execution of this critical milestone. We are now well financed to carry out the completion of all recommended work and to pursue the establishing of marketing partnerships with international fertilizer companies and distributors of SOP and SOPM."

The NI 43-101 Technical Report for the Study will be published on SEDAR no later than 45 days from this press release. SEDAR is the mandatory document filing and retrieval system for Canadian public companies. SEDAR is operated by the Canadian Securities Administrators, a coordinating body comprising the 13 Canadian provincial and territorial securities commissions.

Qualified Persons Report:

All scientific and technical disclosures in this press release have been prepared under the supervision of William J. Crowl, a consultant to IC Potash who is a Qualified Person within the meaning of National Instrument 43-101. The Qualified Persons in respect of the Prefeasibility Study are William J. Crowl, R.G., Donald E. Hulse, P.E., and Gary Tucker, P.E., Project Manager for FL Smidth. Consulting geologists, chemical engineers, and chemists in respect of the work included Dr. Patrick Okita, Donial Felton, B.Sc., Richard Chastain, B.Sc., Thomas Neuman, M.Sc. , and Thomas Broderick, P.E., Hazen Research.

About IC Potash Corp.:

IC Potash intends to become a primary producer of Sulphate of Potash ("SOP") by mining its 100%-owned Polyhalite Ochoa property in New Mexico. SOP is a non-chloride based potash fertilizer that sells at a substantial premium over the price of Muriate of Potash ("MOP"), the most widely used fertilizer in the world. Typically SOP sells at a premium of 30% to MOP. ICP is focused on being the lowest cost producer of SOP in the world. The SOP market is six million tonnes per year and is a significant fertilizer in the fruit, vegetable, tobacco, potato, and horticultural industries, and for agriculture in saline and dry soils. SOP is also applicable in soils where there is substantial agriculture activity with varieties of crops. ICP's Ochoa property consists of over 100,000 acres of federal subsurface potassium prospecting permits and State of New Mexico Potassium mining leases.

Forward-Looking Statements:

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of ICP, including, but not limited to, risks associated with mineral exploration and mining activities, the impact of general economic conditions, industry conditions, dependence upon regulatory approvals, and the uncertainty of obtaining additional financing. Readers are cautioned that the assumptions used in the preparation of

such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

For further information:

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