

IC Potash Commences Program to Confirm Chemistry of Processing Water

TORONTO, ONTARIO, January 19, 2012 /CNW/ - IC Potash Corp. (“ICP” or the “Company”) (TSX: ICP, OTCQX: ICPTF) announced today the commencement of a program to establish the characteristics of the groundwater supply for the Southeast New Mexico Ochoa Project. Using conventional drilling techniques, ICP intends to use a brackish and non-potable water supply from two wells, which are approximately 5,400 feet deep. The target water-producing zone is the Permian-age Capitan Reef (“Captain Reef”), a confined aquifer that is recognized by the New Mexico Office of the State Engineer and U.S. Geological Survey as a significant brackish water resource with a history of industrial use.

Mr. Sidney Himmel, CEO of ICP, commented: “Based on our studies, the Capitan Reef provides more than sufficient water resources to supply our Ochoa Sulphate of Potash (“SOP”) Project. Given the brackish nature of this water, ICP will not be required to acquire a water rights permit. This greatly reduces the time required to permit the use of this water resource. The Capitan Reef is abundant, suitable for our production, and is currently un-utilized.”

The Capitan Reef is hydraulically separated from shallow, fresh-water aquifers in the vicinity of the Ochoa Project. By supplying the Ochoa Project with deep and salty water that is not in use for domestic, municipal, agricultural, or other uses, ICP will secure water resources without competing with the surrounding communities’ needs for water.

Permitting

ICP will not need to acquire a water right from the New Mexico Office of the State Engineer, thereby bypassing a lengthy water rights application and hearing process.

Reasons for this include:

- the top of the aquifer at the well location is greater than 2,500 feet below surface;
- the brackish water is expected to contain greater than 1,000 parts per million total dissolved solids (TDS);
- the aquifer is not within a declared groundwater basin; and
- the water will be used for mining.

The New Mexico Office of the State Engineer and the New Mexico State Land Office granted ICP permits to drill two wells. Both wells will be constructed to production capacity. Following well construction, ICP will complete a pumping test to characterize the hydraulic properties of the aquifer. The data generated by these wells will be used in support of the Hydrologic Impact Assessment described in the Bureau of Land Management Environmental Impact Statement and Notice of Intention to appropriate brackish water filed with the New Mexico Office of the State Engineer.

History of Water Use from the Capitan Reef

Brackish groundwater from the Capitan Reef has been used historically for secondary oil recovery since the 1960’s. Previous research describes a number of brackish groundwater

development projects in the Capitan Reef, including the Jal Water System near Jal, New Mexico, and the El Capitan Well Field near Kermit, Texas. The Jal Water System wells flowed at rates of approximately 560 gallons per minute and produced up to 1,800 acre-feet per year before they were plugged and abandoned in 2006. The El Capitan system produced water from the Capitan Reef in the range of 8,000 acre-feet per year in 1964. Data from these projects provide clear evidence of significant historical usage of brackish water from the Capitan Reef, indicating a high probability of success for its use as a supply source for the Ochoa Project.

About IC Potash Corp.

ICP intends to become a primary producer of Sulphate of Potash ("SOP") and Sulphate of Potash Magnesia ("SOPM") by mining its 100%-owned Polyhalite Ochoa property in New Mexico, a highly advanced mineral deposit containing proven and probable reserves of more than 400 million tons of ore within the proposed mine plan. SOP is a non-chloride based potash fertilizer that sells at a substantial premium over the price of regular potash known as Muriate of Potash ("MOP"). MOP contains chloride and is therefore not the optimal potash for numerous crops and in situations where there is high soil salinity. ICP is focused on becoming the lowest cost producer of SOP in the world. The SOP market is towards six million tonnes per year. SOP is a significant fertilizer in the fruit, vegetable, tobacco, potato, and horticultural industries. SOP is also applicable in soils where there is substantial agricultural activity with varieties of crops and therefore where the salinity of the soil has increased, and in areas where soils are dry. SOPM is a highly desirable potash product for soils with magnesium deficiency, including those found in Europe and Southeast Asia and has a total global market size of over one million tonnes. 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.

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