IC Potash to Advance Ochoa SOP Project on Positive Feasibility Study Results

TORONTO, ON--(Marketwired - Jan 23, 2014) - **IC Potash Corp.** (TSX: ICP) (OTCQX: ICPTF) -- Sidney Himmel, President and Chief Executive Officer of IC Potash Corp. ("ICP" or the "Company"), announced today the successful conclusion of an independent feasibility study ("Study") for its 100%-owned sulphate of potash ("SOP") Ochoa Project ("Project") located in southeast New Mexico. All dollar amounts in this press release are U.S. dollars and all tons are short tons.

The Study projects an economically viable mining and processing facility with the capacity and reserves to produce 714,400 tons of SOP per year for a minimum of 50 years. The Study recommends that the Company move to implementation by:

- Commencing engineering, procurement, and construction management ("EPCM") activities;
- Completing environmental permitting; and
- Arranging Project financing.

The Study was prepared by a group of leading international independent engineering, process design, and equipment supply companies led by SNC-Lavalin Inc. ("SNC-Lavalin"). SNC-Lavalin is a world leader in the consulting, design, engineering, and construction of mining projects around the world, with specific expertise in potash mining, processing, and distribution.

Mr. Sidney Himmel stated: "This feasibility study evaluated all aspects of our plan to produce SOP from our polyhalite Mineral Reserves. We are pleased with the technical validation of the mining and processing design, and the resulting economic characteristics. The Ochoa Project positions ICP to become a world leader in SOP production and a bottom quartile cost SOP producer. We intend to begin immediately with the next phases of engineering and financing."

Financial Results

Full Equity Basis (i.e. No Debt)	Before Tax	After Tax
Capital Cost	$1,018 million	$1,018 million
Operating Cost Per Ton SOP at Steady State	$195	$195
Internal Rate of Return(A) ("IRR")	17.8%	16.0%
Net Present Value ("NPV"), 8% Discount Factor	$1,502.3	$1,018.9
NPV, 10% Discount Factor	$942.7	$612.0
Payback Period	-	5.4 years

The financial model covers approximately three years of construction and commissioning beginning in Q2 2014 and continuing through Q2 2017, followed by 50 years of operation. SOP production in 2017 is estimated at 48% of annual capacity, with full capacity expected in 2018. In the financial model, no inflation or escalation factors were applied to cash inflows and outflows.

After-tax IRR is sensitive to capital cost, operating cost, and revenue assumptions. The table below shows the effect of changing those assumptions to +/-20%.

Input Variable to Financial Model	- 20%	-10%	Base Case	+10%	+20%
Capital Cost	19.3%	17.5%	16.0%	14.7%	13.6%
Revenue	11.3%	13.8%	16.0%	18.1%	20.1%
Operating Cost	17.8%	16.8%	16.0%	15.1%	14.2%

Capital Cost

The capital cost of the Project is estimated to be $1,018 million, with an accuracy of +/-15%. Preparation of the capital cost estimate is consistent with standards defined by the Association for the Advancement of Cost Engineering International for a Class 3 Estimate.(B) The table below summarizes the total estimated capital cost by major area.

Estimated Capital Cost by Major Area (millions)	
Mine Infrastructure and Development	$107
Process Plant	$527
Storage and Loading	$37
Total Direct Costs	$671
EPCM Services	$99
Construction Indirect	$22
Freight, Spares, and First Fills	$34
Total Indirect Costs	$155
Owner Costs	$80
Contingency	$112
Project Total	$1,018

Operations

Operating costs are based on scheduled production, equipment requirements, operating hours, equipment operating costs, and manpower requirements. Steady state has been defined as the operating years from 2022 through 2065. Steady state years generally exclude major one-time costs that are included in years 2017 through 2021, such as start-up activities, equipment rentals, initial receding face expenditures, and inventory adjustments.

Estimated Operating Cost Per Ton of SOP	
Steady State Production	714,400 Tons Per Year of SOP
Mining Cost Per Ton	$78
Processing Cost Per Ton	$108
General and Administrative Cost Per Ton	$9
Total Operating Cost Per Ton	$195
% of Operating Cost - Labor	24.8%
% of Operating Cost - Electricity	24.5%
% of Operating Cost - Natural Gas	20.7%
Sustaining Capital Per Ton Per Year	$40

The plant is designed to operate 7,912 hours annually and employ approximately 400 people at full production. The plant model projects a K2O© process recovery of 82.2% based on the pilot test work carried out by independent consultants and equipment providers. As a result of the pilot test work, the Study projects an SOP product with potassium content, or K2O equivalent, between 50.3% and 53.7%.

Energy costs for the Project were obtained from public domain sources. Xcel Energy, the local electricity supplier, provided rates under regulated tariffs for transmission and sub-transmission voltages. Transmission power costs were estimated at $0.0346 per kWh and sub-transmission rates at $0.0348 per kWh, plus associated demand charges.

Natural gas pricing was estimated at $3.69 per MMBTU based on the El Paso hub, which is the appropriate index given its proximity to the Project. Also, the hub's natural gas characteristics, such as heat value and moisture content, are the same as those of the natural gas that will be used at the plant. Diesel fuel pricing was based on the Rocky Mountain Index for No. 2 Diesel, estimated at $3.95 per gallon.

Revenue Assumptions

SOP prices, based on projected grades, are FOB Jal, New Mexico ("FOB Jal") and net of other sales-related expenses. A.J. Roth and Associates, a U.S. fertilizer consulting company with international expertise in potash and phosphates, provided pricing estimates by grades and receiving locations for the Study. The relevant SOP grades are standard, granular, and soluble. Upon full production of the estimated 714,400 tons per year, the product mix is projected to be 229,400 tons of standard SOP, 385,000 tons of granular SOP, and 100,000 tons of soluble SOP. The weighted average FOB Jal SOP price used in the financial model was $636 per ton. As reported in Green Markets, the average Q4 2013 granular SOP price was $680 per ton for California Delivery. Granular SOP prices historically receive an average premium of approximately $50 per ton above standard SOP. During Q4 2013, ICP estimates the soluble SOP price was $740 per ton for Florida Delivery.

Mineral Resources and Mineral Reserves

The Study identified Measured and Indicated Resources of 1,017.8 million tons at an average grade of 83.9% by weight polyhalite. The Resource was constrained by a minimum polyhalite thickness of 4 feet and a minimum resource grade of 65% polyhalite. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Mineral Resources are summarized in the table below.

Mineral Resources (effective date May 31, 2013)

Category	Average Thickness (ft)	Resource Area (acres)	In-Place Tons(1,2,3) (millions)	Polyhalite (wt %)	Equivalent K2SO4 (wt %)(7)
Measured(4)	5.2	26,166	511.7	84.5	24.4
Indicated(5)	5.0	26,698	506.0	83.3	24.1
Total M&I	5.1	52,865	1,017.8	83.9	24.2
Inferred(6)	4.8	15,634	284.0	82.6	23.9

Mineral Resources (effective date May 31, 2013)

Category	Anhydrite (wt %)	Halite (wt %)	Magnesite (wt %)
Measured(4)	4.02	3.27	7.94
Indicated(5)	4.00	3.30	8.61
Total M&I	4.01	3.28	8.27
Inferred(6)	4.11	3.37	8.82

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(1)Average in-situ bulk density of 173.5 pounds per cubic foot.

(2)Bed thickness cutoff of 4.0 feet, composite grade cutoff of 65.0%, excluding out-of-seam dilution.

(3)**Mineral Reserves are included in Mineral Resources.**

(4)Measured resource located within 0.75-mile radius from an exploration core hole.

(5)Indicated resource located between 0.75-mile and 1.5-mile radius from an exploration core hole.

(6)Inferred resource located between 1.5-mile and 3.0-mile radius from an exploration core hole.

(7)Pure polyhalite grades 28.9% by weight K2SO4. This also equates to 15.6% by weight K2O.

Note: Gypsum weight percent negligible for all resource classifications.

In addition to defining the Mineral Resources and Mineral Reserves, the Study specified a 50-year mine plan. Contained within the mine plan are approximately 182.4 million recoverable tons of Proven and Probable Reserves grading 78.05% by weight polyhalite. Mining was constrained to a minimum polyhalite grade of 66%, as well as a minimum polyhalite thickness of 4 feet. A summary of these Mineral Reserves is listed in the table below.

Mineral Reserves(1) (effective date January 9, 2014)

Category	Average Mined Thickness(2) (ft)	50 Year Mine Plan Mined Area (million sq ft)	ROM Mine Tons(3,4) (millions)	Mining Recovery(5) (%)	Polyhalite (wt %)
Proven	5.9	246	125.0	47.1	78.42
Probable	5.9	113	57.4	64.8	77.20
Total P&P	5.9	359	182.4	51.5	78.05

Mineral Reserves(1) (effective date January 9, 2014)

Category	Equivalent K2SO4 (wt %)(6)	Anhydrite (wt %)	Halite (wt %)	Magnesite (wt %)
Proven	22.66	11.29	3.66	7.79
Probable	22.31	11.60	3.65	8.30
Total P&P	22.55	11.39	3.66	8.08

(1)**Mineral Reserves are included in Mineral Resources.**

(2)Bed thickness cutoff of 4.0 feet, composite grade cutoff of 66.0%, including out-of-seam dilution.

(3)Average in-situ bulk density of 173.5 pounds per cubic foot.

(4)No inferred tons mined.

(5)Areal recovery (mined area) inside 50 year mine plan boundary.

(6)Pure polyhalite grades 28.9% by weight K2SO4. This also equates to 15.6% by weight K2O.

Note: Gypsum weight percent negligible for all resource classifications.

Updates to the Mineral Resources and Mineral Reserves estimates are based on the results from the completion of ICP's Phase 3A exploration drilling program, a continuation of the exploration program included in the report dated December 30, 2011, and titled National Instrument 43-101 Technical Report Prefeasibility Study ("PFS") for the Ochoa Project in Lea County, New Mexico. Industry best practices were followed for the exploration program. The investigations, interpretation of exploration information, and the quality assurance and quality control measures for the Phase 3A program were as reported in the PFS.

Over 70,000 feet of exploration drilling has been completed to date. Additionally, 855 petroleum wells were incorporated into the model (for stratigraphy correlation and bed thickness only) through geophysical logging. A higher minimum polyhalite grade (66%) was defined for the Mineral Reserves to ensure compliance with the Mineral Resource cutoff grade (65%) when developing mine projections.

As compared to the PFS, Mineral Reserves increased over 30% from 139.5 million tons to 182.4 million tons while maintaining similar polyhalite grades (79.39% in the PFS to 78.05% in the Study). Measured and Indicated Resources (4-foot minimum thickness) increased from 983.8 million tons to 1,017.8 million tons. The Study is based on a mine life of 50 years.

Measured and Indicated Mineral Resources exist to the north, east, and west of the 50-year mine plan boundary and there is a reasonable expectation that those resources will be economically mineable, which would allow for an extension of mining operations beyond 50 years.

Environment and Permitting

The Company remains on schedule to receive a Record of Decision on its Environmental Impact Statement ("EIS") in early April 2014. That schedule will allow construction to commence as planned. The Bureau of Land Management ("BLM") and its retained consultant are currently addressing review comments in preparation for issuance of the final EIS. Once review comments are incorporated into the document, the BLM will publish the final EIS. Notice of availability of the final EIS is expected to be published in February 2014.

In parallel with the EIS process, ICP also submitted an air quality permit application for construction to the New Mexico Environment Department Air Quality Bureau (NMED AQB). This application was ruled administratively complete by the NMED AQB on December 13, 2013, and technical review is expected to be completed on or before June 10, 2014. The assessment included in the permit application demonstrates that the Project complies with air quality standards.

As previously announced by the Company there have been two major permitting milestones to date. First, the Company received a jurisdictional determination from the U.S. Army Corps of Engineers ("Corps") that concluded no authorization from the Corps is required for construction. Second, authorization has been received from the New Mexico Office of the State Engineer that the Company has full right to appropriate non-potable water from the Capitan Reef aquifer for mining and industrial use.

Mining

Room-and-pillar mining will be used to extract ore from the deposit at a nominal rate of 3.7 million tons per year. Equipment selection includes state-of-the-art, high-horsepower continuous mining equipment currently in use throughout the world in the coal, trona, and potash sectors. During the course of the Study, ICP performed linear cutting tests on the polyhalite core. A continuous mining equipment manufacturer reviewed the linear cutting test results, performed additional testing, and recommended the use of drum-type continuous miners.

The ore bed will be accessed via a 25-foot diameter, two compartment mine ventilation and service shaft, and a 12,000-foot long slope (also referred to as a "ramp" or "decline") inclined at 8.5 degrees. The 1,525-foot deep shaft will have an intake air compartment, equipped with an emergency escape hoist and cage as well as electrical high voltage and communication cables. The second compartment will be used for return air and will contain fresh water and mine discharge water piping to prevent freezing during the winter months. General mine ventilation will be accomplished with dual 11-foot fans installed in parallel on the return side of the shaft. The slope provides flexibility to accommodate increased underground production as needed. Ore will be transported to the surface via a 60-inch slope conveyor with a capacity of 4,000 tons per hour.

The Study recommends the use of dual split super section ("DSSS") mining methods. Parallel sets of main entries are developed five to seven entries wide each. Production panels are developed up to 1000 feet wide to accommodate the DSSS concept of operating two continuous miners side by side using a centrally located single belt conveyor. DSSS supports the use of common equipment such as section scoops, forklifts, and section conveyors. DSSS keeps both capital and operating costs as low as possible.

Surface Facilities

The plant will include several key unit operations to process a continuous stream of polyhalite ore from the mine into finished SOP products. The main process circuits include crushing and washing, calcination, leaching, evaporation and crystallization, and drying and granulation. In conjunction with the crushing phase, washing removes sodium chloride from the ore and ensures a

high quality, appropriately sized feed to the calciner. Fluid-bed calciners provide precise temperature control and cause the ore to become readily soluble in water. A two-stage counter-current leach circuit produces brine containing potassium and magnesium sulphates. This brine is fed to the evaporation and crystallization circuits where SOP is crystallized. Following crystallization, drying and granulation of the crystals produces the final products. Pilot plant operation confirmed that the process is technically and economically viable on a continuous basis. Portions of this process are covered by U.S. Patent 8,551,429, with other U.S. and foreign patents pending.

The SOP products are planned to be trucked 22 miles to the rail loading and truck distribution facility. From this facility, ICP will have the ability to reach domestic rail and truck markets, as well as nearly any international dry bulk port facility in the Americas. Tailings management will include a variety of evaporation ponds and injection wells, in addition to a dry-stack gypsum storage facility. Deep saline water will be sourced from the Capitan Reef aquifer and treated, where necessary, through reverse osmosis.

Engineering Consultants and Client Engineers

"We extend our heartfelt thanks for the stellar performances of those contributing to this Study," said Randy Foote, Chief Operating Officer. "During the course of our work, ICP and the engineering consultants identified further opportunities with the potential to increase processing efficiencies and lower both capital and operating costs. We intend to implement these enhancements."

In addition to SNC-Lavalin, other primary consulting engineering groups, process design, and equipment supply groups include:

- **Agapito Associates Inc.** ("AAI"), a Colorado-based company providing services in geology and mining engineering.
  AAI was responsible for reviewing and auditing the exploration program, developing the resource geologic model and the resources and reserves estimates, providing mine design and mine engineering, and developing the operating and capital costs for the mine.
- **Veolia Water Solutions and Technologies** ("Veolia"), a worldwide process and technology equipment supplier, providing services in water treatment and evaporation, as well as crystallization technologies.
  Veolia was responsible for developing the evaporation and crystallization circuits, and for pilot testing.
- N**ovopro Projects Inc.** ("Novopro"), a Canadian-based company providing services in engineering, project development, and project management, with particular expertise in potash mineral processing.
  Novopro acted in the role of the owner's engineer, providing project management, process development, testing, and contract development services.
- **Resource Development Inc.** ("RDi"), a Colorado-based company providing international services in mineral processing, leaching, and circuit recovery.
  RDi provided overall technical reviews of processing technology and surface facilities.
- **Upstream Resources**, a Washington, D.C.-based geosciences company providing services in the design and execution of exploration programs, data analysis, and geologic and resource modeling, and with substantial international experience in potash exploration and development.
  Upstream Resources carried out the substantial portion of the exploration programs and subsequent data analysis, and interpretation and geological modeling.
- **Hazen Research Inc.** ("Hazen"), a Colorado-based company providing services encompassing research and development in the adaptation of known technology to new situations, pilot plant testing, preliminary engineering, and cost analysis.
  Hazen designed numerous process testing procedures, provided laboratories and facilities for bench-scale testing, and fabricated parts of the pilot plant. Hazen also validated all phases of the ICP process to optimize conversion of polyhalite into SOP.

- **INTERA Incorporated** ("INTERA"), a New Mexico-based company providing services in water resources planning, development and management.
  INTERA managed and coordinated environmental permitting and hydrogeological modeling.
- **Walsh Environmental Scientists and Engineers** ("Walsh"), a Colorado-based company with expertise in environmental consulting services, ecological investigations and surveys, site assessment, and National Environmental Policy Act regulations.
  Walsh contributed to environmental permitting and related activities.

In addition to the consultants mentioned above, several other highly regarded professional companies contributed to the completion of the Study. These include:

- AB Engineering Inc.
- Chastain Consulting
- Chemfelt Engineers
- FEECO International
- Fakatselis Consulting Inc.
- Gundlach Equipment Corporation
- Harrison Western Construction Corp.
- Metso Minerals Industries Inc.
- SGS Lakefield Research Limited
- Sage Earth Sciences
- Western Technologies Inc.

Qualified Persons

Gary Skaggs, P.E., P.Eng., AAI vice president/principal, is the independent Qualified Person for the mine plan and Mineral Reserves; Leo Gilbride, P.E, AAI vice president, is the independent Qualified Person for Mineral Resources; Tom Vandergrift, P.E., AAI vice president/principal, is the independent Qualified Person for the mine geotechnical analysis; Susan Patton, Ph.D., P.E., AAI senior associate, is the independent Qualified Person for mine capital and operating cost; Vanessa Santos, CPG, AAI chief geologist, is the independent Qualified Person for the geology and exploration sections of the Study, each within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101").

Lawrence Berthelet, P.Eng., MBA, VP Potash, SNC-Lavalin, is the independent Qualified Person for mineral processing and metallurgical testing, recovery, and project infrastructure; Phillipe Poirer, P.Eng., VP Finance, SNC-Lavalin, is the independent Qualified Person for the economic analysis, both within the meaning of the NI 43-101.

The independent Qualified Persons within the meaning of the NI 43-101 for the evaporation and crystallization processes are John DiMonte, P.E., VP Operations; Tony Banasiak, P.E., Electrical Manager; Jean Claude Gallot, MS, Process Engineer; John Pitts, CHMM-Engineering; Harry Parker, P.E., Technical Manager, Piping and Facilities; David Gamache, CHE, Director of Research and Development; Shawn Thornton, MS, Research and Development; Charlotte Bessiere, Ph.D., Research and Development; all of Veolia Water Solutions & Technologies.

Pursuant to NI 43-101, ICP will file a compliant technical report on SEDAR addressing the applicable sections of this press release within 45 days of the date of this disclosure.

All scientific and technical disclosures in this press release have been prepared under the supervision of and approved by Deepak Malhotra, Ph.D. and registered SME member, president of Resource Development Inc., a Qualified Person within the meaning of NI 43-101 and an advisor to the Company.

Definitions

(A)IRR is a measure used to establish economic viability of the Project. It is the interest rate that equates the discounted values of (i) the estimated capital costs to build the mine and surface facilities with (ii) the projected cash flows generated during the 50 year mine plan utilized in the establishment of the Proven and Probable Reserves.

(B)Association for the Advancement of Cost Engineering International standards define Class 3 estimates to be those prepared as the basis for budget authorizations, appropriations, and funding. Class 3 estimates use quotations for all major items of capital. They include process and utility flow diagrams, preliminary piping and instrument designs, and complete equipment lists.

(C)K2O equivalent refers to the potassium content percentage of a particular potassium fertilizer mineral. It is based on a hypothetical potassium oxide percentage by weight of potassium sulphate. Pure potassium sulphate, i.e. 100% potassium sulphate by weight, has a K2O equivalent of 54.06%.

About IC Potash Corp.

ICP has demonstrated a low-cost method to produce sulphate of potash ("SOP") from its 100%-owned Ochoa polyhalite deposit in southeast New Mexico. The Company intends to become a primary, long-term producer of SOP. The global market for SOP is 5.5 million tons per year, with producers benefiting from substantial price premiums over regular potash, known as muriate of potash ("MOP"). SOP is a non-chloride potash fertilizer widely used in the horticultural industry and for high value crops, such as fruits, vegetables, tobacco and potatoes. It is applicable for soils where there are substantial agricultural activity, high soil salinity, and in arid regions. The Ochoa Project has access to excellent local labor resources, low-cost electricity and natural gas, water, rail lines, and the Port of Galveston, Texas. ICP's land holdings consist of nearly 90,000 acres of federal subsurface potassium prospecting permits and State of New Mexico potassium mining leases. For more information, please visit **www.icpotash.com**.

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 and other factors which may cause the actual results, performance or achievements of ICP to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include statements that use forward-looking terminology such as "may", "will", "expect", "anticipate", "believe", "continue", "potential" or the negative thereof or other variations thereof or comparable terminology. Such forward-looking statements include, without limitation, reserve estimates, ICP's expected position as one of the lowest cost producers of SOP in the world, the timing of receipt and publication of ICP's environmental permits, the sufficiency of ICP's cash balances, the timing of production, and other statements that are not historical facts. 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, the uncertainty of obtaining additional financing, and risks associated with turning reserves into product. 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 MORE INFORMATION, PLEASE CONTACT:

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