IC Potash Announces Successful Ochoa Potash Project Preliminary Economic Assessment

TORONTO, January 5, 2011 – IC Potash Corp. ("ICP" or the "Company") (TSXV: ICP) announced today the successful conclusion of the updated Preliminary Economic Assessment of the Company's 100%-owned Ochoa Sulphate of Potash ("SOP") Project (the "Preliminary Economic Assessment" or "PEA") located in south east New Mexico, and prepared by Gustavson Associates of Lakewood, Colorado ("Gustavson").

"This independent report is a major achievement for IC Potash," Mr. Sidney Himmel stated. "The updated PEA attributes an estimated net present value to the Ochoa Project of US$1.4 Billion using a pre-tax discount rate of 10%, and $2.1 billion using a rate of 8%. The projected values are based on the estimated capital cost of $662 million and projected production cost of $164 per ton of SOP. The PEA provides robust economics for the Ochoa Project with operations producing 660,000 tons of SOP per year. Our mission is to develop a long-life, low cost mine, which will produce Sulphate of Potash, the premium quality potash of the world, and the PEA indicates that the Company's New Mexico Ochoa potash asset is positioned to become one of the world's lowest cost producers of Sulphate of Potash."

Recommendations and Conclusions

This Preliminary Economic Assessment indicates that the Ochoa Sulphate of Potash project is economically viable and Gustavon recommends continued development of the project including:

- The completion of a prefeasibility study;
- The commencement of environmental and permitting work; and
- The obtaining of a sufficient bulk sample of ore for pilot scale metallurgical testing and process optimization.

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 all recommended work, and prepared to evaluate strategic development opportunities moving forward with the Ochoa Project, including the possibility of establishing marketing partnerships with international fertilizer companies."

Economic Analysis

The National Instrument 43-101 Compliant Preliminary Economic Assessment projects a base case production level of 660,000 tons per year of Sulphate Potash ("SOP"), a mine life of 40 years with a capital cost of $662 million, and operating cost per ton of $164. All dollars are expressed in United States currency. The base case production level data is summarized as follows:

· Internal rate of Return of 25% on a pre-tax basis based on a 100% equity case;

· Net Present Value of US $1.4 billion using a pre-tax discount rate of 10% and no debt;

· Net Present Value of US$2.1 billion using a pre-tax discount rate of 8% and no debt;

· Operating production cost of US$164 per ton of SOP;

· Capital cost of $662 million which includes a general contingency of $97 million and engineering and procurement and management costs of $48 million;

· Underground mining at a rate sufficient to produce 3.29 million tons of ore per year;

· Average mining extraction rate of 85%;

· Average metallurgical recovery of 85%

· Mine life of 40 years;

· The Sulphate of Potash sales price forecasts were provided by CRU, formerly known as British Sulphur Consultants. CRU is the leading business consultancy for the fertilizer industries;

· SOP prices for 2015 were forecast at $508 per short ton and subsequently varied for projected macroeconomic trends and anticipated changes in Sulphate of Potash supply and demand;

· While the project has the potential to produce Sulphate of Potash and other fertilizer minerals such as Magnesium Sulphate, the study included only Sulphate of Potash as this fertilizer mineral is readily marketable in a very robust market.

Economic Impact of Resource Expansion

As provided in the press release of December 15, 2010, there is now 700 million tons of potash resource in the measured and indicated resource category. The detailed potash resource is provided in the table below. In addition, there is a further resource of 300 million tons of potash in the inferred resource category.

5 foot minimum thickness	Measured	Indicated	Measured and Indicated
Tons	239,000,000	462,000, 000	700,000,000
Grade Polyhalite	82.7%	82.4%	82.5%
Equivalent Grade K2SO4	23.4%	23.4%	23.4%
6 foot minimum thickness	Measured	Indicated	Measured and Indicated

Tons	41,000,000	47,000,000	88,000,000
Grade Polyhalite	86.1%	84.1%	85.0%
Equivalent Grade K2SO4	24.4%	23.8%	24.1%

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The objective of the upcoming pre-feasibility study is to demonstrated economic viability.

Base Case of 660,000 tons per year production, operating costs:

Area of Operations	Cost Per Ton Of Feedstock (US$)	Cost Per ton of SOP Product (US$)
Mining	$12.36	$61.39
Processing	$19.76	$98.11
G&A	$ 0.95	$ 4.72
Total	$33.07	$164.22

Chief Operating Officer Randy Foote commented, “We recently reported a NI-43-101 compliant mineral resource which included, at a five foot minimum thickness cut-off, 239 million tons of measured resource of polyhalite, and 462 million tons of indicated resource. It is this resource which we intend to convert to Sulphate of Potash at a very low cost of production. Thus this project has the potential to have a life far in excess of the forty year mine life which was used in the financial economic model. The Company is intent on moving quickly to develop this project.”

The Preliminary Economic Assessment also considered a production scenario of 1,000,000 tons of annual Sulphate of Potash production. The capital cost for such a production level would be $813 million. Assuming a 40 year mine life and the same projected SOP prices as for the base case, the Internal Rate of Return would be 30% and the Net Present Value would be $2.5 billion using a pre-tax discount rate of 10% and US$3.6 billion using a pre-tax discount rate of 8%.

The NI-43-101 Technical Report for Preliminary Economic Assessment and the resource will be published on the System for Electronic Document Analysis and Retrieval ("SEDAR") no later than January 28, 2011. 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 Preliminary Economic Assessment were William J. Crowl, R.G., Donald E. Hulse, P.E., Terre A. Lane, MAusIMM, Deepak Malhotra, MAusIMM. Consulting geologists, chemical engineers, and chemists in respect of the work included Dr. Patrick Okita, Donial Felton, B.Sc., Richard Chastain, B.Sc., and Thomas Neuman, M.Sc.

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 50% 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.

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