



IC POTASH FILES 43-101 PRELIMINARY ECONOMIC ASSESSMENT TECHNICAL REPORT FOR OCHOA PROJECT AND PROVIDES CORPORATE UPDATE

TORONTO, January 17, 2011 /CNW/ - IC Potash Corp. ("IC Potash" or the "Company") (TSXV: ICP; OTCQX:ICPTF) is filing today on SEDAR (www.sedar.com) a Canadian National Instrument 43-101 compliant Preliminary Economic Assessment Technical Report of the Company's 100 % - owned Ochoa Sulphate of Potash ("SOP") Project (the "Preliminary Economic Assessment" or "PEA"). The project is located in south east New Mexico. The PEA report, entitled NI 43-101 Technical Report on the Polyhalite Resources and Updated Preliminary Economic Assessment of the Ochoa Project was prepared by Gustavson Associates of Lakewood, Colorado ("Gustavson").

Other corporate update information:

- Bulk sampling program commenced;
- Pre-feasibility study to commence imminently;
- Environmental work to commence in first quarter; and
- Stock options awarded.

The bulk sampling program has commenced. Metallurgical testing and optimization will commence this January using the potash resource previously obtained. Testing will include the optimization of calcination, leaching, solar evaporation and crystallization procedures. Testing will be carried out by Hazen Research, Inc. of Golden Colorado. Hazen has completed over 10,000 projects for clients, including pilot and demonstration plants and has expertise in industrial minerals processing, as well as in mineral hydrometallurgy, pyrometallurgy, inorganic chemicals, and commercial metals.

"The completion of the report, which was announced on January 5 of this year, is a major achievement for IC Potash," Mr. Sidney Himmel, the President and Chief Executive Officer of the Company, stated. "We are finalizing the assembly of the team to prepare the Pre-Feasibility Study. It is estimated that this study will require nine months to complete at an estimated cost of \$3 million. Our mission is to develop a long-life, low cost mine to produce SOP, the premium quality potash of the world. We continue to move rapidly in that direction. The recommendations of the PEA include the completion of a pre-feasibility study, the commencement of environmental permitting work, and the obtaining of a sufficient bulk sample for metallurgical testing and process optimization. We are moving rapidly in all these directions with the goal of being one of the first junior companies to put a potash mine into production. And in this case it is based on SOP, the world's quality potash which is sold at a premium price".

As previously reported, the PEA projects a base case production level of 660,000 tons per year of SOP, a mine life of 40 years and a capital cost of \$662 million. Operating cost is projected to be \$164 per ton. All dollars are in United States currency. Summary data for the project are:

- 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;
- Measured mineral resource of 239,000,000 tons at a grade of 82.7% polyhalite equivalent to 23.4% Sulphate of Potash, and indicated resource of 461,000,000 tons at a grade of 82.4% polyhalite equivalent to 23.4 % Sulphate of Potash, each of which with a cut-off thickness of 5 feet.
- 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 SOP sales price forecasts were provided by CRU, formerly known as British Sulphur Consultants. SOP prices for 2015 were forecast at \$508 per short ton and subsequently varied upwards and downwards for projected macroeconomic trends and anticipated changes in SOP supply and demand. For 2025 and thereafter a price of \$717 per short ton is used in the projections.
- While the project has the potential to produce SOP and other fertilizer minerals such as Magnesium Sulphate, the study included only SOP as this fertilizer mineral is readily marketable in a very robust market.

The PEA contains information on resource, proposed mining methods, mineral processing, hydrology, and entry into the Sulphate of Potash markets.

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.

The PEA is preliminary in nature. Although the PEA includes measured and indicated mineral resources, it also includes inferred mineral resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the projections in the PEA will be realized.

Awarding of Stock Options:

The Company granted on January 13, 2011, at a board meeting held after close of business, 700,000 options to acquire common shares of the Company (the "Options") pursuant to the stock option plan of the Company and subject to regulatory approval. The Options were granted to an officer and to a consultant to the Company. The Options expire on January 13, 2016 and have an exercise price of \$1.42, the closing price of the stock on the TSXV prior to the grant.

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 the Company, 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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About IC Potash

IC Potash intends to become a primary producer of Sulphate of Potash ("SOP") by mining its 100%-owned potash 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. SOP is a significant fertilizer in the fruit, vegetable, tobacco, potato, and horticultural industries, and for agriculture in saline and dry soils and soils in which there is much agriculture with varieties of crops. Much of the agricultural soil in China, India, and the United States is salty. ICP's Ochoa property consists of over 100,000 acres of federal subsurface potassium prospecting permits and State of New Mexico Potassium mining leases.

For further information: please visit www.icpotash.com or contact Sidney Himmel at 1-416-624-3781.