

IC Potash Corp. Enters into Agreement for Second Strategic Investment by Cartesian Capital Group

TORONTO--(BUSINESS WIRE)--December 17, 2015--IC Potash Corp. (TSX:ICP; OTCQX:ICPTF) (“ICP” or the “Company”) announced today that Cartesian Capital Group, LLC (“Cartesian”) has agreed to make a second strategic investment of up to US\$45 million in ICP’s subsidiary, Intercontinental Potash Corp. (USA) (“ICPUSA”). ICPUSA owns the Company’s sulphate of potash mining and processing project (the “Ochoa Project”) located in Lea County, New Mexico.

Mr. Randy Foote, President and Chief Executive Officer of ICP, stated, “**We are extremely pleased that IC Potash and the Ochoa Project have received a second vote of confidence from Cartesian Capital Group. This strategic investment will allow ICP to move the project to the start of construction and also create the opportunity for ICP, working with Cartesian, to move forward to find a strategic partner to assist in funding the construction of the project.**”

Mr. Peter Yu, Founder and Managing Partner of Cartesian, noted, “**The Ochoa Project is a unique and valuable resource that should become a leading producer of a preferred fertilizer. We are proud to expand our cooperation with ICP in the development of this important project.**”

Closing of Tranche 1 of the investment is subject to customary closing conditions including final agreement between the parties on the Tranche 1 use of proceeds, confirmatory due diligence, final approval by Cartesian’s investment committee, negotiation and execution of customary definitive legal documentation. It is anticipated that closing of Tranche 1 will take place in mid-January, 2016.

The transaction (the “Transaction”) will comprise two tranches. The first tranche will consist of US\$5 million of new convertible Series B Preferred Shares of ICPUSA and \$5 million in secured debt issued by ICPUSA. The second tranche will consist of up to US\$35 million in new convertible Series C Preferred Shares of ICPUSA. In addition, certain amendments will be made to the existing Series A Preferred Shares of ICPUSA held by Cartesian.

The new convertible non-dilutive Series B Preferred Shares, which bear a 12% dividend rate, will have substantially the same features and rights as the existing Series A Preferred Shares of ICPUSA (as modified), will have a term ending 24 months from the initial funding of the Tranche 1 securities (“Tranche 1 Maturity”) and will be convertible into a non-dilutive 21.1% of the common shares of ICPUSA. The \$5 million in secured debt will mature on the Tranche 1 Maturity, will bear interest at 11% per annum and will be secured by the assets of ICPUSA including ICPUSA’s interests and rights in the Ochoa Project. The existing Series A Preferred Shares will be amended to change the maturity date from November 21, 2016 to the Tranche 1 Maturity Date and to change the dividend yield from 12% to 15% and to provide in certain circumstances for the exchange of the direct or indirect interest in these securities for secured debt of ICPUSA.

The proceeds from Tranche 1 will be advanced over a six-month period and are intended to be used to complete or refresh certain preliminary matters on the project.

The second tranche is to consist of \$35 million Series C Preferred Shares. The Series C Preferred Shares would be issuable following the successful completion of the work funded by the Tranche 1 investment and approval by a majority of ICP (USA)’s Board (including at least one representative of each of ICP and Cartesian). The Series C Preferred shares will pay dividends of 8% per annum, payable in kind, have a maturity date of 24 months following the initial date of issue, and be convertible at the option of the holder into common shares of ICPUSA at the greater of (1) a 15% premium to the pre-money equity valuation of ICP (USA) implied by ICP Canada’s market valuation calculated on a 60-day VWAP for the period ending on the day of the ICP (USA) Board’s initial consideration of the funding of Tranche 2 and (2) C\$0.115 per share. Each of Cartesian and ICP Canada will receive, pro rata on an as-converted basis, rights to acquire the Series C Shares with priority over any other equity capital sources of ICPUSA. Cartesian has agreed that it will subscribe for at least its pro rata share of Series C Shares and if ICP Canada is not able to (or chooses not to) fund the remaining balance, Cartesian has agreed to subscribe for the remainder on the same terms as its pro rata share.

In connection with the approval of the transaction, the current financial advisor to the Ochoa Project, Mitsubishi UFJ Financial Group, acting through its wholly-owned banking subsidiaries, the Bank of Tokyo-Mitsubishi UFJ, Ltd. and Union Bank, N.A. (collectively “MUFG”), provided strategic advice to ICP and its board of directors with respect to the investment as part of the process of moving the Ochoa Project closer to project financing and development. In addition, Paradigm Capital Inc has provided an opinion that the terms and conditions of the Transaction are within what would be considered acceptable market terms in the context of the current market environment, and is therefore fair to ICP from a financial point of view.

About IC Potash Corp.

ICP has demonstrated a low-cost method to produce sulfate of potash (“SOP”) from its Ochoa polyhalite deposit in southeast New Mexico and seeks to become a primary, long-term producer of SOP. 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 is 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, an approved non-potable water source, rail lines, and the Port of Galveston, Texas. ICP’s land holdings consist of approximately 98,500 acres of federal preference right potassium leases, federal subsurface potassium prospecting permits and State of New Mexico potassium mining leases. For more information, please visit www.icpotash.com.

About Cartesian Capital Group

Cartesian Capital Group, LLC is a global private equity firm with proven expertise in assisting closely-held companies to expand. Cartesian manages more than \$2 billion in capital and has offices in New York, Sao Paulo, Shanghai, Warsaw, and Bermuda.

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, satisfaction of the closing conditions and the timing of closing of each tranche of the investment, the use of proceeds from each tranche of investment 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 hiring and retaining personnel, 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.

CONTACT:

IC Potash

Mr. Mehdi Azodi, +1-416-779-3268

Director of Investor Relations

MAZODI@ICPOTASH.COM