

# Investor Presentation

Ochoa Polyhalite Project

July 2017



IC POTASH CORP

# Disclaimer

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# Business strategy

- Direct application polyhalite as a crop nutrient product (no chemical processing plant).
- Shorter ramp-up timeline.
- Lowest capital cost option.
- Lowest execution risk.
- Attractive financial metrics.
- Retains SOP option at a later date.



Discounted cash flow modelling of the Ochoa Project base case yields an after-tax, all equity internal rate of return (IRR) of **28.0%** and a net present value (NPV) of **\$1,197 million**

# Project highlights

- Fully permitted polyhalite deposit.
- One of the best ranking mining jurisdictions - New Mexico, USA.
- Completed positive PEA on the Polyhalite Project in November 2016.
- Conventional room and pillar mining.
- Simple mechanical processing, no chemical treatments.
- Low capital intensity and operating costs.
- Specialty fertilizer containing 4 key primary and secondary nutrients (S, Ca, K and Mg).
- Strategic partnership with Yara.



# Mine design and processing facilities

- Conventional mining using a room-and-pillar mining method.
- Approximately 80 million tons of mining is expected, which potentially translates to a 42-year mine life.
- Heavy-duty underground continuous mining equipment.
- Simplified process recovery which is entirely mechanical, requiring no chemical treatments or nonstandard material handling processes.



# Infrastructure and utilities

- Established roads and U.S. distribution by rail lines.
- Easy access to ports.
- Electricity and natural gas utilities.
- Access to skilled labor force.

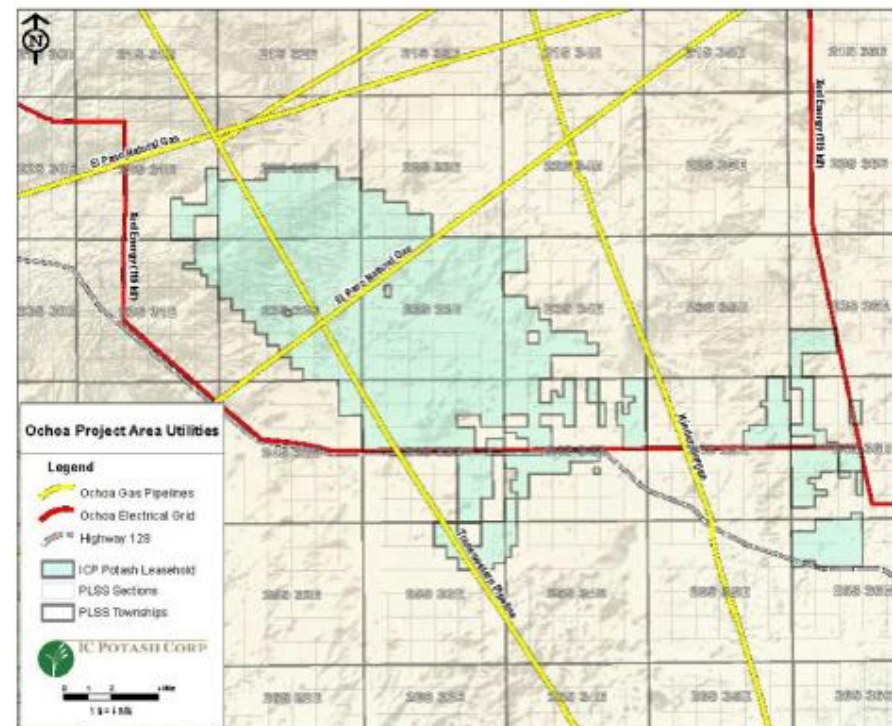


Figure 5-1. Utilities in the Vicinity of the Ochoa Project

# Sustainability

- Elimination of chemical processing facility.
- Elimination of evaporation ponds.
- No tailings produced.
- Reduced water required.
- Reduction in injection well capacity.
- Reduction in Reverse Osmosis plant requirements.
- Reduced area of surface disturbance (approx. 1 mile square vs 4 miles square.)



# Polyhalite $K_2Ca_2Mg(SO_4)_4 \cdot 2H_2O$

- Polyhalite is an evaporate mineral, a hydrated sulfate of potassium, calcium and magnesium.
- Delivers secondary nutrients - S, Mg, Ca in addition to K.
- Little chloride.
- PH neutral.
- Soluble but slower release ratio than other products.
- Environmentally sustainable, low carbon footprint.





# Mineral resources

- Updated Mineral Resource estimate (Measured and Indicated) of 330 million tons.
- Proposed production schedule extracting up to 2 million tons per annum (Mtpa) of polyhalite.
- Approximately 38 years of steady state production.
- Initial production is estimated to begin in 2019.



# Ochoa Project mineral resource

Resource Class	Thickness (ft)	Mass (tons x10 <sup>6</sup> )	Polyhalite (wt.%)	Anhydrite (wt.%)	Halite (wt.%)	Magnesite (wt.%)
Measured	4.65	150	89.92	2.13	3.25	6.41
Indicated	4.61	180	88.83	2.11	2.79	6.92
Mea + Ind	4.63	330	89.33	2.12	3.00	6.69
Inferred	4.60	40	88.70	2.11	2.77	7.00

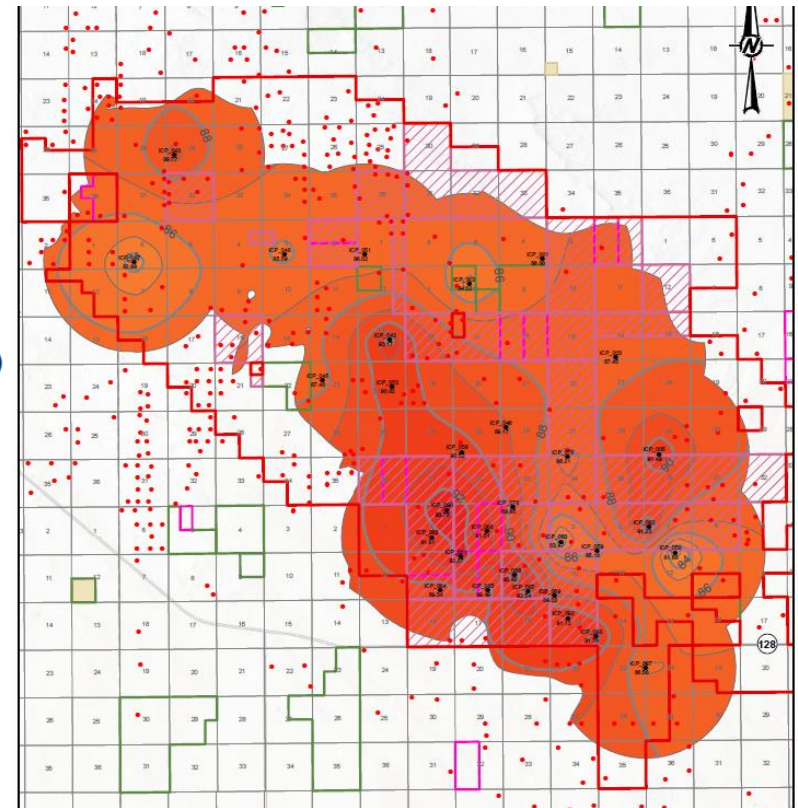
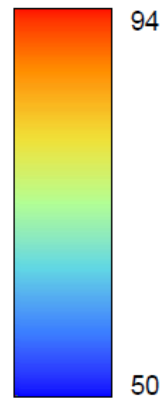
Note: 4.0-foot minimum mining thickness and 85% polyhalite cut-off grade applied; area, mass rounded to nearest ten million; ft = feet; wt.% = weight percent. All references to tons are to short tons.

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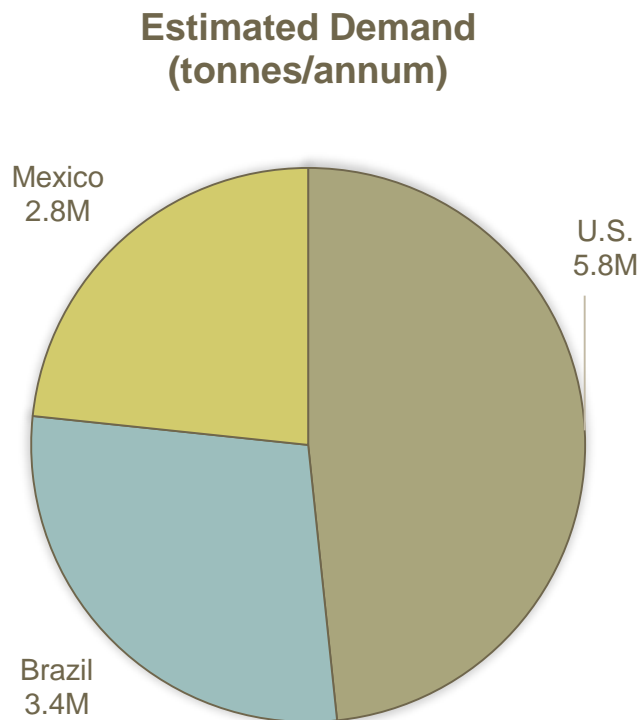
# Resource grade

- 32 exploration drill holes completed.
- Average polyhalite grade of 90%.
- Resource grade is the key driver for the mining plan.

Polyhalite Grade (%)



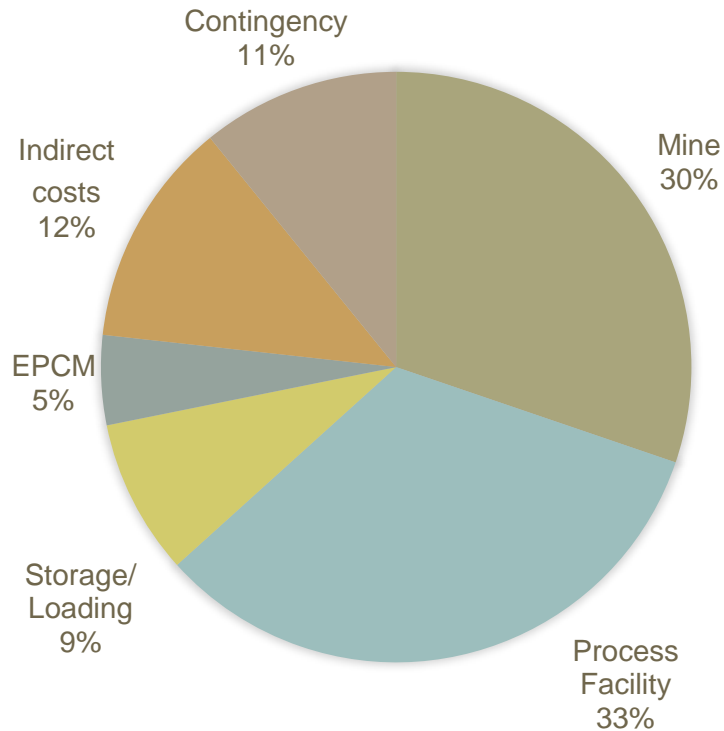
# Potential polyhalite demand



- Polyhalite product will be shipped to domestic and international customers.
- Polyhalite based fertilizer currently constitutes a very small global market with only one in commercial production in small volumes.
- In the US and the Americas, polyhalite would essentially represent a new fertilizer product.

Market study conducted by CRU Group - July 2016

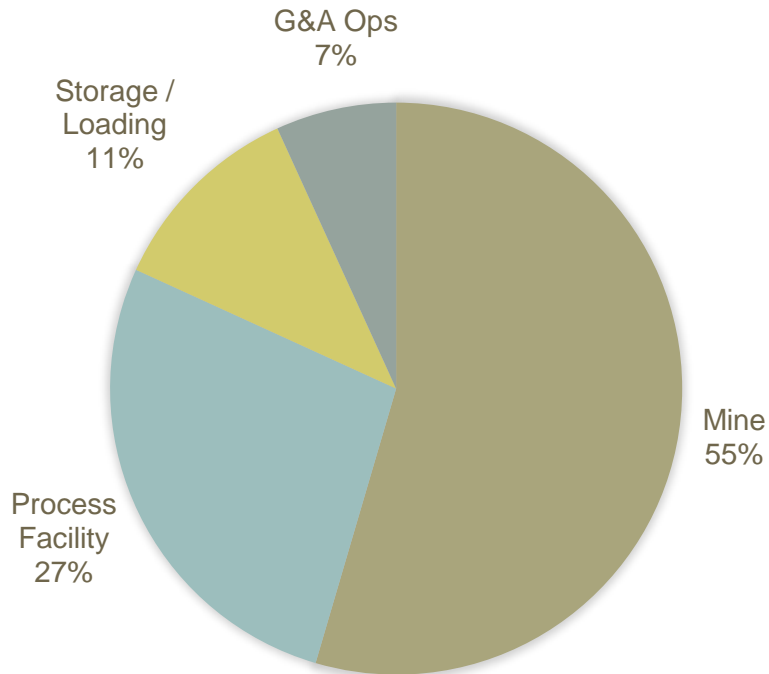
# Capital cost estimate



## Capital Costs (\$ million)

Area (WBS / Description)	Initial Capital	Sustaining Capital
<i>Mine</i>	\$117	\$182
<i>Process Facility</i>	\$128	\$146
<i>Storage / Loading</i>	\$33	\$36
<b>Total Direct Capital</b>	<b>\$278</b>	<b>\$365</b>
<i>EPCM</i>	\$19	-
<i>Other Indirect Costs</i>	\$29	-
<b>Total Indirect Capital</b>	<b>\$48</b>	<b>-</b>
<i>Contingency</i>	\$42	-
<b>Total Capital</b>	<b>\$368</b>	<b>\$365</b>

# Operating cost estimate



## Operating Costs (\$/ton)

Area	Cost per Ton Mined
<i>Mine</i>	\$24
<i>Process Plant</i>	\$12
<i>Storage / Loading</i>	\$5
<i>G&amp;A Operations</i>	\$3
<b>Total Operating Cost</b>	<b>\$44</b>

*Total estimated operating costs of \$44/short ton mined, processed, and shipped to a local distribution point.*

# Ochoa Project economics

## Project Economics

Nominal polyhalite production capacity (million tpy)	2.00
NPV (after-tax)	\$1.2B
IRR (after-tax @ 8%)	28%
Payback	2.6 years
Polyhalite price (\$/ton) ROM	\$203
Mine Life	42 years

**\*Unlevered model; no escalation or inflation has been applied to the model**

Initial capital expenditure of \$368 million includes a 15% contingency on direct capital items.

## Comparable projects

ICL Group (NYSE:ICL)	Sirius Minerals (LON:SXX)
Market Cap: US\$4.83B	Market Cap:US\$755M
<b>Producer</b>	<b>Developer</b>
Cleveland Potash Mine, UK	York Project, UK
Capacity: 600Ktpy	Targeted Capacity: 20Mtpy
Implementation Capex (2014): \$48M	Capex: \$2.91B
Product: Polysulphate™	Product: POLY4



# Ochoa Project timeline

Milestone	2016	2017				2018				2019			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
PEA (Complete)	█												
Marketing plan		█	█	█	█								
Feasibility Study	█	█	█										
Detailed Engineering	█	█	█	█	█								
Mine Construction						█	█	█	█	█	█	█	
Process Plant Construction						█	█	█	█	█	█	█	
Initial Production													█

Taking the Ochoa Polyhalite project to the next stage of project development.

# Technical consultants

Responsibility	Deliverables
Golder Associates	PEA report (2016)
CRU Strategies	Market Studies (2016)
INTERA Geoscience and Engineering Solutions	Permitting and Environmental
Upstream Resources	Product Development (2016)
Agapito Associates, Inc.	Mineral Resource (FS, March 2014)
SNC-Lavalin	Process Design (FS, March 2014)

## World class partner

### Yara International ASA

#### Financial Advantages

- \$40 million investment
- 30% off-take (take or pay)
- ICP retains 100% project equity

#### Strategic Advantages

- Top tier global distributor
- Joint marketing opportunities



# Experienced Board and Executive Team

## Board of Directors

### **John Stubbs**

Chairman, Independent Director

### **Ernest Angelo, Jr**

Independent Director

### **Knute Lee, Jr**

Independent Director

### **Pierre Pettigrew**

Independent Director

## Executive Team

### **Mehdi Azodi**

President & CEO

### **Kevin Strong**

Chief Financial Officer

### **Deena Siblock**

Vice-President, Corporate Affairs

### **Ken Kramer**

President, ICP USA, Project Team

### **Graham Wheelock**

Ochoa Project Manager, Operations

# ICP snapshot

	TSX:ICP (CAD\$)
Share Price (2017-July-5)	\$0.05
Shares Issued & Outstanding (MM)	237.15
Market Capitalization	\$11.86M
Options (MM)	17.5M
Warrants	3,286,666 / \$0.16 18,021,000 / \$0.11 30,037,699 / \$0.08 280,000 / \$0.06
Cash Balance – Mar 31, 2017	\$907K CAD
90 Day Volume (average)	302,636

## Contact information

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**Mr. Mehdi Azodi**  
**President & CEO**

416-779-3268

[mazodi@icpotash.org](mailto:mazodi@icpotash.org)

[\*\*www.icpotash.com\*\*](http://www.icpotash.com)