

A World-Class SOP Play with Extraordinary Promise, IC Potash Nearing Completion of Feasibility Study

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One of the most advanced-stage sulphate of potash (SOP) project developers in the world, IC Potash Corp. (TSX: ICP | OTCQX: ICPTF) [announced on October 10th](#) that it expects to complete and finalize its much-awaited Feasibility Study for its 100,000-plus-acre, flagship Ochoa SOP Project in southeastern New Mexico by December. ICP's objective is to become a global industry leader in the production and distribution of high-quality, low-cost specialty fertilizers.

"IC Potash is focused on the mining of polyhalite, a potash mineral, and its processing into sulphate of potash, the world's premium-priced potash, used in the agriculture of fruits and vegetables and in salt-sensitive soils," said Sidney Himmel, President and CEO of IC Potash. "The completion of the Feasibility Study will mark the most significant milestone achieved by ICP."



Sulphate of Potash (SOP) is the preferred potash fertilizer for chloride-sensitive, high-value crops where quality counts.

Without question, Himmel and Co. have made significant progress on all key activities that advance the Ochoa SOP project; however, the Feasibility Study (which will contain final economic and technical data, along with definitive cost assessments) will enable to IC Potash to *"continue negotiations"* with various domestic and international institutions and strategic industry partners to fund the Ochoa SOP project. Yara International – the world's largest distributor of all fertilizer products, based in Norway – made a [\\$40 million investment in ICP in 2012](#) ([Yara also has a seat on ICP's Board of Directors](#) and an [off-take agreement](#) in place).

Since late last year, ICP's staff of technical professionals along with its team of more than 100 distinguished industry consultants has been working tirelessly on the completion of the Ochoa Project Feasibility Study. Yesterday's announcement also provided an operational update on pilot plant optimization tests, jurisdictional determination on water, water supply, and the draft environmental impact statement on the Ochoa Project.

In September, ICP successfully completed pilot place testing, which demonstrated the robust nature of Ochoa's flow sheet and the ability to successfully and economically convert raw polyhalite to SOP on a commercial scale (something that has never been done before). According to ICP, "The results were very positive, being consistent with the effective and efficient processing of Polyhalite ore into various grades of SOP, and will be incorporated into the Study with respect to final equipment selection and sizing and the computation of projected capital costs and operating costs." Pilot testing included the crushing, grinding, washing and dewatering of mined ore; calcination, which is the controlled heating to remove entrapped water thereby increasing ore solubility; leaching of calcined ore and crystallization of SOP."



Earlier this summer, the US Army Corps of Engineers determined that the Ochoa Project area is composed entirely of uplands and upland drainage; therefore it does not require federal permits. As a result, the Corps issued ICP a Jurisdictional Determination confirming that its planned mining and processing operations will not require the Corps' authorization to proceed with mine and processing plant construction, nor will it be subject to ongoing monitoring once in commercial operations.

Last month, the New Mexico Office of the State Engineer confirmed that the ICP had met the requirements of state statutes and may apportion water from the Capitan Reef aquifer for mining and industrial use by the Ochoa Project. The water will be treated by reverse osmosis to reduce dissolved solids (to the extent required for process water to be used in the leaching and crystallization processes) required to produce SOP.

In August, the US Department of the Interior, Bureau of Land Management published the draft environmental-impact statement available for public scrutiny, and three subsequent public hearings were held in New Mexico, to give interested stakeholders the opportunity to comment and make their opinions on the Ochoa Project known. The comment period closed on September 23rd. With tremendous support from both the state and federal levels, IC Potash expects the permitting process to proceed as planned, culminating in clearing the final EIS in the first quarter of 2014.

“We firmly believe that the investment of time and resources devoted to developing our long-life asset will provide a strong foundation for future growth and deliver long-term value for our shareholders for decades to come,” explains Himmel. “However, we still have more hard work ahead of us. While the ICP continues to enjoy sufficient liquidity to complete the Feasibility Study – and several months of operations thereafter – we recognize that the financial market environment for project funding could remain challenging for junior mining companies for the next 12 to 18 months. Nonetheless, we stand ready to meet these challenges with the same commitment, skill and dedication that has served to differentiate IC Potash as a world class company with extraordinary future promise.”

Ty Facts about potash:

Potash is an essential, non-substitutable commodity in agriculture – needed more now than ever – it’s a multi-billion-dollar global industry.

The world’s population is 7.2 billion. The global populace continues to grow at a rate of 82-million-plus people per year. Imagine almost two-and-a-half times the entire population of Canada unloaded onto the planet each and every year. That’s a lot of mouths to feed every day.

Sulphate of Potash (SOP): the second major form of potash, with a chemical formula of K_2SO_4 . It is particularly effective in the cultivation of fruits, vegetables, potatoes, tobacco and tree nuts. SOP has a total global market size of approximately 5.5 million short tons. SOP provides the potassium needed to nourish and strengthen plants, ward off disease, improve transportability and add flavor. SOP improves crop yield and provides sustainable food supplies for the rapidly expanding global population, growing middle-class, and shrinking agricultural land.

Muriate of Potash (MOP): the most common form of potash, also known as standard potash. It is particularly effective when used in the commercial cultivation of the carbohydrate crops including wheat, oats, and barley. MOP is composed of potassium and chloride in the forms of charged atoms, and therefore in the form of a salt which is soluble in water. MOP has a total global market size of approximately 60 million short tons.

The difference between the SOP and MOP potash: SOP is superior to MOP because it does not contain chloride, which has a toxic impact on many food plants, especially fruits and vegetables. When MOP is used, soils fall victim to increasing levels of chloride salt which hurt plant yields. Chloride-free fertilizer enhances plant health, so the demand for SOP has increased. An abundance of research has concluded that the demand for specialty fertilizers, particularly SOP, has averaged a substantial annual growth over the last five years. In addition, SOP has a lower salinity index than MOP. The higher salinity of MOP can cause plants to have difficulty absorbing water and nutrients from the soil thereby diminishing the quality and yield of the crop. SOP has a salinity index of 46, the lowest of the potassium fertilizers, while MOP has a salinity index of 116. For these reasons, producers of high value crops use SOP over MOP.



Why IC Potash makes sense:

The IC Potash Corp. Ochoa SOP Project is located in southeastern New Mexico. There world’s population is exploding. People have to eat and will demand better and higher quality fruits and vegetable (and coffee, oilseeds, tree nuts, tobacco, etc.).

A key component in the ability to develop a cost-effective and lucrative mining operation is the quality of the deposit (asset). ICP’s Ochoa deposit high-grade polyhalite deposit is accessible, has sub-horizontal and conformable bedding, and consistent mineral and chemical compositions throughout.

The IC Potash Ochoa Project is a long-life asset in a very friendly and safe mining jurisdiction (tremendous US federal and New Mexico state support).

SOP potash from the Ochoa Project will be premium quality and highly sought worldwide, and priced at a premium to MOP (standard potash).

The SOP potash market is underserved, with no other viable emerging sources. SOP potash sells at a price substantially higher than that of traditional potash (MOP).

ICP will produce and distribute SOP potash (and other sulphate of potash mineral fertilizers) in the bottom quartile of the world cost curve – and will leverage this advantage to enter into existing and emerging markets.

Source: <http://investorintel.com/potash-phosphate-intel/world-class-sop-play-extraordinary-promise-ic-potash-nearing-completion-feasibility-study/>