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Yara Gains SOP Stake, Off-Take Agreement

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Yara International ASA has agreed to make a strategic investment of approximately C\$40 million in Toronto-based junior company IC Potash Corp. (ICP), and has entered into an off-take arrangement for 30 percent of all products produced by ICP's Ochoa project in New Mexico for a period of 15 years. ICP and Yara have also agreed to discuss the possibility of establishing a jointly held entity for the purpose of marketing products produced by the Ochoa project.

"This investment fits well with our strategy," said Yara President and CEO Jørgen Ole Haslestad. "Through the ownership in ICP, Yara gets an upstream exposure on potash which reduces and mitigates the financial impact of being structurally short on the nutrient. Furthermore, the partnership with ICP aligns our respective strategies to develop and distribute premium fertilizer products, where Yara already has a leading position globally with its nitrates and nitrate based NPK portfolio."

"Yara and ICP share a strategic focus on premium products and adding value in the fertilizer supply chain," said ICP President and CEO Sidney Himmel. "As one of the world's largest distributors of plant nutrients, Yara is the ideal partner for ICP's project development and product marketing strategies. This partnership is transformational for ICP and provides the company with a significant injection of capital and a buyer for 30 percent of the annual production by the Ochoa project. We look forward to working with Yara in further developing the distribution channels for our premium potash products."

Pursuant to the strategic investment, Yara, through a wholly-owned subsidiary, will purchase from ICP in a private placement transaction 30,129,870 common shares at a price of \$1.32 per share. The issue price represents a 41 percent premium over the 20-day volume weighted average price of ICP's common shares traded on the Toronto Stock Exchange as of the close of business on March 30, 2012. On completion of the transaction, Yara's shares will represent 19.9 percent of the issued and outstanding common shares of ICP on a non-diluted basis.

ICP's objective is to start commercial production in fourth quarter 2015, with an estimated annual production of 700,000 metric tons of SOP and SOPM (Potash Magnesium Sulphate). SOP is a non-chloride based potash fertilizer used in the cash crop and horticultural industries, and for agriculture in saline and dry soils. It is considered a premium product, carrying a substantial premium over the price of Muriate of Potash (MOP), which contains chloride and is not the optimal potash for some crops and in situations where there is high soil salinity.

Upon completion of the transaction, ICP will have approximately US\$60 million in cash, which will be used to complete a definitive bankable feasibility study, all required permitting, deposits for equipment purchases, and pre-construction Engineering. ICP intends to launch the feasibility study on the Ochoa project in the coming weeks.

Yara will have the right to appoint one representative to ICP's board of directors, and the pre-emptive right to participate pro rata in all future equity or equity-linked issuances by ICP. Subject to certain exceptions, Yara will be restricted from transferring securities of ICP until the earlier of 24 months following the closing date and the date on which ICP has secured all financing to complete the construction of the Ochoa project and such construction has commenced. During such period, and subject to certain exceptions, Yara has agreed not to make any takeover bid for ICP's securities, and not to take certain other actions which may affect the control of ICP.

Yara has no current intention to acquire additional securities of ICP, except in connection with the exercise of its preemptive right, or to dispose of any of its ICP securities. Subject to its agreements with ICP, and depending on its assessment of ICP's business, prospects and financial condition, and general economic and market conditions, Yara may from time to time increase or decrease its ownership of securities of ICP.

Closing of the private placement and off take arrangement is expected to take place on or about April 12, 2012, and is subject to customary closing conditions, including the approval of the Toronto Stock Exchange. ICP intends to become the primary and lowest cost producer of SOP and SOPM by mining its 100 percent-owned Polyhalite Ochoa property, which it calls a highly advanced mineral deposit containing proven and probable reserves of more than 400 million mt of ore within the proposed mine plan. ICP's Ochoa property consists of over 100,000 acres of federal subsurface potassium prospecting permits and State of New Mexico Potassium mining leases.

ICP estimates the SOP world market at six million mt, with significant demand from fruit, vegetable, tobacco, and potato growers, as well as horticultural industries. SOP is also applicable in soils where there is substantial agricultural activity with varieties of crops and therefore where the salinity of the soil has increased, and in areas where soils are dry. ICP said SOPM is a highly desirable potash product for soils with magnesium deficiency, including those found in Europe and Southeast Asia, and has a total global market size of over one million mt.

Source: <http://www.fertilizerpricing.com/gmnl/2012/2012-07-16.pdf>