

## IC Potash

Article by Staci Davidson / Published Date

The goal of IC Potash is to become one of the lowest-cost producers of sulphate of potash (SOP) in the world. A lofty goal? Perhaps. But IC Potash is situated to achieve that aim, and is confident about its eventual success thanks to all it has in place – expertise, infrastructure, market potential, property quality and the strength of the company’s global partners.



IC Potash is led by Sidney Himmel, President, CEO and Director of the Board. With a bachelor of science in chemistry, Himmel spent 20 years as an investment banker, institutional salesman and trader, specializing in mining and technology companies. He has participated in billions of dollars’ worth of financings for mining and other resource companies, and has been involved in mineral development for seven years. According to Himmel, the potash market started to grow in the United States in 2006 and 2007, and he and the company began looking at potash deposits, but passed on all muriate of potash (MOP) properties. Instead, IC Potash found Ochoa, a polyhalite project that would help it reach its goals.

“Polyhalite converts to a high-value type of potash – sulfate of potash – which is premium,” he explains. “With Ochoa, we will be the lowest-cost operator in the world. Additionally, this site has an expected life of 100 years.”

### GREAT RESOURCES

With its 100-percent owned Ochoa project in southeast New Mexico, IC Potash is working to become a primary producer of SOP and sulphate of potash magnesia (SOPM). Ochoa consists of 100,000 acres of federal subsurface potassium prospecting permits and New Mexico potassium mining leases.

Himmel explains the SOP market is 6 million tonnes per year and growing. SOP is a non-chloride-based potash fertilizer that typically sells for more than 30 percent more than the price of MOP, which is traditional potash. SOP is a significant fertilizer in the fruit, vegetable, tobacco, potato and horticultural industries, as well as for agriculture in saline and dry soils. SOPM is a highly desirable product for soils with magnesium deficiency, such as those in Europe and Southeast Asia. IC Potash says SOPM has a total global market size of approximately 1.2 million tonnes.

In addition to its focus on producing and distributing SOP and SOPM, IC Potash strives to:

- Produce specialty fertilizers in the bottom quartile of the cost curve and leverage this in existing and new markets;
- Develop a processing facility that can be increased in scale with a low incremental capital cost; and
- Develop strong relationships with project stakeholders and deliver net benefits to the community at large.

“We want to get it done with Ochoa, and that property is our only focus,” Himmel explains. “It is an \$800 million project and we need to get it going. We are lucky to be in New Mexico, because potash mining started in New Mexico in North America. Our feasibility study will be finished in the second quarter of 2013 and we will be announcing the project engineers in June. As the feasibility study advances, we will work our way into production work.”

## **ALL IN ONE PLACE**

IC Potash completed its pre-feasibility study in December 2011, and expects to begin construction of the mine in the first quarter of 2014, although it will put some equipment to work before that time, Himmel notes. He explains the mine itself and the product will enable the company to be the lowest-cost producer of SOP in the world.

“The Ochoa property contains both potassium and sulfate, which contributes to the low mining cost because most SOP producers have to combine potassium and sulfate to make the product,” he says.

The company expects to start production by the beginning of 2016 and will be at full capacity by early 2017. Himmel notes that IC Potash’s “very outstanding” team and partners are why he is so confident in the company’s ability to achieve its goals. COO Randy Foote has experience running potash-mining operations for two other companies, and Senior Vice President Terre Lane was a senior mining associate who did the prefeasibility study and liked the project so much that she joined the company.

“Pat Okita is our chief exploration and development officer – he came from Upstream Resources and is world-renowned for his work,” Himmel says. “FLSmith will provide us with our kilns and HPD is an international company known for its expertise in crystallizing and evaporation. We also have a very sophisticated board of directors who are successful mining entrepreneurs.

“It really is a perfect situation,” Himmel says. “Our strengths are unparalleled, and in April, we signed a magnificent deal with YARA – the largest distributor of fertilizer products in the world. By partnering with YARA, we can market products that are produced from the Ochoa mine. No one else in the United States has a deal like this, which says a lot for us.” EMI

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