



**NOTICE OF ANNUAL AND SPECIAL MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
DATED MAY 31, 2012
WITH RESPECT TO THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 28, 2012**

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IC POTASH CORP.

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 28, 2012**

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares of IC Potash Corp. (the “**Company**”) will be held at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2 on Thursday, June 28, 2012 at 3:00 p.m. (Toronto time), for the following purposes:

1. to receive the Company’s consolidated audited financial statements for the fiscal year ended December 31, 2011 together with the report of the auditor thereon;
2. to elect the Company’s board of directors for the ensuing year;
3. to appoint Davidson & Company LLP as auditor for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
4. to consider, and if deemed advisable, pass, with or without variation, a resolution approving the Company’s 2012 10% rolling stock option plan; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular (the “**Information Circular**”). The Information Circular is deemed to form part of this notice of Meeting. Please read the Information Circular carefully before you vote on the matters being transacted at the Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed or faxed so as to reach or be deposited with the Company’s transfer agent, Computershare Trust Company of Canada, by fax at 1-866-249-7775 or 416-263-9524 or by mail or hand delivery at 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting, in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

DATED at Toronto, Ontario as of the 31st day of May, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*Sidney Himmel*”

President and Chief Executive Officer

**IC POTASH CORP.
INFORMATION CIRCULAR**

This information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by the management of IC Potash Corp. (the “Company”) for use at the annual and special meeting (the “Meeting”) of the shareholders of the Company to be held on Thursday, June 28, 2012, at 3:00 p.m. (Toronto time) at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2, and at any adjournment(s) thereof, for the purposes set forth in the accompanying notice of meeting (the “Notice of Meeting”).

GENERAL PROXY INFORMATION

Solicitation of Proxies

Instruments of proxy must be received by the Company at the office of its transfer agent, Computershare Trust Company of Canada, by fax at 1-866-249-7775 or 416-263-9524 or by mail or hand delivery at 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the time set for the holding of the Meeting or any adjournment(s) thereof.

The instruments of proxy must be in writing and must be executed by the holder (the “Shareholder”) of common shares of the Company (“Common Shares”) or such Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed instruments of proxy are either representatives or directors or officers of the Company. Each Shareholder has the right to appoint a proxyholder other than the persons designated in the accompanying form of proxy furnished by the Company, who need not be a Shareholder, to attend and act for such Shareholder and on such Shareholder’s behalf at the Meeting. To exercise such right, the names of the persons designated by management on the accompanying form of proxy should be crossed out and the name of the Shareholder’s appointee should be legibly printed in the blank space provided.

Revocability of Proxy

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or such Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited at the office of the Company’s transfer agent, Computershare Trust Company of Canada, by fax at 1-866-249-7775 or 416-263-9524 or by mail or hand delivery at 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting prior to voting or any adjournment thereof and upon either of such deposits, the proxy is revoked.

Persons Making the Solicitation

The solicitation is made on behalf of the management of the Company. The cost of solicitation by management will be borne by the Company. As well, proxies will be solicited by mail and may also be

solicited personally or by telephone by the directors or officers of the Company, who will not be specifically remunerated therefore.

The Company may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of Common Shares (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Information Circular, the Notice of Meeting and form of proxy to the beneficial owners of such securities. The Company will provide, without cost to such persons, upon request to the Company, additional copies of the foregoing documents required for this purpose.

Advice to Beneficial Holders of Common Shares

Registered holders of Common Shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the Common Shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Distribution to NOBOs

In accordance with the requirements of the Canadian Securities Administrators and National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Company will have caused its agent to distribute copies of the Notice of Meeting and this Information Circular (collectively, the “**meeting materials**”) as well as a proxy directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner (“**NOBO**”).

These meeting materials are being sent to both registered and Non-Registered Holders of Common Shares. If you are a Non-Registered Holder, and the Company or its agent has sent these meeting materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these meeting materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these meeting materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for proxy enclosed with mailings to NOBOs.

The meeting materials distributed by the Company’s agent to NOBOs include a proxy. Please carefully review the instructions on the proxy for completion and deposit.

Distribution to OBOs

In addition, the Company will have caused its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Shareholders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner (“**OBO**”).

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use service companies, such as Broadridge Financial

Solutions, Inc., to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

1. be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Common Shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Trust Company of Canada in the manner set out above; or
2. more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. Typically, the Voting Instruction Form will consist of a one page pre-printed form. The purpose of this procedure is to permit the OBO to direct the voting of the Common Shares he or she beneficially owns.

Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or voting instruction form is to be delivered.

Voting of Shares Represented by Management Proxy

On any ballot that may be called for at the Meeting, the Common Shares represented by each properly executed proxy in favour of the persons designated in the enclosed form of proxy received by the Company will, subject to Section 114 of the *Business Corporations Act* (Ontario) (the “**OBCA**”), be voted or withheld from voting in accordance with the specifications given by the Shareholder. In the absence of such specifications in an enclosed form of proxy where the Shareholder has appointed the persons whose names have been pre-printed in the enclosed form of proxy as the Shareholder’s nominee at the Meeting, the Common Shares represented by such proxies will be voted in favour of (i) the election of directors; (ii) the appointment of the Company’s auditor (including authorizing the directors of the Company to fix the auditor’s remuneration); and (iii) the approval of the Company’s 2012 10% rolling stock option plan (the “**2012 Plan**”).

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. Management knows of no such amendments or variations to matters identified in the Notice of Meeting or other matters to come before the Meeting. However, where a Shareholder has appointed the persons whose names have been pre-printed in the enclosed form of proxy as the Shareholder’s nominees at the Meeting, if any amendments or variations to matters identified in the Notice of Meeting or other matters which are not now known to management should properly come before the Meeting, the enclosed form of proxy may be voted on such matters in accordance with the best judgment of the person voting the proxy.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, nor any person who has held such a position since incorporation, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial

ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and approval of the 2012 Plan.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Company's board of directors (the "**Board**") has fixed the record date for determining Shareholders entitled to receive notice and to vote at the Meeting at the close of business (Toronto time) on May 24, 2012 (the "**Record Date**"). Only Shareholders of record at the close of business (Toronto time) on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The authorized capital of the Company consists of an unlimited number of Common Shares. As of the Record Date, the Company had 151,406,384 issued and outstanding Common Shares. Each Common Share carries the right to one vote. The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "ICP" and trade on the OTCQX under the symbol "ICPTF".

As at the date of this Information Circular, to the knowledge of the directors and senior officers of the Company, except as set out in the table below, no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of any class of voting securities of the Company, on a non-diluted basis.

Name	Number of Common Shares Owned or Directed or Controlled or Directed	Percentage of Common Shares
Resource Capital Fund V L.P.	25,000,000	16.5%
Yara Nederland B.V.	30,129,870	19.9%

As of the date of this Information Circular, the directors and executive officers of the Company, as a group, beneficially owned, or controlled or directed, directly or indirectly, approximately 4,481,246 Common Shares, representing approximately 3.0% of the outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED ON AT THE MEETING

The Meeting has been called for the Shareholders to consider and, if thought appropriate, to pass resolutions in relation to each of the following matters:

Financial Statements

The Shareholders will receive and consider the Company's audited consolidated financial statements for the fiscal year ended December 31, 2011 together with the auditor's reports thereon.

Election of Directors

The Company's Board presently consists of eight directors, all of whom are elected annually. It is proposed that the number of directors for the ensuing year be fixed at eight.

All of the nominees (each a "**Nominee**", and together the "**Nominees**") are currently members of the Board and each is proposed to be elected as a director to serve until the next annual meeting of

Shareholders or until his successor is elected. Management does not contemplate that any of the Nominees will be unable to serve as a director. **However, if a Nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Unless authority to do so is withheld, Common Shares represented by proxies in favour of management representatives will be voted IN FAVOUR of the election of all of the Nominees whose names are set forth below.**

The following table and the notes thereto state the names of all Nominees for election as directors, all other positions or offices with the Company now held by them, their principal occupations of employment for the last five years, the year in which they became directors for the Company and the approximate number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each of them, as of the date hereof.

Name and Province and Country of Residence	Position	Principal Occupation Within Five Preceding Years	Director Since	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly⁽⁸⁾
Sidney Himmel ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	Chief Executive Officer, President and Director	President and Chief Executive Officer of the Company (2006 to present) Chief Financial Officer of the Company (2003 to 2006)	2003	1,352,688
George Poling ⁽¹⁾⁽²⁾⁽⁴⁾ British Columbia, Canada	Chairman and Director	Retired (2006 to present) President and Chief Executive Officer of the Company (2003 to 2006) Senior Vice President of Rescan Environmental Services Ltd., environmental consulting firm (1997 to 2007)	2003	1,803,558
Honourable Pierre Pettigrew P.C. ⁽²⁾⁽⁶⁾⁽⁷⁾ Ontario, Canada	Director	Executive Advisor, International at Deloitte & Touche LLP (2006 to present) Minister of the Government of Canada (1996 to 2006).	2009	293,750
Anthony Grey ⁽¹⁾⁽⁴⁾ Australia	Director	Chairman of International Ferro Metals Limited, a ferrochrome mining company (2004 to present)	2009	387,500
Ernest Angelo Jr. ⁽¹⁾⁽⁶⁾ Texas, U.S.A.	Director	Self-employed petroleum engineer (1964 to present) Managing Partner of Discovery Exploration, an oil and gas investment company (1975 to present).	2009	187,500
Kay Randall Foote ⁽¹⁾⁽⁹⁾ New Mexico, U.S.A.	Director	Chief Operating Officer of Intercontinental Potash Corp. (USA) (“ICP(USA)”) from 2009 to present. Director of New Mexico Operations of Uranium Resources Inc. from 2008 to 2009. Vice President and General Manager of Mississippi Chemical Corporation and Intrepid Potash from 1987 to 2008.	2011	37,500

Name and Province and Country of Residence	Position	Principal Occupation Within Five Preceding Years	Director Since	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽⁸⁾
Knute H. Lee, Jr. ⁽⁴⁾⁽⁵⁾⁽⁶⁾ New Mexico, U.S.A.	Director	Independent landman and owner of KHL Inc., an oil and gas company (1985 to present).	2012	Nil
Jørgen Stenvold ⁽¹⁾ Oslo, Norway	Director	Project Development Director of Yara International ASA since June 2010. Exploration Director of Store Norske Spitsbergen Kulkompani from January 2001 to June 2010.	2012	Nil

Notes:

⁽¹⁾ Member of the Technical Advisory Committee (the “**Technical Committee**”).

⁽²⁾ Member of the Safety and Environmental Committee (the “**Safety Committee**”).

⁽³⁾ Chairman of the Safety Committee and Chairman of the Technical Committee.

⁽⁴⁾ Member of the Audit and Disclosure Committee (the “**Audit Committee**”) of the Company.

⁽⁵⁾ Chairman of the Nominating, Governance, and Compensation Committee (the “**Compensation Committee**”).

⁽⁶⁾ Member of the Compensation Committee.

⁽⁷⁾ Chairman of the Audit Committee.

⁽⁸⁾ The information as to Common Shares beneficially owned (directly or indirectly) or over which the Nominees exercise control or direction not being within the knowledge of the Company has been provided by the respective Nominees individually.

⁽⁹⁾ Chairman of the Technical Committee.

Biographical Information

The following are brief biographical descriptions of the Nominees. To the Company’s knowledge, all of the companies referenced below are carrying on business as of the date hereof.

Sidney Himmel

Director, President and Chief Executive Officer

Mr. Himmel is the President and Chief Executive Officer of the Company and was previously its Chief Financial Officer. Mr. Himmel has over 18 years experience in Canadian capital markets, having worked for TD Securities Inc. as Vice President and Director, and Merrill Lynch Canada Ltd. as a corporate finance specialist in mining finance. Mr. Himmel holds Bachelor of Science (Chemistry) and Bachelor of Arts (business and finance) degrees, both from the University of Toronto. Mr. Himmel has been a Chartered Accountant since 1981. Mr. Himmel has also practiced as a tax specialist, lectured in finance and accounting, and worked as an institutional research analyst. He has been involved in the mineral development business for nine years.

George Poling

Director and Chairman of the Board

Dr. Poling holds a Bachelor of Science in Mining and Metallurgical Engineering and a PhD in Mineral Process Engineering, both from the University of Alberta. He is a former professor in the Department of Mining and Mineral Process Engineering at the University of British Columbia. He previously held the positions of Research Director at the B.C. Mining Association, Senior Vice-President at Rescan Environmental Services and Chief Executive Officer of the Company. Dr. Poling is currently the Chair of the Environmental and Safety Committee, a member of the Compensation Committee and a Director and Chairman of the board of BioteQ Environmental Technologies Inc., a TSX listed company.

Ernest Angelo Jr.
Director

Mr. Angelo holds a Bachelor of Science in Petroleum Engineering from Louisiana State University. He is a member of the Society of Petroleum Engineers and the Texas Society of Professional Engineers. He has also been a self-employed petroleum engineer for many years. He served four terms as mayor of Midland, Texas and has a distinguished public service career. Mr. Angelo is currently a Managing Partner of Discovery Exploration, a Texas partnership that is an oil and gas investment company.

Anthony Grey
Director

Mr. Grey holds a Bachelor of Arts (honours) in history and a Juris Doctor from the University of Toronto. He began his career practicing law. He has previously held the positions of Managing Director at Pancontinental Mining Limited and Chairman at Precious Metals Australia Ltd. Mr. Grey is currently the Chairman at International Ferro Metals Limited, a ferrochrome and mining company, and Director at Mega Uranium Ltd., Timpetra Resources Ltd. and Deijin Ltd.

Pierre Pettigrew
Director

Mr. Pettigrew holds a Bachelor of Arts in Philosophy from the University of Quebec at Trois-Rivieres and a Masters of Philosophy in International Relations from Balliol College at Oxford University. He is the former Minister of International Trade, of Health, of Intergovernmental Affairs, of Official Languages and of Foreign Affairs in Canada. The Honourable Mr. Pettigrew is currently the Executive Advisor of Deloitte & Touche LLP, Canada and serves on the board of several public companies.

Kay Randall Foote
Director

Mr. Foote has served as Chief Operating Officer of ICP(USA), a wholly-owned subsidiary of the Company, since 2009. Mr. Foote holds a Bachelor of Science in mining engineering from the University of Arizona. Mr. Foote has 30 years of experience in the potash industry. Mr. Foote previously served as Vice President and General Manager for Mississippi Chemical Corporation and Intrepid Potash, Inc. His responsibilities included mine production, mineral processing, quality assurance, customer fulfillment, and relations with the local community and various regulatory agencies.

Knute Lee Jr.
Director

Mr. Lee is the former first Vice-President of the American Association of Professional Landmen and President of the Rocky Mountain Association of Mineral Landmen. Mr. Lee is currently a Director of the Independent Petroleum Association of New Mexico and owner of KHL Inc., an oil and gas company.

Jørgen Stenvold
Director

Mr. Stenvold is a mining professional with 12 years experience from developing mining projects in Norway and globally. His experience spans from exploration manager positions for coal in extreme arctic areas to establishing a junior company exploring for gold in Scandinavia. Prior to 2010, he was exploration director with Store Norske Spitsbergen Kulkompani AS. Since June 2010, Mr. Stenvold has been Project Development Director of Yara International ASA, where he is responsible for evaluating and developing phosphate and potash projects globally. Mr. Stenvold holds a Master's degree in Economic

Geology from The Norwegian University of Technology and Science supported by Executive management courses in innovation from MIT Sloan.

Pursuant to a subscription agreement dated March 30, 2012 between the Company and Yara Nederland B.V., for so long as Yara Nederland B.V. holds 10% of the Common Shares, Yara Nederland B.V. shall have the right to designate a nominee to serve on the Board. Jørgen Stenvold is Yara Nederland B.V.'s current representative on the Board. If Yara Nederland B.V.'s ownership falls below 10% for a period of 10 consecutive business days, the Company is required to give written notice to Yara Nederland B.V., and should ownership remain below 10% for a further period of 10 consecutive business days, then Yara Nederland B.V. will have no further entitlement to designate a nominee.

Orders, Penalties and Bankruptcies

To the Company's knowledge, as of the date hereof, other than as disclosed below, no Nominee:

- (a) is, or has been, within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to an order that was issued while the Nominee was acting in the capacity as director, chief executive officer or chief financial officer, or
 - (ii) was subject to an order that was issued after the Nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, or has been, within ten years before the date hereof, a director or executive officer of any company (including the Company) that, while such Nominee was acting in that capacity, or within a year of such Nominee ceased to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such Nominee.

For the purposes of the above section, the term "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order;
- (c) an order that denied the relevant company access to any exemption under securities legislation, or
- (d) that was in effect for a period of more than 30 consecutive days.

To the Company's knowledge, as of the date hereof, no Nominee has been subject to:

- (e) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (f) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for the Nominee.

On August 28, 2007, the Pennsylvania Securities Commission issued a summary order to cease and desist against the Company, at which time Dr. Poling was serving as a director of the Company and Mr. Himmel was serving as a director and officer of the Company. On June 24, 2008, the Pennsylvania Securities Commission accepted an offer of settlement made by the Company to settle proceedings regarding an alleged violation of the Pennsylvania Securities Act of 1972 without admitting or denying the allegations. The Company was ordered to pay US\$3,500 plus costs of US\$1,500.

In 2005, Mr. Lee was the Chairman of the board of directors of the Albuquerque Petroleum Club when its board of directors voted to file for bankruptcy under applicable law.

Majority Voting for Directors

The Board has adopted a policy stipulating that Shareholders shall be entitled to vote in favour of each individual director nominee at a Shareholder's meeting. If the votes in favour of the election of a director nominee at a Shareholders' meeting represent less than the number of votes withheld, the nominee will submit his resignation promptly after the meeting for the consideration of the Compensation Committee. In such circumstances, the Compensation Committee will make a recommendation to the Board as to the director's suitability to continue to serve as a director after reviewing, among other things, the results of the voting for each nominee and the Board will consider such recommendation. The policy does not apply in circumstances involving contested director elections.

Appointment of Auditors

The Board recommends that Shareholders vote in favour of a resolution approving the appointment of Davidson & Company LLP as the Company's auditors and authorizing the directors of the Company to fix their remuneration. **Common Shares represented by proxies in favour of the management representatives will be voted IN FAVOUR of such resolution, unless a Shareholder has specified in their proxy that their Common Shares are to be withheld from voting on such resolution.**

New Stock Option Plan

The Company has in place a stock option plan dated June 23, 2011 (the "**Existing Plan**"). The Company is proposing to terminate the Existing Plan and approve the 2012 Plan.

Options to acquire 13,563,250 Common Shares are outstanding pursuant to the Existing Plan, representing 9% of the issued and outstanding as of the date of this Information Circular. The 13,563,250 Options which were granted pursuant to the Existing Plan shall remain outstanding in accordance with their terms provided that the from the effective date of the 2012 Plan, such existing Options will be governed by the 2012 Plan.

A summary of the 2012 Plan is as follows:

Purpose

The 2012 Plan serves the following purposes:

- (a) providing an incentive to participants under the 2012 Plan to further the development, growth and profitability of the Company;

- (b) contributing in providing such participants with a total compensation and rewards package;
- (c) assisting the Company in retaining and attracting employees and consultants with experience and ability; and
- (d) encouraging share ownership and providing participants with proprietary interests in, and a greater concern for, the welfare of, and an incentive to continued service with, the Company.

2012 Plan Limits

The number of Common Shares that may be issued as a result of the grant of Options under the 2012 Plan is equal to 10% of the issued and outstanding Common Shares from time to time. Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the 2012 Plan, and any exercises of Options will make new grants available under the 2012 Plan effectively resulting in a re-loading of the number of Options available to grant under the 2012 Plan. To the extent that any Option has terminated or expired without being fully exercised or has been repurchased for cancellation, the unissued Common Shares subject to such Option shall be available for any subsequent Option granted under the 2012 Plan.

The maximum number of Common Shares issuable to insiders under the 2012 Plan and any other security based compensation arrangements of the Company is 10% of the Common Shares issued and outstanding at the time of the grant. The maximum number of Common Shares issuable to insiders under the 2012 Plan and any other security based compensation arrangements of the Company within any one year period is 10% of the Common Shares issued and outstanding at the time of the grant.

As of the date of this Information Circular, the number of Common Shares that may be issued as a result of the grant of Options under the 2012 Plan is equal to 15,140,638 (10% of the issued and outstanding Common Shares). As of the date of this Information Circular, Options to acquire 13,563,250 Common Shares are outstanding pursuant to the Existing Plan (9% of the issued and outstanding Common Shares) and 1,577,388 Options (1% of the issued and outstanding Common Shares) remain available for grant under the 2012 Plan.

Eligibility

Options may be granted to employees, directors, officers and consultants of the Company and designated affiliates. In determining the terms of each grant of Options, the Compensation Committee will give consideration to the participant's present and potential contribution to the success of the Company.

Exercise Price

The Compensation Committee will establish the exercise price of an Option at the time it is granted and the exercise price per Common Share will not be less than the closing price of the Common Shares on the TSX on the last trading day prior to the date of the grant. The Compensation Committee cannot reduce the exercise price of any outstanding Options without shareholder approval. The exercise period for each Option is not to be more than ten years. Options may be granted subject to vesting requirements as determined by the Compensation Committee at the time of grant.

Termination

Options are not assignable and terminate unless otherwise determined by the Compensation Committee and subject to the limitation that Options may not be exercised later than ten years from their date of grant as follows: (i) within 150 days following the termination of an Option holder's employment, without

cause, or the retirement of an Option holder from the Company; (ii) immediately upon termination for cause; and (iii) within a period of time up to 12 months following the death of an option holder.

Amendment

Under the 2012 Plan, the Board may from time to time amend or revise the terms of the 2012 Plan or may discontinue the 2012 Plan at any time. Subject to receipt of requisite regulatory approval, where required, and without further shareholder approval, the Board may make the following amendments to the 2012 Plan, including, without limitation:

- (a) amending typographical, clerical and grammatical errors;
- (b) reflecting changes to applicable securities laws;
- (c) ensuring that the Options granted under the 2012 Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a participant may from time to time be resident or a citizen;
- (d) relating to exercise mechanics or the administration of the 2012 Plan;
- (e) relating to the change of control provisions under the 2012 Plan;
- (f) relating to the definitions under the 2012 Plan; and
- (g) relating to the vesting provisions of any outstanding Option.

The Board is not permitted to make the following amendments to the 2012 Plan:

- (a) to increase the maximum number of Common Shares that may be issued under the 2012 Plan or to increase the insider participation limits;
- (b) to reduce the exercise price of any Option issued to an Insider (for this purpose, a cancellation or termination of an Option of an Insider prior to its expiry for the purpose of re-issuing Options to the same Insider with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option); or
- (c) the term of any Option issued under the 2012 Plan to an insider,

in each case without first having obtained the approval of a majority of Shareholders, and in the case of an amendment to increase the insider participation limits, approval of a majority of Shareholders, excluding Common Shares voted by insiders who are “Eligible Persons” as defined in the 2012 Plan.

Stock Option Resolutions

At the Meeting, Shareholders will be asked to consider, and if thought fit, approve the resolutions substantially in the form below to approve the 2012 Plan and authorize the issuance under the 2012 Plan of up to such number of Common Shares as is equal to 10% of the aggregate number of Common Shares issued and outstanding from time to time (collectively, the “**Stock Option Plan Resolutions**”).

“BE IT RESOLVED THAT:

- (d) the 2012 Plan substantially in the form attached hereto as Schedule “A” be authorized and approved as the stock option plan of the Company, subject to any limitations imposed by applicable regulations, rules, policies, and laws;

- (e) the number of Common Shares of the Company issuable pursuant to the 2012 Plan be set at 10% of the aggregate number of Common Shares of the Company issued and outstanding from time to time;
- (f) the continuation of 13,563,250 Options currently outstanding under the Existing Plan under the 2012 Plan without amendment to their terms except as required to comply with the 2012 Plan be authorized and approved; and
- (g) any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions.”

Approval of the Stock Option Plan Resolutions will be obtained if a majority of the votes cast are in favour thereof.

The Board has concluded that the 2012 Plan is in the best interests of the Company and the Shareholders. Accordingly, the Board recommends that the Shareholders vote **IN FAVOUR** of the Stock Option Plan Resolutions. The management representatives named in the attached form of proxy intend to vote the Common Shares represented by such proxy **IN FAVOUR** of the approval of the Stock Option Plan Resolutions unless a Shareholder specifies in the proxy that their Common Shares are to be voted against the approval of the Stock Option Plan Resolutions.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company’s approach to executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Company attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Company.

The Compensation Committee is currently comprised of three independent directors, Knute Lee, Ernest Angelo, and Pierre Pettigrew. Mr. Pettigrew was a federal cabinet minister in the Canadian government and serves on the compensation and governance committees of Black Iron Inc., Avion Gold Corp., Sulliden Gold Corporation Ltd. and Aberdeen International Inc. Mr. Angelo and Mr. Lee, in their roles as managers and entrepreneurs, have knowledge of human resources, which gives them the skills and experience to make decisions on the suitability of the committee’s policies and practices. The Compensation Committee is responsible for overseeing the compensation program which is designed to reward such matters as exploration success, market success, share performance, and the ability to implement strategic plans, while providing its senior executives with a level of salary and benefits that is commensurate with other industry competitors. In determining compensation matters, the Compensation Committee may consider a number of factors, including the Company’s performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. The Company’s current overall objective compensation strategy is to reward management for their efforts while seeking to conserve cash given current market conditions. With respect to any bonuses or incentive plan grants which may be awarded to executive officers in the future, the Company has not currently set any objective criteria and will instead rely upon any recommendations and discussion at the Compensation Committee level based upon such matters

which the Compensation Committee may consider relevant on a going-forward basis, including the cash position of the Company.

Compensation arrangements for the Chief Executive Officer, the Chief Financial Officer and the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and the Chief Financial Officer, whose total compensation is more than \$150,000 (the “**Named Executive Officers**”) may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of Options. During the year ended December 31, 2011, the President and Chief Executive Officer, the Chief Financial Officer and Corporate Secretary, the Chief Operating Officer of ICP(USA), the Executive Vice President of ICP(USA), and the Senior Vice President, Project Management and Engineering of ICP(USA) were the only Named Executive Officers. Given the stage of development of the Company, compensation of the Named Executive Officers to date has emphasized salary as well as bonus and Option awards to attract and retain the Named Executive Officers and, to a certain extent, to conserve cash. This policy may be re-evaluated in the future depending upon the future development of the Company and other factors that may be considered relevant by the Board from time to time. Options vest immediately upon grant.

The Company also provides basic perquisites and personal benefits to certain of its Named Executive Officers including medical and other group insurance benefits for Canadian employees and vacation time in excess of legislated minimum vacation time. These perquisites and personal benefits are determined through negotiation of an executive employment agreement with each Named Executive Officer. While perquisites and personal benefits are intended to fit the Company’s overall compensation objectives by serving to attract and retain talented executive officers, the size of the Company and the nature and stage of its business also impacts the level of perquisites and benefits.

Base salary is a fixed element of compensation that is payable to each Named Executive Officer for performing their position’s specific duties. The amount of base salary for a Named Executive Officer is determined through negotiation with each Named Executive Officer and is determined on an individual basis based upon the Company’s need to attract and retain the relevant individual. While base salary is intended to fit into the Company’s overall compensation objectives by serving to attract and retain talented executive officers, the size of the Company and the nature and stage of its business currently (as an exploration company with no ongoing revenues from operations) also impacts the level of base salary. Compensation is set with reference to the market for similar jobs in peer group companies in Canada and internationally and an appropriate portion of total compensation is variable and linked to performance of both individual and corporate pre-established goals. No specific benchmark group has been used in determining compensation. Bonuses are short-term performance based financial incentives that are determined through the compensation review process.

The Company has in place the Existing Plan and if approved, will have in place the 2012 Plan for the benefit of eligible directors, officers, employees and consultants of the Company. Option-based awards are a variable element of compensation that is used to reward each Named Executive Officer for the performance of the Company. Option-based awards are intended to fit into the Company’s overall compensation objectives by aligning the interests of the Named Executive Officers with those of the Company and linking individual Named Executive Officer compensation to the performance of the Company. Options are used as an incentive to attract high talent, to reward extraordinary performance and to align the interests of participants with the Company. The Compensation Committee is responsible for overseeing the Existing Plan and will be responsible for overseeing the 2012 Plan, if approved, and determining those directors, officers, employees and consultants of the Company who are entitled to participate in the Existing Plan (and the 2012 Plan, if approved) and the number of Options of the Company allocated to each participant under the Existing Plan (and the 2012 Plan, if approved), if any.

Existing Options held by the Named Executive Officers at the time of subsequent Option grants are taken into consideration in determining the quantum or terms of any such subsequent Option grants.

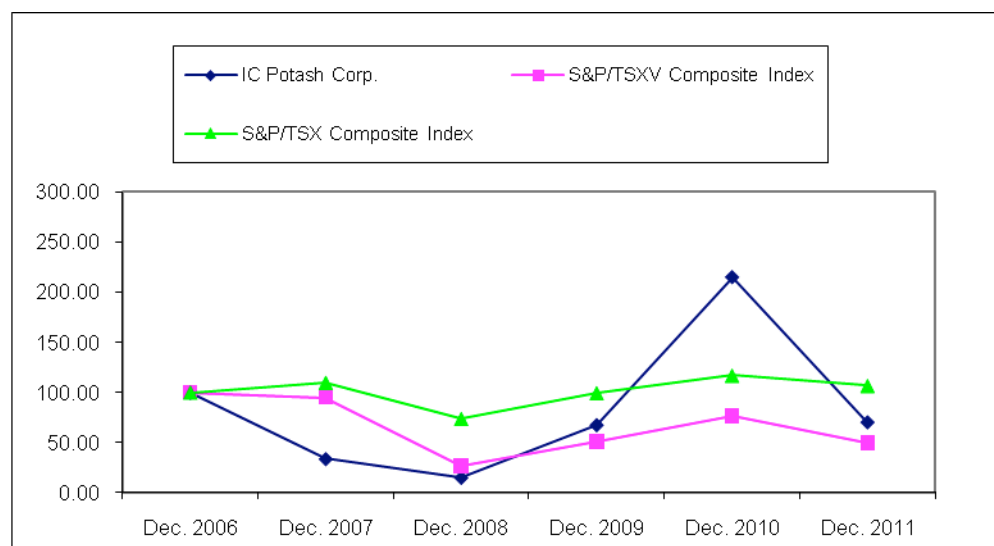
Bonuses are determined at the discretion of the Compensation Committee based on individual performance. The Himmel Agreement provides that he is entitled to bonuses at the discretion of the Board in certain circumstances.

In light of the Company's size and the balance between long term objectives and short term financial goals with respect to the Company's executive compensation program, the Board does not deem it necessary to consider at this time the implications of the risks associated with its compensation policies and practices.

The Company does not currently have a policy that restricts executive officers or directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the Company as of the date of hereof, no executive officer or director of the Company has participated in the purchase of such financial instruments.

Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return for \$100 invested in Common Shares on January 1, 2007 against the cumulative total shareholder return of the S&P/TSX Venture Exchange Composite Index for the period from January 1, 2007 to June 9, 2011, and the cumulative total shareholder return of the S&P/TSX Composite Index for the period from June 10, 2011, the date on which the Company began trading its Common Shares on the TSX and delisted its Common Shares from the TSX Venture Exchange (the "TSXV"), to December 31, 2011, assuming the reinvestment of all dividends.



	Dec. 2006	Dec. 2007	Dec. 2008	Dec. 2009	Dec. 2010	Dec. 2011
IC Potash Corp.	100.00	33.90	15.25	67.80	215.25	70.59
S&P/TSXV Composite Index	100.00	95.06	26.68	50.91	76.59	49.70
S&P/TSX Composite Index	100.00	109.83	73.58	99.38	116.87	106.69

The CEO's total compensation was \$115,000 in 2006, \$425,000 in 2007, \$172,000 in 2008, \$230,000 in 2009, \$731,000 in 2010, and \$1,121,094 in 2011. The CEO compensation was high in 2010, when the Company's index was highest in its history and highest relative to the TSXV index and lowest in 2008 when the converse was true. In 2011, the CEO successfully completed the Company's largest financing to date. The annual compensation increases were not tied to performance of the Common Share price, although the compensation followed a similar trend to the Common Share price.

The CFO's total compensation was \$52,000 in 2008 (for a half-year), \$125,000 in 2009, \$277,000 in 2010, and \$185,000 in 2011. The CFO compensation was highest in 2010, when the Company's index was highest in its history and highest relative to the TSXV index and lowest in 2008 when the converse was true. The higher compensation in 2010 was due to the value of the Options granted to Mr. Strong. The annual compensation increases were not tied to performance of the Common Share price, although the compensation followed a similar trend to the Common Share price.

The COO's total compensation was \$103,000 in 2009, \$384,000 in 2010, and \$500,000 in 2011. The COO compensation increased over this period due to additional responsibilities, time commitments, and travel requirements as well as the successful advancement of the Ochoa project. The annual compensation increases were not tied to performance of the Common Share price.

The Executive Vice President and Senior Vice President of Project Management and Engineering have not been with the Company long enough to compare them to the trends in the Common Share price.

Option-based Awards

If approved by the Shareholders, the Company will establish the 2012 Plan pursuant to which Options may be granted to Eligible Persons (as defined in the 2012 Plan) at exercise prices fixed by the Board or the Compensation Committee, as applicable, subject to limitations imposed by the TSX or any stock exchange on which the Common Shares are listed for trading and any other regulatory authority having jurisdiction in such matters. See "Particulars of Matters to be Acted Upon – New Stock Option Plan".

Summary Compensation Table

The following table sets forth all compensation for the financial years ended December 31, 2009, 2010 and 2011 paid to the Company's Named Executive Officers:

Name and Principal Position	Year Ended	Salary	Share-based awards	Option-based awards ⁽⁷⁾	Non-equity incentive plan compensation		Pension Value	All other compensation	Total compensation
					Annual Incentive Plans	Long-term Incentive Plans			
Sidney Himmel, President and Chief Executive Officer	Dec 31, 2011	\$295,480 ⁽³⁾	Nil	\$700,610	Nil	Nil	Nil	\$125,000	\$1,121,090
	Dec 31, 2010	\$251,000 ⁽¹⁾	Nil	\$376,460	Nil	Nil	Nil	\$104,000	\$731,470
	Dec 31, 2009	\$229,800 ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	\$229,800
Kevin Strong ⁽⁴⁾ Chief Financial Officer and Corporate Secretary	Dec 31, 2011	\$173,330	Nil	Nil	Nil	Nil	Nil	\$12,000	\$185,330
	Dec 31, 2010	\$158,450	Nil	\$114,150	Nil	Nil	Nil	\$4,000	\$276,600
	Dec 31, 2009	\$125,400	Nil	Nil	Nil	Nil	Nil	Nil	\$125,400
Kay Randall Foote ⁽⁵⁾ Chief Operating Officer	Dec 31, 2011	\$243,170 ⁽⁶⁾	Nil	\$223,760	Nil	Nil	Nil	\$35,000	\$500,360
	Dec 31, 2010	\$170,410	Nil	\$177,720	Nil	Nil	Nil	\$35,960	\$384,090
	Dec 31, 2009	\$102,990	Nil	Nil	Nil	Nil	Nil	Nil	\$102,990
Tommy Cope ⁽⁵⁾ Executive Vice President	Dec 31, 2011	\$172,920	Nil	\$164,340	Nil	Nil	Nil	\$7,000	\$344,260
	Dec 31, 2010	\$159,250	Nil	Nil	Nil	Nil	Nil	Nil	\$159,250
	Dec 31, 2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Terre Lane ⁽⁵⁾ Senior Vice President, Project Management and Engineering	Dec 31, 2011	\$41,670	Nil	\$164,340	Nil	Nil	Nil	Nil	\$206,010
	Dec 31, 2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Dec 31, 2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note(s):

- (1) Inclusive of \$15,500 paid to Mr. Himmel in respect of directors fees.
- (2) Inclusive of \$9,750 paid to Mr. Himmel in respect of directors fees.
- (3) Inclusive of \$30,000 paid to Mr. Himmel in respect of directors fees.
- (4) Mr. Strong's fees are paid by Intercontinental Potash Corp. ("ICP"), a wholly-owned subsidiary of the Company, pursuant to an employment agreement between Mr. Strong and ICP dated April 1, 2009.
- (5) Mr. Foote, Mr. Cope, and Ms. Lane are employed by Intercontinental Potash Corp. (USA), ("ICP (USA)") an indirectly wholly-owned subsidiary of the Company.
- (6) Inclusive of \$20,420 Paid to Mr. Foote in respect of directors fees.
- (7) The methodology used to calculate these amounts was the Black-Scholes model. This is consistent with the accounting values used in the Company's financial statements. The Company selected the Black-Scholes model given its prevalence of use within North America. The key assumptions used under the Black-Scholes model that were used for the share option awards in the table above were the: (i) risk-free interest rate, (ii) expected option life, and (iii) expected volatility, each as calculated at the time of grant.

Sidney Himmel is party to an employment agreement with the Company dated August 4, 2010 (the "**Himmel Agreement**") pursuant to which he serves as President and Chief Executive Officer of the Company and its subsidiaries. Pursuant to the Himmel Agreement, Mr. Himmel is entitled to an annual salary of \$250,000 and bonuses in such amounts and under such terms as may be agreed by Mr. Himmel and the Board, upon recommendation by the Compensation Committee, from time to time. Mr. Himmel's salary is subject to annual review. Upon execution of the Himmel Agreement, Mr. Himmel was granted Options to purchase 500,000 Common Shares and was given a salary of \$250,000 due to his long hours of work, extended travel schedule and success in advancing the Company. Mr. Himmel also received bonuses totalling \$125,000 in fiscal 2011 and a salary increase to \$410,000 annually in April 2012 for the same reasons.

The Himmel Agreement also provides Mr. Himmel with five weeks' vacation. The Himmel Agreement contains standard confidentiality provisions and restrictions preventing Mr. Himmel from acting as a director or officer of a company that is competitive with the Company without the Board's prior approval.

Kevin Strong is party to an employment agreement with ICP, a wholly-owned subsidiary of the Company, dated April 1, 2009 and an employment agreement with the Company dated February 1, 2009

(the “**Strong Agreements**”) pursuant to which he serves as Chief Financial Officer, Vice President of Administration and Corporate Secretary of the Company and ICP. Such services are provided on an “at-will” basis, such that either party may terminate either agreement upon the provision of one month’s notice. Pursuant to the Strong Agreements and subsequent pay raises, Mr. Strong is currently entitled to an annual salary of \$190,000. Mr. Strong also received a bonus of \$12,000 in 2011 to recognize his efforts and importance to the management team. The Strong Agreements also contain standard confidentiality provisions, and restrictions preventing Mr. Strong from competing with the Company and ICP at any time during his employment and for a period of one year thereafter. The Strong Agreements also provide Mr. Strong with four weeks’ vacation, which was increased to five weeks’ vacation in 2012.

Randy Foote is party to an employment agreement with ICP(USA), an indirectly wholly-owned subsidiary of the Company, dated December 1, 2010 (the “**Foote Agreement**”) pursuant to which he serves as Chief Operating Officer of ICP(USA). Such services are provided on an “at-will” basis, such that either party may terminate either agreement upon the provision of two week’s notice. Pursuant to the Foote Agreement and subsequent pay raises, Mr. Foote is currently entitled to an annual salary of \$300,000. Mr. Foote also received a bonus of \$35,000 in 2011 to recognize his efforts and importance to the management team. The Foote Agreement also contains standard confidentiality provisions, and restrictions preventing Mr. Foote from competing with ICP(USA) at any time during his employment and for a period of two years thereafter. The Foote Agreement also provides Mr. Foote with five weeks’ vacation annually.

Tommy Cope is party to an employment agreement with ICP(USA) dated December 1, 2010 (the “**Cope Agreement**”) pursuant to which he serves as Executive Vice President of ICP(USA). Such services are provided on an “at-will” basis, such that either party may terminate either agreement upon the provision of two week’s notice. Pursuant to the Cope Agreement and subsequent pay raises, Mr. Cope is currently entitled to an annual salary of \$175,000. Mr. Cope also received a bonus of \$7,000 in 2011 to recognize his efforts and importance to the management team. The Cope Agreement also contains standard confidentiality provisions, and restrictions preventing Mr. Cope from competing with ICP(USA) at any time during his employment and for a period of two years thereafter. The Cope Agreement also provides Mr. Cope with four weeks’ vacation annually.

Terre Lane is party to an employment agreement with ICP(USA) dated November 1, 2011 (the “**Lane Agreement**”) pursuant to which she serves as Senior Vice President, Project Management and Engineering of ICP(USA). Such services are provided on an “at-will” basis, such that either party may terminate either agreement upon the provision of two week’s notice. Pursuant to the Lane Agreement and subsequent pay raises, Ms. Lane is currently entitled to an annual salary of \$300,000. The Lane Agreement also contains standard confidentiality provisions, and restrictions preventing Ms. Lane from competing with ICP(USA) at any time during his employment and for a period of two years thereafter. The Lane Agreement also provides Ms. Lane with five weeks’ vacation annually.

The Himmel Agreement, Strong Agreement, Foote Agreement, Cope Agreement, and Lane Agreement each contain certain termination and change control benefits. See “Executive Compensation – Termination and Change of Control Benefits”.

Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and Option-based awards held by each of the Named Executive Officers outstanding as of December 31, 2011.

Option-Based Awards					Share-Based Awards		
Name	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested	Market or payout value of vested share based awards not paid out or distributed
Sidney Himmel	157,000	\$1.07	October 17, 2016	Nil	Nil	N/A	N/A
	500,000	\$1.42	January 13, 2016	Nil	Nil	N/A	N/A
	750,000	\$0.40	June 14, 2014	\$322,500	Nil	N/A	N/A
	37,500	\$4.20	January 9, 2012	Nil	Nil	N/A	N/A
	500,000	\$0.40	August 4, 2015	\$215,000	Nil	N/A	N/A
	500,000	\$0.50	September 19, 2015	\$165,000	Nil	N/A	N/A
Kevin Strong	25,000	\$1.16	August 28, 2013	Nil	Nil	N/A	N/A
	200,000	\$0.58	November 8, 2015	\$50,000	Nil	N/A	N/A
Randy Foote	500,000	\$0.40	August 4, 2015	\$215,000	Nil	N/A	N/A
	200,000	\$1.40	March 17, 2016	Nil	Nil	N/A	N/A
Tommy Cope	200,000	\$1.07	October 17, 2016	Nil	Nil	N/A	N/A
Terre Lane	200,000	\$1.07	October 17, 2016	Nil	Nil	N/A	N/A

Note(s):

⁽¹⁾ Based upon the closing price of the Common Shares as at December 29, 2011 which was \$0.83 per share.

Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Company ended December 31, 2011 in respect of all Option-based and share-based awards and non-equity incentive plan compensation granted to the Named Executive Officers.

Name	Option-based awards – value vested during the year	Share-based awards – value vested during the year	Non-equity incentive plan compensation – value earned during the year
Sidney Himmel	\$700,613	N/A	N/A
Kevin Strong	Nil	N/A	N/A
Randy Foote	\$223,760	N/A	N/A
Tommy Cope	\$164,340	N/A	N/A
Terre Lane	\$164,340	N/A	N/A

For further details concerning the incentive plans of the Company, see “Particulars to be Acted Upon at the Meeting – New Stock Option Plan”.

Termination and Change of Control Benefits

The Himmel Agreement may be terminated by the Company as follows:

- (a) at any time with no severance payment required in any of the following circumstances: (i) for just cause; (ii) in the event that Mr. Himmel is unable to perform all or substantially all of his duties for a period of 120 consecutive days, or 140 non-consecutive days during any 365 day period; or (iii) upon the death of Mr. Himmel; or

- (b) at any other time upon payment of a lump sum equal to three times the then current annual salary of Mr. Himmel.

The Himmel Agreement may also be terminated by Mr. Himmel for Good Reason (as defined below) upon the provision of 30 days' notice or without good reason with 90 days' notice. In either case Mr. Himmel shall be entitled to receive a lump sum termination payment equal to three times his then annual salary.

“Good Reason” means:

- (a) an adverse change in any of the duties, powers, rights, discretion, prestige, salary, benefits, or perquisites;
- (b) a diminution of title;
- (c) a change in the person or body to whom Mr. Himmel reports, except if such person or body is of equivalent rank or stature or such change is as a result of the resignation or removal of such person or the persons comprising such body, as the case may be, provided that this shall not include a change resulting from a promotion in the normal course of business;
- (d) a change in the hours during or location at which Mr. Himmel is regularly required to carry out the terms of his employment with the Company; or
- (e) any other reason which in Mr. Himmel's honestly-held view constitutes a negative change in his job or work environment as a result of which he determines in good faith that he cannot effectively carry out his duties to the Company.

Pursuant to the Strong Agreement and Cope Agreement, in the event that Mr. Strong's or Mr. Cope's employment is terminated for reasons other than fraud or gross negligence, they are entitled to an aggregate severance payment in an amount equal to four months gross salary.

Pursuant to the Lane Agreement, in the event that Ms. Lane is terminated for reasons other than fraud or gross negligence, Ms. Lane is entitled to an aggregate severance payment in an amount equal to three months gross salary.

Pursuant to the Foote Agreement, in the event that Mr. Foote is terminated for reasons other than fraud or gross negligence, Mr. Foote is entitled to an aggregate severance payment in an amount equal to two months gross salary.

The following table provides details regarding the estimated incremental payments from the Company to Mr. Himmel on termination by the Company without cause or termination by Mr. Himmel for Good Reason and to each of Messrs. Strong, Cope, Foote and Ms. Lane in the event of termination for reasons other than fraud or gross negligence, assuming the triggering event occurred on December 31, 2011.

Name	Sidney Himmel	Kevin Strong	Randy Foote	Tommy Cope	Terre Lane
Severance Period	3 years	4 months	2 months	4 months	3 months
Severance Payment	\$750,000	\$63,333	\$41,667	58,333	\$75,000

Director Compensation

At December 31, 2011, the Company provided compensation to the directors of \$7,500 per quarter, except Mr. Parnham, who received \$12,500 per quarter in 2011. Mr. Parnham resigned on May 31, 2012. Mr. Angelo also received \$12,500 per quarter to reflect his extra time commitment to the Company

commencing partway through 2011. In 2012, the director fees were increased to \$12,500 per quarter for all independent directors and reduced to nil for all non-independent directors. In addition, the Company's directors are also reimbursed for travel and other out of pocket expenses incurred in attending directors' and shareholders' meetings.

Directors are also entitled to receive compensation to the extent that they provide services to the Company at rates that would be charged by such directors for such services to arm's length parties. During the year ending December 31, 2011, no such fees were paid to any of the Company's directors or a corporation associated with any director who is not also an officer of the Company.

During fiscal year ended December 31, 2011 directors were also entitled to participate in the Existing Plan. As at December 31, 2011, the Company had outstanding Options to purchase 10,647,000 Common Shares pursuant to the Existing Plan, of which 5,913,750 Options were granted to directors (not including Mr. Lee). Options were granted to directors at the time of joining the Board. At the Meeting, Shareholders will be invited to consider and, if thought fit, approve the 2012 Plan and, if approved, the Options granted under the Existing Plan will be continued under the 2012 Plan. See "Particulars of Matters to be Acted Upon – New Stock Option Plan".

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to the Company for the fiscal year ended December 31, 2011, in respect of the individuals who were, during the fiscal year ended December 31, 2011, directors of the Company other than the Named Executive Officers.

Name	Fees earned	Share-based awards	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
George Poling	\$30,000	Nil	\$5,140	Nil	Nil	Nil	\$35,140
Honourable Pierre Pettigrew PC	\$30,000	Nil	Nil	Nil	Nil	Nil	\$30,000
Anthony Grey	\$30,000	Nil	Nil	Nil	Nil	Nil	\$30,000
Ernest Angelo	\$40,000	Nil	Nil	Nil	Nil	Nil	\$40,000
Knute H. Lee Jr. ⁽¹⁾	\$30,150	Nil	Nil	Nil	Nil	Nil	\$30,150
Duane Parnham ⁽²⁾	\$22,920	Nil	\$426,040	Nil	Nil	Nil	\$448,960
Mark Frewin ⁽³⁾	\$7,500	Nil	\$410,850	Nil	Nil	Nil	\$418,350

Note(s):

⁽¹⁾ Mr. Lee ceased to be a director of the Company on September 22, 2011 and rejoined the Board on May 31, 2012. Of the \$31,150, Mr. Lee received director fees of \$7,500 as Chairman of the board of ICP(USA), an indirectly wholly-owned subsidiary of the Company.

⁽²⁾ Mr. Parnham became a director on July 14, 2011 and resigned on May 31, 2012.

⁽³⁾ Mr. Frewin became a director on September 26, 2011 and resigned on May 31, 2012.

Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and Option-based awards held by each of the directors of the Company other than the Named Executive Officers as of December 31, 2011.

Option-Based Awards					Share-Based Awards	
Name	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested
George Poling	6,250	\$1.07	October 17, 2016	Nil	Nil	Nil
	500,000	\$0.40	June 14, 2014	\$215,000	Nil	N/A
	6,250	\$4.20	January 9, 2012	Nil	Nil	N/A
Honourable Pierre Pettigrew PC	500,000	\$0.40	June 14, 2014	\$215,000	Nil	N/A
Anthony Grey	500,000	\$0.40	June 14, 2014	\$215,000	Nil	N/A
Ernest Angelo	500,000	\$0.40	June 14, 2014	\$215,000	Nil	N/A
Knut Lee ⁽²⁾	125,000	\$1.16	August 28, 2013	Nil	Nil	N/A
	102,245	\$0.40	August 4, 2015	\$43,965	Nil	N/A
	272,255	\$0.40	September 19, 2015	\$117,070	Nil	N/A
Duane Parnham ⁽³⁾	500,000	\$1.13	July 14, 2016	Nil	Nil	Nil
Mark Frewin ⁽⁴⁾	500,000	\$1.07	October 17, 2016	Nil	Nil	Nil

Note(s):

⁽¹⁾ Based upon the closing price of the Common Shares as at December 29, 2011 which was \$0.83 per share.

⁽²⁾ Mr. Lee ceased to be a director on September 22, 2011 and rejoined the Board on May 31, 2012.

⁽³⁾ Mr. Parnham became a director on July 14, 2011 and resigned on May 31, 2012.

⁽⁴⁾ Mr. Frewin became a director on September 26, 2011 and resigned on May 31, 2012.

Incentive Plan Awards — Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Company ended December 31, 2011 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the directors of the Company, other than the Named Executive Officers.

Name	Option-based awards – value vested during the year	Share-based awards – value vested during the year	Non-equity incentive plan compensation – value earned during the year
George Poling	\$5,140	N/A	Nil
Knut H. Lee Jr. ⁽¹⁾	Nil	N/A	Nil
Honourable Pierre Pettigrew PC	Nil	N/A	Nil
Anthony Grey	Nil	N/A	Nil
Ernest Angelo	Nil	N/A	Nil
Duane Parnham ⁽²⁾	\$426,040	N/A	Nil
Mark Frewin ⁽³⁾	\$410,850	N/A	Nil

Note(s):

⁽¹⁾ Mr. Lee ceased to be a director on September 22, 2011 and rejoined the Board on May 31, 2012.

⁽²⁾ Mr. Parnham became a director on July 14, 2011 and resigned on May 31, 2012.

⁽³⁾ Mr. Frewin became a director on September 26, 2011 and resigned on May 31, 2012.

Directors' and Officers' Liability Insurance

The Company maintains liability insurance for the directors and officers of the Company. The Company's policy of insurance is currently in effect until August 3, 2012. An annual premium of approximately \$22,000 has been paid by the Company. No portion of the premium is directly paid by any of the directors or officers of the Company. The aggregate insurance coverage under the policy for both directors and officers is limited to \$10,000,000 with a \$25,000 deductible (which is paid by the Company). No claims have been made or paid to date under such policy.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of the Company are authorized for issuance as of the financial year ended December 31, 2011.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by securityholders	12,124,651	\$0.74	1,477,651
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	12,124,651	\$0.74	1,477,651

Note(s):

⁽¹⁾ Calculated based upon 10% of the aggregate number of Common Shares issued and outstanding as of December 31, 2011, less the number of options then outstanding.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee of the Company or any of its subsidiaries or any associate of such individual is as of the date hereof, or at any time during the most recently completed financial year was, indebted to the Company or any of its subsidiaries or indebted to another entity with such indebtedness being the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance disclosure obligations are set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”, and collectively, the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines.

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and Shareholders. The Company's

approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Board has considered the Governance Guidelines and believes that its approach to corporate governance is appropriate and works effectively for the Company and its Shareholders. The Company continues to monitor developments in Canada with a view to keeping its governance policies and practices current.

Set out below is a description of the Company's approach to corporate governance in relation to the Guidelines.

The Board of Directors

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Company. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgement.

The Board is currently comprised of eight members and is proposed to be comprised of eight members after the Meeting. Mr. Himmel is not considered to be "independent" within the meaning of NI 58-101 as the result of his role as President and Chief Executive Officer of the Company. Mr. Foote is not considered to be "independent" as a result of his role as Chief Operating Officer of a wholly-owned subsidiary of the Company. Mr. Stenvold is not considered by the Board to be "independent" as a result of his role as a nominee representing a major shareholder of the Company pursuant to a contractual obligation. Messrs. Grey, Angelo, Lee, Pettigrew and Dr. Poling are each considered to be "independent" directors within the meaning of NI 58-101 since they are each independent of management and free from any material relationship with the Company. The basis for this determination is that, since the beginning of the fiscal year ended December 31, 2011, none of the independent directors have worked for the Company, received material remuneration from the Company or had material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company.

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the Board may meet in the absence of members of management and the non-independent directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate. The Board held two meetings of the independent directors in the absence of members of management and the non-independent directors during the fiscal year ended December 31, 2011.

Board Mandate

The Board has the responsibility for the overall stewardship of the Company, establishing the overall policies and standards for the Company in the operation of its businesses, and reviewing and approving the Company's strategic plans. In addition, the Board monitors and assesses overall performance and progress in meeting the Company's goals. Day to day management is the responsibility of the President and Chief Executive Officer and senior management.

In addition to the Board's statutory responsibilities, the Board's "stewardship" responsibilities (directly or through committees of the Board) include the following: (a) assessing the principal risks arising from or incidental to the business activities of the Company; (b) appointing all senior executives of the Company and developing and implementing the executive compensation policies and reviewing the performance of the President and Chief Executive Officer with reference to the Company's policies, stated budget and other objectives; (c) overseeing the Company's policies regarding public communications, investor relations and shareholder communications; (d) monitoring and assessing, through the Audit Committee, the scope, implementation and integrity of the Company's internal information, audit and control systems; and (e) assessing the effectiveness of the Board.

Directorships

Set forth below is a list of the directorships with other reporting issuers (or equivalent) in any jurisdiction or foreign jurisdiction currently held by the Company's directors:

Name	Reporting Issuer (or Equivalent)
George Poling	BioteQ Environmental Technologies Inc. (TSX)
Honourable Pierre Pettigrew PC	Avion Gold Corporation (TSX), Alder Resources Ltd. (TSXV), Aberdeen International Inc. (TSX), Black Iron Inc. (TSX), Eurocontrol Technics Inc. (TSXV), and Sulliden Gold Corporation (TSX). Mr. Pettigrew will cease to be a director of Eurocontrol Technics Inc. on June 20, 2012.
Anthony Grey	Mega Uranium Ltd. (TSX), International Ferro Metals Limited (LSE) Timpetra Resources Ltd. (ASX) and Deijin Ltd. (SEHK)

Board Meetings

The attendance record of each director for all board and committee meetings⁽¹⁾ held during the fiscal year ended December 31, 2011, while the relevant director was on the Board or committee, is as follows:

Name	Board meetings	Committee Meetings
Sidney Himmel ⁽²⁾	16 of 17	1 of 2
George Poling	17 of 17	4 of 5
Knute Lee ⁽²⁾	13 of 14	3 of 3
Pierre Pettigrew	13 of 17	1 of 1
Anthony Grey ⁽³⁾	15 of 17	5 of 5
Ernest Angelo	15 of 17	2 of 2
Randy Foote ⁽⁴⁾	10 of 10	1 of 1
Duane Parnham ⁽⁵⁾	4 of 5	1 of 1
Mark Frewin ⁽⁶⁾	2 of 3	N/A

Note(s):

⁽¹⁾ The Nominating, Governance & Compensation Committee, the Safety and Environmental Committee, and the Technical Advisory Committee were each formed on March 29, 2011.

⁽²⁾ Mr. Lee joined the Audit Committee on March 29, 2011, the same date the Mr. Himmel ceased to be a member of the Audit Committee. Mr. Lee resigned as a director on September 22, 2011 and rejoined the Board and became a member of the Compensation Committee and the Audit Committee on May 31, 2012.

⁽³⁾ Mr. Grey joined the Audit Committee and became the Chairman of the Audit Committee on July 21, 2010.

⁽⁴⁾ Mr. Foote became a director on April 27, 2011 and became the Chairman of the Technical Advisory Committee on May 9, 2011.

⁽⁵⁾ Mr. Parnham became a director on July 20, 2011 and became a member of the Audit Committee and Chairman of the Nominating, Governance & Compensation Committee on October 17, 2011. Mr. Parnham resigned from the Board on May 31, 2012.

⁽⁶⁾ Mr. Frewin became a director on September 27, 2011 and became a member of the Nominating, Governance & Compensation Committee on October 17, 2011. Mr. Frewin resigned from the Board on May 31, 2012.

Chairman of the Board

George Poling, the Chairman, is an independent director with responsibility to ensure that the Board discharges its responsibilities effectively and independently of management. The Chairman also chairs

meetings of directors. Dr. Poling provides independent leadership to the Board and facilitates the functioning of the Board independently of management. Dr. Poling's responsibilities include consulting and meeting with the other independent directors of the Board; representing the independent directors in discussions with management with respect to corporate governance and other matters; together with the President and Chief Executive Officer, ensuring that all required matters are presented to the Board such that the Board is able to supervise the management of the Company; together with the President and Chief Executive Officer, ensuring that the Board, the committees of the Board, individual directors and the senior officers understand and discharge their corporate governance obligations; mentoring and counselling new members of the Board to assist them in becoming active and effective directors; facilitating the process of conducting director evaluations; and promoting best practices and high standards of corporate governance.

Orientation and Continuing Education

While the Company currently has no formal orientation and education program for new Board members, sufficient information (such as recent annual reports, prospectus, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided, along with the Human Resource Manual of the Company, to any new Board member to ensure that new directors are familiarized with the Company's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management. The Company also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company. Each new director is also encouraged to make a site visit to the Company's Ochoa project in New Mexico. Messrs. Poling, Himmel, Pettigrew, Foote, Grey, Angelo, and Lee made a site visit to the Company's Ochoa project in New Mexico in March of 2011.

Ethical Business Conduct

The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. The Board has also adopted a written Code of Business Conduct and Ethics (the "Code"), which is available under the Company's profile at www.sedar.com.

The purpose of the Code is to, among other things, promote honest and ethical conduct, avoidance of conflicts of interest and compliance with applicable governmental laws, rules and regulations. A summary of certain of its provisions is provided below.

The Company is committed to sound environmental management. The Code confirms the Company's intention to conduct itself in partnership with the environment and community at large as a responsible and caring business entity, and the Company's commitment to managing all phases of its business in a manner that minimizes any adverse effects of its operations on the environment.

The Code provides that the Company's employees, officers and directors are required to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of the Company. Such individuals (and their immediate family members) are prohibited from using their positions with the Company to solicit gifts or other

benefits from the Company's customers, suppliers and contractors, and the Code contains guidelines to be followed when accepting gifts or entertainment from these parties.

The Company is committed to providing a healthy and safe workplace in compliance with applicable laws, rules and regulations. The Code affirms the Company's commitment to foster a work environment in which all individuals are treated with respect and dignity. The Company is an equal opportunity employer and does not discriminate against employees, officers, directors or potential employees, officers or directors on the basis of race, color, religion, sex, national origin, age, sexual orientation or disability or any other category protected by Canadian federal or provincial laws and regulations, or any laws or regulations applicable in the jurisdiction where such employees, officers or directors are located.

All of the Company's employees, officers and directors are expected to comply with the Code and any waiver from any part of the Code requires the approval of the Company's President, in the case of an employee, or of its board of directors, in the case of an officer or director, and if required under applicable securities legislation, public disclosure of the waiver in the case of an officer or director.

The Code also provides a process by which actual or potential violations of its provisions are to be reported (on a confidential basis) and confirms that there will not be any reprisals against an individual who does so in good faith.

Nomination of Directors

The Nominating, Governance & Compensation Committee is responsible for assisting the Board in respect of the nomination of directors and is required to identify new candidates for appointment to the Board. The current members of the committee are Knute Lee (Chairman), Ernest Angelo and Pierre Pettigrew who are independent directors.

The Board is considered appropriate to facilitate effective decision-making in light of the Company's current operations and the depth and experience of the directors. As part of its mandate, however, the Compensation Committee is required to analyze the Company's needs when a vacancy does arise and identify individuals who can meet such needs and who, by virtue of their skills, areas of expertise, industry knowledge, geographic location and geographic and industry contacts, are best able to contribute to the direction of the Company's business and affairs. The identification of candidates is also made in the context of the existing competencies and skills which the board, as a whole, does possess and, to the extent different, should possess. If desirable, the committee may also retain search firms to assist it in identifying candidates. Once suitable candidates are identified, they are presented for consideration to the Board.

Compensation

The Nominating, Governance & Compensation Committee is responsible for the Company's compensation philosophy and for making recommendations to the Board in consultation with the President and Chief Executive Officer. See "Compensation Discussion and Analysis".

The directors of the Company each receive fees for their services in such capacities, as described under "Compensation of Directors and Officers". All directors are also eligible to participate in the Existing Plan. If approved, each of the directors will be eligible to participate in the 2012 Plan and the Options outstanding under the Existing Plan will continue under the 2012 Plan. See "Summary of Stock Option Plan".

Assessments

Part of the Board's mandate is to conduct an annual evaluation to determine whether the Board and its committees are functioning effectively. The assessment focuses on the contribution of the Board and its individual members to the Company on areas in which the Board or management believes that the Board or its individual members could improve.

Part of each committee's mandate is also to review and evaluate, at least annually, its performance and the performance of its members.

Position Descriptions

The President and Chief Executive Officer has broad responsibility for supervising the management of the Company's business and the Company's affairs. The Board has not found it necessary to develop a written position description for the President and Chief Executive Officer. The Chairman is responsible for establishing the agenda for each Board meeting and ensuring agenda items are dealt with. The Board has not found it necessary to develop written position descriptions for the Chairman or for the Chairmen of Board committees. The Board is currently of the view that the general mandates of committees on which such directors may sit are sufficient to delineate the role and responsibilities of the chair of each committee.

The chair of each committee of the board of directors is responsible for determining the frequency of committee meetings (subject to any requirements set forth in the committee's charter), developing the committee's annual schedule and agendas and reporting to the board of directors on the significant matters considered at the committee's meetings.

Audit Committee

The Company's Audit Committee is comprised of Messrs. Grey (Chairman) and Lee and Dr. Poling. Each of the members of the Audit Committee is considered to be "financially literate" for the purpose of NI 52-110. Each of the members of the Audit Committee is considered to be "independent" for the purpose of National Instrument 52-110 – *Audit Committees*. The education and current and past experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is summarized below:

- Mr. Grey has been the Chairman of International Ferro Metals Limited, a ferrochrome and mining company since 2002 and is also a director of Mega Uranium Ltd., which is a TSX listed company. Mr. Grey was formerly the Managing Director of Pancontinental Mining Ltd. and served as Chairman of Precious Metals Australia. Mr. Grey graduated with a Bachelor of Arts in History (Honours) and a Juris Doctor from the University of Toronto. He practiced law with a major law firm in Toronto for seven years.
- Dr. Poling has several years experience as a director of public mining companies and has been the Chair of the Environmental and Safety Committee and a member of the Compensation Committee, a director and Chairman of the Board of BioteQ Environmental Technologies Inc., a TSX listed corporation, since December 2000. Dr. Poling was a director of Quadra Mining Ltd., a TSX listed corporation, from February 2004 until May, 2010, a director of Minterra Resource Corp., a TSX listed and corporation from 1995 to 2009 and the Senior Vice President of Rescan Environmental Services Ltd., a Canadian-based environmental and engineering consulting firm.

- Mr. Lee has recently completed a term as President of the American Association of Professional Landmen. He has been an active member of the American Association of Landmen since 1976, serving as Second Vice-President, First Vice-President, President and AAPL region VIII (Southwest) director. Mr. Lee has also served on numerous boards of directors, including Santa Fe Trust, Zia Title, Fellowship of Christian Athletes, Hoffmantown Church and the New Mexico Baptist Foundation. He has worked extensively in the oil and gas and mining industries, and is currently a director of the Independent Petroleum Association of New Mexico. Mr. Lee is owner of KHL Inc., an oil and gas company.

The Company's Audit Committee is governed by an Audit Committee charter, the text of which is attached as Schedule "A" to the Company's annual information form for the year ended December 31, 2011 (the "AIF") which is available on SEDAR at www.sedar.com. The additional information required pursuant to NI-52-110 can also be found in the AIF.

Other Board Committees

In addition to the Company's Audit Committee and Compensation Committee, which are described above and elsewhere in this Information Circular, the Board has established the following committees:

The Technical Advisory Committee

The current members of the Technical Committee are Randy Foote (Chairman), Anthony Grey, Ernest Angelo, George Poling, Jorgen Stenvold, and Sidney Himmel. The purpose of the Technical Committee is to assist the Board with its duties and responsibilities in evaluating, overseeing the exploration and development of, and reporting on the Company's Ochoa project in New Mexico.

Safety and Environmental Committee

The current member of the Safety Committee is Sidney Himmel (Chairman), George Poling and Pierre Pettigrew. The Safety Committee is responsible for: (i) reviewing and making recommendations to the Board on environmental or occupational health and safety policies, standards and programs for the Company; (ii) receiving reports on the extent of compliance or non-compliance with environmental or occupational health and safety policies, standards and applicable legislation and submitting plans to correct deficiencies; (iii) reviewing other environmental or occupational health and safety matters as the Safety Committee or the Board may see fit; and (iv) assisting the Board in overseeing matters relating to community affairs and liaising with local communities in respect of the Company's operations.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below, no director, executive officer or 10% Shareholder of the Company, any proposed director of the Company or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its Subsidiaries current financial year prior to the date of this Information Circular that has materially affected or will materially affect the Company.

ICP is party to a royalty agreement dated May 1, 2008 with Bald Eagle Resources Ltd. ("**Bald Eagle**") pursuant to which ICP has granted a 1% profits royalty with respect to the Ochoa Property. The royalties were negotiated as a finder's fee on the acquisition of the permits for the Ochoa Property. Bald Eagle is a

private company which is 60% owned by Mr. Sidney Himmel, the President and Chief Executive Officer of the Company.

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada, at its offices in Vancouver, British Columbia, is the registrar and transfer agent for the Common Shares.

SHAREHOLDER PROPOSALS

Any Shareholder who wishes to submit a proposal for consideration at the next annual meeting of shareholders must comply with section 137 of the *Canada Business Corporations Act*. In order to have a proposal and any supporting statement included in the Company's management information circular for the next annual meeting of shareholders, the proposal and supporting statement must be received by the Company no later than March 2, 2013.

OTHER MATTERS

Management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matter properly comes before the Meeting, the forms of proxy furnished by the Company will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is provided in the Company's comparative financial statements and Management Discussion and Analysis for the year ended December 31, 2011. Shareholders may contact the Company at its principal office address at First Canadian Place, Suite 5600, 100 King Street West, Toronto, Ontario, M5X 1C9, to request copies of the Company's financial statements and Management Discussion and Analysis.

APPROVAL OF DIRECTORS

The contents and the sending of this Information Circular have been approved by the directors of the Company.

DATED at Toronto, Ontario this 31th day of May, 2012.

(signed) "Sidney Himmel"

Sidney Himmel
President and Chief Executive Officer

SCHEDULE "A"
EMPLOYEE STOCK OPTION PLAN



IC POTASH CORP.

2012 STOCK OPTION PLAN

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**ARTICLE 1
GENERAL PROVISIONS**

WHEREAS IC Potash Corp. (the “**Corporation**”) desires to terminate its existing stock option plan dated June 23, 2011 (the “**Existing Plan**”);

AND WHEREAS the Corporation wishes to replace the Existing Plan with a new incentive stock option plan;

AND WHEREAS all options to purchase common shares of the Corporation (“**Shares**”) which were granted pursuant to the Existing Plan (the “**Existing Options**”) shall remain outstanding in accordance with their terms, provided that from the effective date of this 2012 stock option plan (the “**Plan**”), such Existing Options shall be governed by this Plan;

NOW THEREFORE the new Plan provides as follows:

Interpretation

(1) For the purposes of the Plan, the following terms shall have the following meanings:

“**Affiliate**” means an affiliate of the Corporation within the meaning of Section 1.3 of National Instrument 45-106 — *Prospectus and Registration Exemptions*, as may be amended or replaced from time to time;

“**Associate**” has the meaning set out in Section 2.22 of National Instrument 45-106 — *Prospectus and Registration Exemptions*, as may be amended or replaced from time to time;

“**Black-Out Period**” means the period during which designated Participants cannot trade Shares pursuant to the Corporation’s insider trading policy that is in effect at that time;

“**Board**” means the board of directors of the Corporation;

“**Change of Control**” means:

- (i) a consolidation, reorganization, amalgamation, merger, acquisition or other business combination (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Corporation and any one or more of its Affiliates, with respect to which all or substantially all of the persons who were the beneficial owners of the Shares and other securities of the Corporation immediately prior to such reorganization, amalgamation, merger, business combination or plan of arrangement do not, following the completion of such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully-diluted basis) of the Corporation or its successor;
- (ii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation; or
- (iii) the sale, exchange or other disposition to a person other than an Affiliate of the Corporation of all or substantially all of the Corporation’s assets;

“**Code**” has the meaning given to it in Section 4.4 of this Agreement;

“**Corporation**” means IC Potash Corp. and includes any successor thereto;

“**Eligible Person**” means, subject to all applicable laws, (A) in respect of any grant of Options by the Corporation any director, officer, employee or consultant of (i) the Corporation or (ii) any Affiliate (and includes any such person who is on a leave of absence authorized by the Board or the board of directors of any Affiliate), and (B) in respect of any assignment of Options by a person in (A) above pursuant to Section 2.4(2), means any Permitted Assign of such person as the context requires;

“**Exchange**” means the Toronto Stock Exchange or if the Shares are not listed on the Toronto Stock Exchange such other stock exchange or quotation system on which the Shares are listed or quoted from time to time;

“**Holding Entity**” has the meaning set out in Section 2.22 of National Instrument 45-106 — *Prospectus and Registration Exemptions*, as may be amended or replaced from time to time;

“**Insider**” has the meaning given to the term “**reporting insider**” in National Instrument 55-104 — *Insider Reporting Requirements and Exemptions* as may be amended or replaced from time to time or such other meaning as the Exchange designates from time to time;

“**Market Price**” means the closing price of the Shares on the Exchange on the trading day prior to the date of calculation, provided that if there is no closing price on such trading day, “**Market Price**” shall mean the mid-point between the bid and ask on the Exchange at the close of trading on the trading day prior to the date of grant and provided further that in the event the Shares are not listed and posted for trading on any stock exchange, “**Market Price**” shall mean the fair market value of the Shares as determined by the Board, acting reasonably;

“**Option**” means an option to purchase Shares granted to an Eligible Person pursuant to the terms of the Plan;

“**Participant**” means an Eligible Person to whom an Option has been granted;

“**Permitted Assign**” means, for a director, officer, employee or consultant, as applicable:

- (i) a Holding Entity of such employee or officer; or
- (ii) a RRSP, RRIF or TFSA of such employee or officer;

“**Plan**” means this 2012 Stock Option Plan of the Corporation, as it may be amended from time to time;

“**RRIF**” means a registered retirement income fund as defined in the *Income Tax Act* (Canada);

“**RRSP**” means a registered retirement savings plan as defined in the *Income Tax Act* (Canada);

“**Shares**” means the common shares in the capital of the Corporation;

“**Termination Date**” means the date on which a Participant ceases to be an Eligible Person. In the case of a notice of termination provided by the Corporation, such date shall be the date of termination set out in the notice regardless of whether the Participant received compensation in

respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant and, for all purposes of the Plan, a Participant's employment shall conclusively be deemed to have been terminated on the date of termination set forth in the notice of termination (and for greater certainty shall not include any notice period required by any applicable statute or common law);

“TFSA” means a tax-free savings account as described in the *Income Tax Act* (Canada); and

“U.S. Option Holder” has the meaning given to it in Section 4.4.

- (2) In the Plan, words imparting the singular number only shall include the plural and vice versa and words imparting the masculine shall include the feminine.
- (3) The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Section 1.2 Purpose

The purpose of the Plan is to advance the interests of the Corporation by:

- (a) providing an incentive to Eligible Persons to further the development, growth and profitability of the Corporation;
- (b) contributing in providing such Eligible Persons with a total compensation and rewards package;
- (c) assisting the Corporation in retaining and attracting employees and consultants with experience and ability; and
- (d) encouraging share ownership and providing Eligible Persons with proprietary interests in, and a greater concern for, the welfare of, and an incentive to continued service with, the Corporation.

Section 1.3 Administration

- (1) The Plan shall be administered by the Board or a committee of the Board duly appointed for this purpose by the Board. If a committee is appointed for this purpose, all references herein to the Board will be deemed to be references to the committee.
- (2) Subject to the limitations of the Plan, the Board shall have the authority to:
 - (a) grant Options;
 - (b) determine the terms, limitations, restrictions and conditions respecting such grants including vesting provisions;
 - (c) interpret the Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable subject to required prior approval by any applicable regulatory authority and/or shareholders; and
 - (d) make all other determinations and take all other actions in connection with the implementation and administration of the Plan.

- (3) The Board's guidelines, rules, regulations, interpretations and determinations pursuant to or relating to the Plan shall be conclusive and binding upon the Corporation and all other persons, including without limitation all Participants. No member of the Board or any person acting pursuant to the authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith.

Section 1.4 Shares Reserved

- (1) The number of Shares that may be issued as a result of the grant of Options under the Plan shall be equal to 10% of the issued and outstanding Shares from time to time. Any increase in the issued and outstanding Shares will result in an increase in the available number of Shares issuable under the Plan, and any exercises of Options will make new grants available under the Plan effectively resulting in a re-loading of the number of options available to grant under the Plan. To the extent that any Option has terminated or expired without being fully exercised or has been repurchased for cancellation, the unissued Shares subject to such Option shall be available for any subsequent Option granted under the Plan.
- (2) If there is a change in or substitution of or exchange of the outstanding Shares by reason of any stock dividend or split, recapitalization, merger, amalgamation, arrangement, consolidation, reorganization, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval (if required) of the relevant stock exchange(s), appropriate substitution or adjustment in:
 - (a) the number or kind of Shares or other securities reserved for issuance pursuant to the Plan; and
 - (b) the number or kind of Shares subject to unexercised Options granted and the option exercise price of such Shares; provided however that no substitution or adjustment shall obligate the Corporation to issue or sell fractional Shares.
- (3) The Corporation shall at all times during the term of the Plan reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

Section 1.5 Limits with respect to Insiders

- (1) The maximum number of Shares issuable to Insiders under the Plan and any other security based compensation arrangements of the Corporation shall be 10% of the Shares issued and outstanding at the time of the grant.
- (2) The maximum number of Shares issued to Insiders under the Plan and any other security based compensation arrangements of the Corporation within any one year period shall be 10% of the Shares issued and outstanding at the time of the grant.

Section 1.6 Non-Exclusivity

Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approvals.

Section 1.7 Amendment or Termination

- (1) Subject to Section 1.7(2) below, the Board may at any time, and from time to time, and without shareholder approval amend any provision of the Plan, or any Options granted hereunder, or

terminate the Plan, subject to any applicable regulatory or Exchange requirements or approvals at the time of such amendment or termination, including, without limitation, making amendments:

- (a) to Section 2.3 relating to the exercise of Options;
 - (b) to be deemed by the Board to be necessary or advisable because of any change in applicable securities laws or other laws;
 - (c) to the definitions set out in Section 1.1, including the definitions of “Eligible Person” and “Permitted Assign”;
 - (d) to the Change of Control provisions provided for in Section 3.1. For greater certainty, any change made to Section 3.1 shall not allow Participants to be treated any more favourably than other holders of Shares with respect to the consideration that the Participants would be entitled to receive for their Shares upon a Change of Control;
 - (e) to Section 1.3 relating to the administration of the Plan;
 - (f) to the vesting provision of any outstanding Options as contemplated by the Plan; and
 - (g) fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the Exchange, including amendments of a “clerical” or “housekeeping” nature and amendments to ensure that the Options granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an Eligible Person may from time to time be resident or a citizen.
- (2) Notwithstanding Section 1.7(l), the Board shall not be permitted to amend:
- (a) Section 1.4(1) in order to increase the maximum number of Shares which may be issued under the Plan or Section 1.5 so as to increase the Insider participation limits;
 - (b) the exercise price of any Option issued under the Plan to Insiders where such amendment reduces the exercise price of such Option (for this purpose, a cancellation or termination of an Option of a Insider prior to its expiry for the purpose of re-issuing Options to the same Insider with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option); or
 - (c) the term of any Option issued under the Plan to an Insider;

in each case without first having obtained the approval of a majority of the holders of the Shares voting at a duly called and held meeting of holders of Shares and, in the case of an amendment to Section 1.5 so as to increase the Insider participation limits, approval of a majority of the holders of the Shares voting at a duly called and held meeting of holders of Shares excluding shares voted by Insiders who are Eligible Persons.

- (3) Any amendment or termination shall not materially and adversely alter the terms or conditions of any Option or materially and adversely impair any right of any Participant under any Option granted prior to the date of any such amendment or termination without the consent of such Participant.

- (4) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules adopted by the Board and in force at such time, will continue in effect as long as any Options under the Plan or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or Options it would be entitled to make if the Plan were still in effect.

Section 1.8 Compliance with Legislation

The Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell and deliver Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Board may postpone or adjust any exercise of any Option or the issuance of any Shares pursuant to the Plan as the Board in its discretion may deem necessary in order to permit the Corporation to effect or maintain registration of the Plan or the Shares issuable pursuant thereto under the securities laws of any applicable jurisdiction, or to determine that the Shares and the Plan are exempt from such registration. The Corporation shall not be obligated by any provision of the Plan or the grant of any Option hereunder to issue Shares in violation of such laws, rules and regulations or any condition of such approvals. In addition, the Corporation shall have no obligation to issue any Shares pursuant to the Plan unless such Shares shall have been duly listed with the Exchange. The Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for issuances of such Shares in compliance with applicable laws and for the admission to listing of such Shares on the Exchange. Shares issued and sold to Participants may be subject to limitations on sale or resale under applicable securities laws.

ARTICLE 2 OPTIONS

Section 2.1 Grants

- (1) Subject to the provisions of the Plan, the Board shall have the authority to determine the terms, limitations, restrictions and conditions, if any, in addition to those set forth in Section 2.3 hereof, applicable to the exercise of an Option, including without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Shares acquired upon exercise of an Option may be forfeited. An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion.
- (2) The award of an Option to an Eligible Person at any time shall neither entitle such Eligible Person to receive nor preclude such Eligible Person from receiving a subsequent Option.
- (3) For greater certainty, the Board shall be permitted to grant Options only to a director, officer, employee or consultant of (i) the Corporation or (ii) any Affiliate (and includes any such person who is on a leave of absence authorized by the Board or the board of directors of any Affiliate), and shall not be permitted to grant Options directly to any Permitted Assign.
- (4) Each Option shall be confirmed by an option agreement executed by the Corporation and by the Participant to whom such Option is granted. Subject to specific variations approved by the Board in respect of any Options, such variations not to be inconsistent with the provisions of the Plan,

all terms and conditions set out in the Plan will be incorporated by reference into and form part of any Option granted under the Plan.

Section 2.2 Option Exercise Price

- (1) The Board will establish the exercise price of an Option at the time each Option is granted based on the terms set out under Section 2.2(2).
- (2) The exercise price of an Option as established by the Board pursuant to Section 2.2(1) will not be less than the Market Price.

Section 2.3 Exercise of Options

- (1) Options granted must be exercised no later than ten years after the date of grant or such lesser period as the Board may approve provided that in the event that any Option expires during, or within 48 hours after a self-imposed Black-Out Period, such expiry will become the tenth day following the end of the Black-Out Period.
- (2) The exercise price of each Option to purchase Shares shall be paid in full by certified cheque, or in another manner deemed acceptable to the Corporation, at the time of such exercise, and upon receipt of payment in full, but subject to the terms of the Plan and the related option agreement, the number of Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable.
- (3) Subject to the provisions of the Plan and the related option agreement, an Option may be exercised from time to time by delivery to the Chief Financial Officer of the Corporation at its head office at First Canadian Place, Suite 5600, 100 King Street West, Toronto, Ontario a completed and signed notice of exercise in the form attached to the agreement evidencing the grant of options, and accompanied by payment in full of the Option exercise price of the Shares to be purchased. Subject to the provisions of the Plan including Section 1.8, certificates for such Shares shall be issued and delivered to the Participant within a reasonable period of time following the receipt of such notice and payment but in any event not exceeding ten business days.

Section 2.4 Transfer of Options

- (1) Subject to Section 2.4(2), Options shall be non-assignable and non-transferable by the Participants otherwise than by will or the laws of descent and distribution, and shall be exercisable only by the Participant during the lifetime of the Participant and only by the Participant's legal representative after death of the Participant (subject to the limitation that Options may be not be exercised later than ten years from their date of grant).
- (2) Notwithstanding Section 2.4(1), Options may be assigned by an Eligible Person to whom an Option has been granted to a Permitted Assign of such Eligible Person, following which such Options shall be non-assignable and non-transferable by such Permitted Assign, except to another Permitted Assign, otherwise than by will or the laws of descent and distribution, and shall be exercisable only by such Permitted Assign during the lifetime of such Permitted Assign and only by such Permitted Assign's legal representative after death of such Permitted Assign (subject to the limitation that Options may not be exercised later than ten years from their date of grant).

Section 2.5 Termination or Death

- (1) Except as otherwise determined by the Board and subject to the limitation that Options may not be exercised later than ten years from their date of grant:
 - (a) if a Participant ceases to be an Eligible Person for any reason whatsoever other than death, each Option held by the Participant will cease to be exercisable 150 Days after the Termination Date, or such longer period as determined by the Board. If any portion of an Option is not vested by the Termination Date, that portion of the Option may not be exercised by the Participant unless the Board determines otherwise. For greater certainty, any such determination regarding the period for exercise or vesting of Options made by the Board may be made at any time subsequent to the date of grant of Options, provided, however, that the Board may not extend the period for exercise beyond the expiry date of the Option. If a Participant ceases to be an Eligible Person because his relationship with the Corporation or an Affiliate is terminated by the Corporation or the Affiliate, as applicable, for cause, such Participant's Options shall cease to be exercisable immediately upon the Termination Date; and
 - (b) if a Participant dies, the legal representative of the Participant may exercise the Participant's Options within a period of the earlier of (i) the expiry date of such Option; and (ii) 12 months after the date of the Participant's death, but only to the extent the Options were by their term exercisable on the date of death unless otherwise determined by the Board.
- (2) Any Participant to whom an Option is granted under the Plan who subsequently ceases to hold the position in which he or she received such Option shall continue to be eligible to hold such Option as a Participant as long as he or she otherwise falls within the definition of "Eligible Person" in any capacity.

ARTICLE 3 CHANGE OF CONTROL

Section 3.1 Change of Control

In the event of any Change of Control transaction, the Board may provide for substitute or replacement Options of similar value from, or the assumption of outstanding Options by, the acquiring or surviving entity, any such substitution, replacement or assumption to be on such terms as the Board in good faith determines; provided, however, that in the event of a Change of Control transaction the Board may take, as to any outstanding Option, any one or more of the following actions:

- (a) provide that any or all Options shall thereupon terminate; provided that any such outstanding Options that have vested shall remain exercisable until consummation of such Change of Control;
- (b) deem the vesting of any outstanding Options that have not yet vested such that the Options are exercisable in full; and
- (c) terminate any Option where the exercise price of such Option is equal to or greater than the Market Value of a share as at the consummation of the Change of Control.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 No Rights as Shareholder

The holder of an Option shall not have any rights as a holder of Shares with respect to any of the Shares underlying an Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the exercise price in respect of which the Option is being exercised).

Section 4.2 No Rights to Continued Employment

Nothing in the Plan or any Option shall confer upon a Participant any right to continue in the employment or engagement of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate his employment or engagement at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment or engagement of any Participant beyond the date on which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the date on which his relationship with the Corporation or any Affiliate would otherwise be terminated pursuant to the provisions of any employment, consulting or other contract for services with the Corporation or any Affiliate.

Section 4.3 Taxes

The Corporation shall have the power and the right to deduct or withhold, or require an optionee to remit to the Corporation, the required amount to satisfy federal, provincial, state and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any option granted under the Plan. With respect to any required withholding, the Corporation shall have the irrevocable right to, and the optionee consents to, the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the optionee (whether arising pursuant to the optionee's relationship as a director, officer, employee or consultant of the Corporation or otherwise), or may make such other arrangements that are satisfactory to the optionee and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares issuable upon exercise of the options as it determines are required to be sold by the Corporation, as trustee, to satisfy any withholding obligations net of selling costs. The optionee consents to such sale and grants to the Corporation an irrevocable power of attorney to affect the sale of such Shares issuable upon exercise of the options and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Shares issuable upon exercise of the Options.

Section 4.4 Options Granted to U.S. Citizens or U.S. Residents

In addition to the other provisions of this Plan (and notwithstanding any other provision of this Plan to the contrary), the following limitations and requirements will apply to Options granted to an Eligible Person who is a citizen or resident of the United States (a "**U.S. Option Holder**"), in each case as defined in section 7701(a)(30)(A) and 7701(b)(1) of the Internal Revenue Code of 1986, as amended (the "**Code**").

- (a) the exercise price payable per Share upon exercise of an Option will not be less than 100% of the Market Value of a Share on the date of grant of such Option;

- (b) any adjustment to, or amendment of, an outstanding Option granted to a U.S. Option Holder with respect to the exercise price and number of Shares subject to an Option or with respect to the expiry date of an Option will be made so as to comply with, and not create any adverse consequences under, section 409A of the Code; and
- (c) to the extent that any Existing Option otherwise would become subject to the terms of this Plan, such Existing Option will be governed by the terms of this Plan only to the extent that any resulting change in the terms of the Existing Option does not provide a U.S. Option Holder with a direct or indirect reduction in the exercise price (regardless of whether such U.S. Option Holder in fact benefits from the change in terms) and does not otherwise constitute a modification of the Existing Option that would result in adverse tax consequences under section 409A of the Code.

Section 4.5 United States Securities Law Compliance

Neither the Options which may be granted pursuant to the provisions of the Plan nor the Shares which may be purchased pursuant to the exercise of Options have been registered under the U.S. Securities Act or under any securities law of any state of the United States of America. Accordingly, any Option holder who is granted an Option in a transaction and is a resident of the United States or otherwise subject to the U.S. Securities Act or the securities laws of any state of the United States shall by acceptance of the Options be deemed to represent, warrant, acknowledge and agree that:

- (h) the Option holder is acquiring the Options and any Shares acquired upon the exercise of such Options as principal and for the account of the Option holder;
- (i) in granting the Options and issuing the Shares to the Optionee upon the exercise of such Options, the Corporation is relying on the representations and warranties of the optionee contained in the stock option agreement relating to the Options to support the conclusion of the Corporation that the granting of the Options and the issue of Shares upon the exercise of such Options do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;
- (j) each certificate representing common shares issued upon the exercise of such Options shall bear the following legends:

“THE COMMON SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), AND MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, (C) WITHIN THE UNITED STATES, WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION, PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 OR RULE 144A, IF AVAILABLE, UNDER THE U.S. SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT GOOD DELIVERY OF THE COMMON SHARES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”

provided that if such Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act the foregoing legends may be removed by providing a written declaration by the holder to the registrar and transfer agent for the Shares to the following effect:

“The undersigned (A) acknowledges that the sale of _____ common shares represented by Certificate Number(s) _____, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S (“Regulation S”) under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and (B) certifies that (1) the undersigned is not an “affiliate” (as defined in Rule 405 under the U.S. Securities Act) of the Corporation or a “distributor”, as defined in Regulation S, or an affiliate of a “distributor”; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a “designated offshore securities market” within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any person acting on its behalf engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings as used in Regulation S.”;

Affirmation by Seller’s Broker-Dealer (required for sales in accordance with section 2(b) above)

We have read the foregoing representations of our customer, _____ (the “**Seller**”), dated _____, with regard to our sale, for such Seller’s account, of _____ Shares, represented by certificate number _____ (the “**Securities**”), of the Company described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange or the TSX Venture Exchange and (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such Securities. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act of 1933, as amended.

Name of Firm

By: _____
Authorized Officer

- (k) other than as contemplated by subsection (c) of this Section 4.5, prior to making any disposition of any Shares acquired pursuant to the exercise of such Options which might be subject to the requirements of the U.S. Securities Act, the optionee shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (l) other than as contemplated by subsection (c) of this Section 4.5, the optionee will not attempt to effect any disposition of the Shares owned by the optionee and acquired pursuant to the exercise of such Options or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Securities Act or any securities laws of any state of the United States of America and then will only dispose of such Shares in the manner so proposed;
- (m) the Corporation may place a notation on the records of the Corporation to the effect that none of the Shares acquired by the optionee pursuant to the exercise of such Options shall be transferred unless the provisions of the Plan have been complied with; and
- (n) the effect of these restrictions on the disposition of the Shares acquired by the optionee pursuant to the exercise of such Options is such that the optionee may not be able to sell or otherwise dispose of such Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Securities Act other than as contemplated by subsection (c) of this Section 4.5.

Section 4.6 Governing Law

This Plan is created under and is to be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

ARTICLE 5 EFFECTIVE DATE

Section 5.1 Effective Date

The Plan will become effective on the date of its first approval by the Corporation's shareholders.