IC POTASH CORP.

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ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

March 25, 2014

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GENERAL

Reference is made in this annual information form (the "**Annual Information Form**" or "**AIF**") to the audited financial statements (the "**Financial Statements**") and management's discussion and analysis ("**MD&A**") for IC Potash Corp. (the "**Company**" or the "**Corporation**") for the fiscal year ended December 31, 2013, together with the auditor's report thereon.

The Financial Statements are available for review on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website located at www.sedar.com. All financial information in this Annual Information Form is prepared in accordance with International Financial Reporting Standards.

Unless otherwise noted herein, information in this Annual Information Form is presented as at December 31, 2013. In this AIF, references to "$" are to Canadian dollars, unless otherwise specified.

All references in this AIF to the Company also include references to all of the Company's subsidiaries unless the context requires otherwise.

EXCHANGE RATE INFORMATION

The following table sets out the high and low rates of exchange for one U.S. dollar expressed in Canadian dollars in effect at the end of each of the following years; the average rate of exchange for those years; and the rate of exchange in effect at the end of each of those years, each based on the noon buying rate published by the Bank of Canada.

	Years ended December 31		
	2013	**2012**	**2011**
High	$1.0697	$1.0418	$1.0604
Low	$0.9839	$0.9710	$0.9449
Average for the Year(1)	$1.0299	$0.9996	$0.9891
End of Year	$1.0636	$0.9949	$1.0170

(1) Calculated as an average of the daily noon rates for each period.

On March 25, 2014 the noon buying rate was U.S. $1.00 = $1.1176 as published by the Bank of Canada.

FORWARD-LOOKING STATEMENTS

Some of the statements contained herein, including, without limitation, financial and business prospects and financial outlooks, may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may", "will," "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause the Company's actual results, performance or achievements to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic, performance or achievements of the Company and market conditions and other risks and uncertainties including those discussed under "Risk Factors" and elsewhere in this Annual Information Form. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Forward-looking statements contained herein are made as of the date of this Annual Information Form and the Company disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on forward-looking statements.

Forward-looking statements and other information contained herein concerning mineral exploration and management's general expectations concerning the mineral exploration industry are based on estimates prepared by management using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which management believes to be reasonable. This data is inherently imprecise, although generally indicative of relative market positions, market share and performance characteristics. While management is not aware of any misstatements regarding any industry data presented herein, mineral exploration involves risks and uncertainties and industry data is subject to change based on various factors.

Forward-looking statements included in this Annual Information Form include, but are not limited to, statements with respect to: (i) the focus of capital expenditures; (ii) the Company's goal of creating shareholder value by concentrating on the conversion of polyhalite into sulphate of potash ("**SOP**") and sulphate of potash magnesia ("**SOPM**"); (iii) management's plans and expectations regarding: (a) the potential development of polyhalite to satisfy various needs of the potash fertilizer markets; and (b) the identification of optimal methods for the conversion of polyhalite into SOP and SOPM; (iv) management's outlook regarding future trends; (v) the purchase, sale or development of exploration properties; (vi) exploration and acquisition plans; (vii) the quantity of mineral resources and mineral reserves and uncertainties regarding preliminary feasibility study results; (viii) treatment under governmental regulatory regimes and tax laws; (ix) the performance characteristics of the Company's mineral resource properties; (x) those risk factors discussed or referred to in the Company's annual or quarterly management's discussion and analysis, annual management information circulars, or technical reports which can be found under the Company's SEDAR profile.

In addition, statements relating to resources are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that the resources described can be profitably mined in the future.

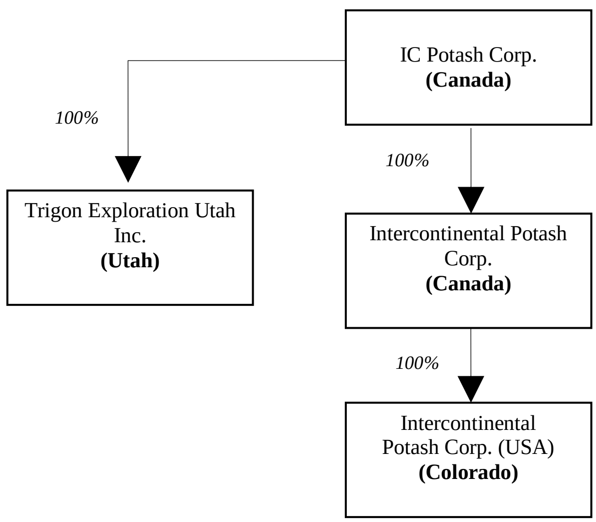
Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in this Annual Information Form are, but are not limited to: (i) stage of development; (ii) no history of mineral production; (iii) exploration, development and operating risks; (iv) reliability of resource estimates; (v) uncertainty of preliminary assessment results; (vi) land title and surface rights; (vii) infrastructure; (viii) reliance on a limited number of properties; (ix) environmental regulation and risks; (x) requirement for permits and licenses; (xi) government regulation; (xii) political risks; (xiii) key executives; (xiv) potential conflicts of interest; (xv) labour and employment matters; (xvi) difficulties in effecting service of process; (xvii) foreign subsidiaries; (xviii) competition; (xix) litigation; (xx) insurance and uninsured risks; (xxi) dividend policy; (xxii) potential volatility of market price of the common shares of the Company ("**Common Shares**"); (xxiii) future sales of Common Shares by existing shareholders; (xxiv) global financial conditions; (xxv) additional capital requirements; (xxvi) commodity prices; (xxvii) having a significant shareholder; (xxviii) exchange rate fluctuations; (xxix) hedging; (xxx) technical information; and (xxxi) project risk.

CORPORATE STRUCTURE

The Company was incorporated under the *Canada Business Corporation Act* (the "**CBCA**") on November 8, 2002. The Company filed articles of amendment on December 4, 2009, changing its name from "Trigon Uranium Corp." to "IC Potash Corp." and effecting a four to one share consolidation. The Company's head office is located at First Canadian Place, Suite 5600, 100 King Street West, Toronto, Ontario, M5X 1C9 and its registered office is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5.

The Company is a reporting issuer under applicable securities legislation in the provinces and territories of Alberta, British Columbia, Ontario, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and the Northwest Territories and its outstanding Common Shares are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "ICP" and trade on the OTCQX under the symbol "ICPTF".

The following chart illustrates the Company's intercorporate relationships and each of its subsidiaries. All subsidiaries are wholly owned by the Company either directly or indirectly.



DESCRIPTION OF THE BUSINESS

General

The Company is focused on the exploration for and development of potassium fertilizer minerals in the southwest United States with particular emphasis on SOP (with future development of SOPM). The Company intends to develop a polyhalite mine at its Ochoa property in Lea County, New Mexico (the "**Ochoa Project**").

Polyhalite is an evaporite mineral containing potassium, magnesium, sulphate and calcium, all important plant nutrients. The Company is focused on becoming a bottom quartile cost producer of SOP in the world. The Company's initial analysis is that polyhalite can be used as a feedstock to produce SOP on a cost effective basis. The Company estimates that SOP has an established market size of approximately six million tonnes per year, of which approximately four million tonnes are outside China. SOP is a widely used fertilizer in the fruit, vegetable, tobacco and horticultural industries in saline and dry soils. Demand is strong in countries where there is a significant amount of agriculture with a wide variety of crops such as in China, India, the Mediterranean and the United States. SOPM is a highly desirable potash product for soils with magnesium deficiency, including those found in Europe and Southeast Asia and has a total global market size of over one million tonnes.

The Company intends to develop the Ochoa Project into a world-class production and distribution facility. The Company's core corporate objectives include:

1. producing and distributing premium-priced SOP that typically sells for a substantial premium over traditional potash, i.e., Muriate of Potash ("**MOP**");

2. producing SOP at a bottom quartile cost globally and leveraging this advantage to enter into existing and new markets;

3. developing a processing facility that can be increased in scale with a low incremental capital cost; and

4. developing strong relationships with project stakeholders and delivering net benefits to the community at large.

Through its indirect wholly-owned subsidiary, Intercontinental Potash Corp. (USA) ("**ICP**"), the Company holds a 100% interest in the Ochoa Project. As at December 31, 2013, the Ochoa Project was composed of 28 Bureau of Land Management ("**BLM**") federal potassium prospecting permits ("**Prospecting Permits**") covering approximately 62,000 acres and 18 New Mexico State Land Office ("**NMSLO**") state mining leases ("**NMSLO Leases**") covering approximately 28,000 acres.

Each BLM Prospecting Permit has a term of two years, renewable for an additional two years, and is convertible to a Preference Right Lease ("**PRL**") upon demonstration to the satisfaction of BLM that a valuable deposit has been discovered and that the land is more valuable for the development of its potassium content than for any non-mineral land use. Currently, all of the Prospecting Permits are for mineral exploration purposes. No further annual rent payments are required on fifteen of the Prospecting Permits that expired on December 1, 2012 (ten of which are protected as part of the PRL application described below and five of which were relinquished in Q1 of 2013) and the one permit that was relinquished prior to expiry on December 1, 2012. Five Prospecting Permits expired on March 1, 2014, thus no further rent payments will be required for those Permits, all of which were included in the PRL application. Thirteen Prospecting Permits will expire on April 1, 2015, of which eleven were included in the PRL application. The final rent payments that were due on March 1, 2013 and April 1, 2014 were made. The Company issued 500,000 common shares ("**Common Shares**") during 2009 as part of the acquisition of the BLM permits. The Company also paid US$50,000 into a Permit Bond that may be refundable if certain prospecting permit and reclamation requirements are satisfied.

The Company has applied to convert 26 BLM Prospecting Permits, on any portion of which we have demonstrated measured or indicated resources, to PRLs, which do not expire, but are subject to readjustment by the BLM every 20 years. The BLM has accepted ICP's application to convert these 26 Prospecting Permits to PRLs. The following Prospecting Permits are in transition to PRLs: ten permits obtained on December 1, 2008, five permits obtained on March 1, 2010, and eleven permits obtained on April 1, 2011. By accepting ICP's application to convert these Prospecting Permits to PRLs, these Prospecting Permits will not lapse during the period required to obtain permits for development, which is estimated to take approximately six months to one year. These PRLs will be issued after the Environmental Impact Statement ("**EIS**") is complete and the BLM issues the Record of Decision. The Company's mineral rights are maintained until the BLM makes the decision whether or not to issue the PRLs. Two of the Prospecting Permits that expire on April 1, 2015 that were not part of the application for PRLs are expected to have polyhalite deposits and ICP has the opportunity to do further drilling and evaluation to demonstrate measured or indicated resources on those Prospecting Permits and apply for related PRLs before they lapse. Six Prospecting Permits that had no indication of sufficient mineralization were relinquished (one in late 2012 and five in early 2013).

The NMSLO Leases have a term of ten years with subsequent ten year renewals if, over three consecutive years during the term, the average annual production is not below the amount necessary to generate the minimum royalty required. The Company has posted a US$25,000 MegaBond that may be refundable if certain prospecting and reclamation requirements are satisfied for performance and surface or improvement damage in respect of the NMSLO Leases. The annual rent that was due on or before May 24, 2013 was paid and the next annual rent of approximately US$26,000 in the aggregate is due on May 24, 2014 for 17 of the NMSLO leases. One new NMSLO Lease was obtained on January 15, 2013 for which the annual rent of approximately US$1,915 due on January 15, 2014 has been paid. The Company has completed exploratory drilling on all of the NMSLO Leases and has entered the period of "Operations After Discovery", as acknowledged in letters from the NMSLO on February 7, 2012 and July 26, 2013, which indicate that the Company has sufficiently demonstrated discovery of minerals in commercial quantities and that no further exploration is required to maintain the NMSLO Leases.

Pursuant to private agreements, a 3% Overriding Royalty (the "**ORR**") is payable on the Ochoa Project for a term of 25 years commencing from the initiation of production of which 1% of the royalty is payable to a director of the Company. The Company may acquire, at its option, up to one-half of the ORR at a price of $3,000,000 per 0.5% royalty interest. The ORR is not payable until all capital required to build the project is repaid. An additional royalty of US$1.00 per ton of polyhalite mined for the first 1,000,000 tons and US$0.50 per ton thereafter is also payable on the Ochoa Project pursuant to an agreement with an arm's length third party.

A minimum advance royalty payment of US$8 per acre is payable to the State of New Mexico Commissioner of Public Lands on the 17 NMSLO leases that commenced in 2010 and the one NMSLO Lease that commenced in 2013 along with an annual rental charge of US$1 per acre. The minimum advance royalty payments that were due on or before May 24, 2013 and January 15, 2014 were made and the next minimum advance royalty payments are due on or before May 24, 2014 and January 15, 2015. Once the Ochoa Project comes into production, minimum royalties of US$8 per acre or 2.5% of the gross value of production after processing, whichever is greater, will be owed on the state mining leases. In addition, once the Ochoa Project comes into production, and no later than six years from obtaining federal BLM Preference Right Leases, minimum royalty payments of US$3 per acre, due in advance before January 1 of each year, or 2% of the gross value at the point of shipment to market, whichever is greater, are expected to be imposed on the federal BLM PRLs.

The Company has applied for five additional BLM Prospecting Permits covering approximately 9,124 acres and two additional BLM Prospecting Permits covering approximately 3,360 acres in New Mexico. These new BLM Prospecting Permits will be subject to the royalties pursuant to the private agreements as well as federal royalties determined by future negotiation with BLM once the Ochoa Project comes into production. The Company believes that these mineral estates may be prospective for polyhalite and other potash minerals and, if obtained, will form part of the Ochoa Project, increasing the Ochoa Project's total mineral estate to approximately 102,000 acres. In October 2013, the Company received a letter offering the 7 additional BLM Prospecting Permits subject to certain conditions; however these BLM Prospecting Permits have not yet been issued to the Company.

The Company has established the characteristics of the groundwater supply for the Ochoa Project. Using conventional drilling techniques, ICP intends to use a brackish and non-potable water supply from two wells, which the Company has drilled to approximately 5,400 feet deep. The target water-producing zone is the Permian-age Capitan Reef ("**Capitan Reef**"), a confined aquifer that is recognized by the New Mexico Office of the State Engineer and U.S. Geological Survey as a significant brackish water resource with a history of industrial use. The Capitan Reef is geologically separated from shallow, fresh-water aquifers in the vicinity of the Ochoa Project. By supplying the Ochoa Project with deep and salty water that is not in use for domestic, municipal, agricultural, or other uses, ICP will secure water resources without competing with the surrounding communities' needs for water.

The Company successfully completed initial pilot plant testing in connection with the processing of Polyhalite ore into SOP. Pilot plant operation confirmed that the process is technically and economically viable on a continuous basis. Portions of this process are covered by U.S. Patent 8,551,429, with other U.S. and foreign patents pending.

A National Instrument 43-101 ("**NI 43-101**") compliant Pre-Feasibility Study ("**PFS**") was filed on SEDAR in December 2011. On January 23, 2014 the Company announced completion of its Feasibility Study (the "**Study**") and the related NI 43-101 Technical Report (effective date January 9, 2014) was filed on SEDAR on March 7, 2014.

In accordance with the procedures of the National Environmental Policy Act ("**NEPA**"), the U.S. Environmental Protection Agency published a Notice of Availability (the "**NOA**") of the Final EIS in the Federal Register on February 28, 2014. Following publication of the NOA is a standard 30-day availability period. At the conclusion of this availability period, the U.S. Department of Interior Bureau of Land Management ("BLM") will publish a signed Record of Decision (the "**ROD**") to mark the completion of the NEPA compliance process.

All scientific and technical disclosure within this document has been prepared under the supervision of Richard Beauchamp, an employee of ICP, who is a Qualified Person within the meaning of National Instrument 43-101. Mr. Beauchamp makes no warranties or guarantees in regards to any financial disclosures within this document as they have been prepared by others.

Specialized Skill and Knowledge

Various aspects of the Company's business require specialized skill and knowledge. Such skills and knowledge include the areas of permitting, geology, drilling, metallurgy, mining engineering, process engineering, logistical planning and implementation of exploration programs as well as finance and accounting. It is possible that delays or increased costs may be experienced by the Company in locating and/or retaining skilled and knowledgeable employees and consultants in order to proceed with its planned exploration and development at the Ochoa Project. See "Risk Factors – Key Executives."

Business Cycle

The exploration and development business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. The Company's operations are related and sensitive to the market price of SOP, SOPM, and other fertilizers. Fertilizer prices fluctuate widely and are affected by numerous factors such as global supply, demand, inflation, exchange rates, interest rates, forward selling by producers, production, global or regional political, economic or financial situations and other factors beyond the Company's control.

Economic Dependence

The Company's business is dependent on the Ochoa Project.

Employees

As at December 31, 2013, the Company had an aggregate of 16 full-time employees. The Company is dependent on the services of key executives, including the President and Chief Executive Officer of the Company and a small number of highly skilled and experienced executives and personnel. See "Risk Factors – Key Executives".

Governmental Regulation and Environmental Protection

In the United States, mining operations are extensively regulated at all levels of government. All aspects of the Company's operations are subject to environmental laws and regulations, including laws and regulations regarding land reclamation; air and water quality standards; the generation, treatment, storage, disposal and handling of hazardous substances and wastes; and the cleanup of hazardous substances releases. The following is a summary of the significant existing environmental, health and safety laws and regulations to which the Company's business operations are subject or will be subject to as it continues to develop its properties.

The *Comprehensive Environmental, Response, Compensation, and Liability Act* ("**CERCLA**") and comparable state statutes, impose strict, joint and several liability on current and former owners and operators of sites and on persons who disposed of or arranged for the disposal of hazardous substances found at such sites. It is not uncommon for the government to file claims requiring cleanup actions, demands for reimbursement for government-incurred cleanup costs, or natural resource damages, or for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances released into the environment. The *Federal Resource Conservation and Recovery Act* ("**RCRA**") and comparable state statutes govern the disposal of solid waste and hazardous waste and authorize the imposition of substantial fines and penalties for noncompliance, as well as requirements for corrective actions. CERCLA, RCRA and comparable state statutes can impose liability for clean-up of sites and disposal of substances found on exploration, mining and processing sites long after activities on such sites have been completed.

The *Clean Air Act* ("**CAA**"), as amended, restricts the emission of air pollutants from many sources, including mining and processing activities. The Company's exploration and mining activities may produce air emissions, including fugitive dust and other air pollutants from stationary equipment, storage facilities and the use of mobile sources such as trucks and heavy construction equipment, which are subject to review, monitoring and/or control requirements under the CAA and state air quality laws. New facilities may be required to obtain permits before work can begin, and existing facilities may be required to incur capital costs in order to remain in compliance. In addition, permitting rules may impose limitations on the Company's future production levels or result in additional capital expenditures in order to comply with the rules.

The *Clean Water Act* ("**CWA**") and comparable state statutes impose restrictions and controls on the discharge of pollutants into waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the Environmental Protection Agency ("**EPA**") or an analogous state agency. The CWA also regulates storm water facilities and requires a storm water discharge permit for certain activities. Such a permit requires the regulated facility to monitor and sample storm water run-off from its operations. The CWA and regulations implemented thereunder also prohibit discharges of dredged and fill material in wetlands and other waters of the United States unless authorized by an appropriately issued permit. The CWA and comparable state statutes provide for civil, criminal and administrative penalties for unauthorized discharges of pollutants and impose liability on parties responsible for those discharges for the costs of cleaning up any environmental damage caused by the release and for natural resource damages resulting from the release.

The *Safe Drinking Water Act* ("**SWDA**") and the Underground Injection Control ("**UIC**") program promulgated thereunder, regulate the drilling and operation of subsurface injection wells. The EPA directly administers the UIC program in some states and in others the responsibility for the program has been delegated to the state. The program requires that a permit be obtained before drilling a disposal or injection well. Violation of these regulations and/or contamination of groundwater by mining related activities may result in fines, penalties, and remediation costs, among other sanctions and liabilities under the SWDA and state laws. In addition, third party claims may be filed by landowners and other parties claiming damages for alternative water supplies, property damages, and bodily injury.

NEPA requires federal agencies to integrate environmental considerations into their decision-making processes by evaluating the environmental impacts of their proposed actions, including issuance of permits to mining facilities and assessing alternatives to those actions. If a proposed action could significantly affect the environment, the agency must prepare a detailed statement known as an EIS. The EPA, other federal agencies, and any interested third parties will review and comment on the scoping of the EIS and the adequacy of and findings set forth in the draft and final EIS. This process can cause delays in issuance of required permits or result in changes to a project to mitigate its potential environmental impact, which can in turn impact the economic feasibility of a proposed project.

The Company's properties and activities are subject to numerous other laws and regulations governing protection of the environment, species protection and historical preservation, including but not limited to, the Endangered Species Act, Migratory Bird Treaty Act, Bald and Golden Eagle Protection Act, the National Historic Preservation Act, the Native American Graves Protection and Repatriation Act, Archaeological Resources Protection Act, Paleontological Resources Preservation Act and their state counterparts and other similar statutes.

Exploration and mining operations for potassium and associated minerals on BLM land are regulated pursuant to the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.), the Acquired Lands Mineral Leasing Act of 1947, as amended (30 U.S.C. 351-359), and the Federal Land Policy Management Act of 1976, (43 U.S.C. 1701 et seq.) and associated regulations. These laws and regulations govern exploration, development, mining, reclamation and processing of potassium and associated minerals and requires lessees, licensees, permitees and operators to take actions consistent with federal and state environmental regulations. In addition, an approved notice of intent and plan of operations is required before operations are commenced. The failure to comply with the statutes, regulations and terms of permits and licenses may result in fines or other penalties or in revocation of a permit or license or loss of a prospect.

The New Mexico Environmental Department is responsible for enforcing most of New Mexico's environmental statutes and regulations in concert with other constituent state agencies. These include the Environmental Improvement Act, the Water Quality Act, the Air Quality Control Act and their associated regulations. The state Water Quality Control Commission develops and adopts water quality regulations, and the state Environmental Improvement Board develops and adopts a wide range of other environmental regulations.

To date, applicable environmental laws and regulations have had no material financial or operational effects on the Company's operations and the Company does not foresee any material effects in the future. See also "Risk Factors – Environmental Risks and Hazards".

Foreign Operations

All of the Company's current operations are currently conducted in New Mexico. Any changes in regulations or shifts in political attitudes in this jurisdiction, or other jurisdictions in which the Company may have projects from time to time, are beyond the Company's control and may adversely affect its business. Future development and operations may be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to the restrictions on production, export controls, income or other taxes, expropriation of property, repatriation of profits, royalties, environmental legislation, land use, water use, land claims of local people, mine safety and receipt of necessary permits. The effect of these factors cannot be accurately predicted.

The Company's federal prospecting permits are governed by the United States Code of Federal Regulations Title 43 - Public Lands: Interior. Subpart 3505 of part 3500 of Chapter 2 outlines the requirements for prospecting permits. The Company's New Mexico State Land Office mining leases are governed by Chapter 19 of the New Mexico Statutes and Chapter 2 of Title 19 of the New Mexico Administrative Code.

Competition

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and experience. See "Risk Factors – Competition."

GENERAL DEVELOPMENT OF THE BUSINESS

Recent Developments

Three Year History

2013

On January 16, 2013, the Company announced that it had secured an additional 1,914 acres of land in Lea County from the NMSLO. The addition increased the Company's total NMSLO Lease and Prospecting Permit holdings in the region as of that date to approximately 101,500 acres. The additional land grant has been determined to be strategically important for the Ochoa Project, as it represents prospective mineralization that could expand Ochoa's resource base of polyhalite, and, due to its location, is available for mining in the early production phase of the mine.

On January 29, 2013, the Company relinquished five Prospecting Permits covering approximately 11,720 acres. After the relinquishment, the number of Prospecting Permits comprising part of the Ochoa Project as of January 29, 2013 was dropped to 28, covering an area of approximately 62,000 acres and decreasing the total NMSLO Lease and Prospecting Permit holdings in the region to approximately 90,000 acres.

On January 30, 2013, the Company applied for two new BLM Prospecting Permits covering a total of 3,360 acres in Lea County, New Mexico.

In March 2013, the Company completed a bench-scale test to evaluate the processing plant's planned Reverse Osmosis ("**R/O**") system on water drawn from the Capitan Reef. Using a two-stage R/O process, a 96% reduction in total dissolved solids was achieved, with 92.5% permeate recovery. These results further validated the ability to achieve the 90% permeate recovery process necessary.

On May 22, 2013, the Company announced that it had completed geotechnical drill work by completing 33 shallow bore holes, 45 test pits and seismic refraction traverses to characterize the subsurface geologic conditions and to investigate soil and rock mechanics in the Ochoa Project mine plan. Three core holes were drilled to determine rock quality designation; uni-axial compressive strength for the polyhalite, as well as minerals above and below the ore line; and water inflow during shaft and ramp construction.

On June 11, 2013, the Company announced that the U.S. Army Corps of Engineers ("**Corps**") issued a jurisdictional determination confirming that there are no U.S. waters on the Ochoa Project site. The Corps determined that the Ochoa Project area is comprised entirely of uplands and upland drainage, therefore seeking certain federal permits relating to water will not be required and the Company will not require the Corps' authorization to proceed with constructing the mine and processing plant, nor will it be subject to ongoing monitoring once in commercial operations.

On June 27, 2013, the Company announced the drill results of its Phase 3 drill program consisting of 12 core holes. All objectives of the drilling program were achieved, as summarized below:

- continued delineating polyhalite mineralization in the main resource area, which is the focus of the Company's ongoing feasibility study on the Ochoa Project;
- collected sufficient core for processing methods optimization and mine planning;
- conducted hydrologic testing of several stratigraphic horizons; and
- obtained reconnaissance data in a separate unexplored prospect area.

On July 10, 2013, the Company announced the appointment of Mr. Richard Beauchamp as Chief Mine Engineer.

On August 9, 2013, the BLM published the Notice of Availability of the Draft Environmental Impact Statement ("**DEIS**"). The DEIS is a disclosure document prepared by the BLM that describes the potential adverse or beneficial environmental and social impacts – either direct, indirect or cumulative – that could result from the development of the Ochoa Project. The DEIS describes more than two years of careful and comprehensive study of water resources, cultural resources, natural resources, air quality and other resources. The DEIS was prepared to assist the BLM in reaching a decision on whether to approve the Company's Mine Plan of Operations, requested rights-of-way and preference right leases; and if so, under what conditions. The BLM provided interested stakeholders with a comment period to express concerns and opinions on the Ochoa Project. On August 27 and 28, the BLM hosted three public meetings in Carlsbad, Jal and Hobbs, New Mexico to give interested stakeholders the opportunity to comment and make their opinions of the Ochoa project known. The comment period closed on September 23, 2013. The Company anticipates that the permitting process will proceed as planned, culminating in the clearance of the final EIS in the second quarter of 2014.

In September 2013, the Company was notified by the New Mexico Office of the State Engineer that the Company has met the requirements of state statute NMSA 72-12-25 through 72-12-28 and may appropriate water from the Capitan Reef for mining and industrial use by the Ochoa Project, so long as the Company complies with the standard metering and reporting requirements as detailed in the confirmation letter. This letter gives the Company full right to utilize up to 2,000 gallons per minute of deep, non-potable water, culminating nearly three years of well drilling and well testing, modeling, water treatment test work and permitting. The water will be treated by reverse osmosis to reduce dissolved solids to the extent required for process water to be used in the leaching and crystallization processes required to produce SOP.

In September 2013, the Company successfully completed the initial pilot plant testing in connection with the processing of Polyhalite ore into SOP. The pilot test demonstrated the robust nature of the flow sheet and economic conversion of Polyhalite to SOP. The results were very positive, being consistent with the effective and efficient processing of Polyhalite ore into various grades of SOP, and were incorporated into the Feasibility Study with respect to final equipment selection and sizing and the computation of projected capital costs and operating costs. Pilot testing includes the crushing, grinding, washing and dewatering of mined ore; calcination, which is the controlled heating to remove entrapped water thereby increasing ore solubility; leaching of the calcined ore and the crystallization of SOP. Pilot plant operation confirmed that the process is technically and economically viable on a continuous basis.

On December 18, 2013, the Company completed a non-brokered offering of 20,000,000 units of the Company at a price of $0.25 per unit for the aggregate proceeds of $5,000,000. Each unit consisted of (i) one Common Share of the Company; and (ii) one-half of one common share purchase warrant. Each warrant entitled the holder to acquire one additional Common Share at an exercise price of $0.35 for a period of 18 months from the date of issuance thereof, provided that if, at any time after April 19, 2014, the volume weighted average price of the Common Shares on the TSX is equal to or exceeds $0.50 for 20 consecutive trading days, the Company may accelerate the expiry date of the warrants, in which event the warrants will expire upon the date which is 30 days following the dissemination of a press release by the Company announcing the accelerated expiry date. The Company paid a cash fee equal to 8% of the amount raised by eligible finders in connection with certain subscribers under the offering and issued 1,336,000 finder warrants to such finders. Each finder warrant entitles the holder to acquire one Common Share for a period of 12 months at an exercise price equal to $0.26.

2012

On January 26, 2012 the Company announced that the BLM commenced the formal public scoping process for the Ochoa Project by publication in the United States Federal Register. As the lead federal agency overseeing the permitting of Ochoa, the BLM is required to comply with NEPA before authorizing project construction by approving the MPO. The MPO was filed by ICP with the BLM on September 30, 2011. The Company anticipates the EIS process will be completed by the second quarter of 2014.

On April 12, 2012, the Company announced that, pursuant to a subscription agreement dated March 30, 2012 (the "**Subscription Agreement**"), it had issued 30,129,870 Common Shares to a wholly-owned subsidiary of Yara International ASA ("**Yara**") at a price of $1.32 per Common Share for total gross proceeds of C$39,771,428. After giving effect to the transaction, Yara owned 19.9% of the issued and outstanding Common Shares on a non-diluted basis. Yara received the right to appoint one representative to the Company's board of directors and a pre-emptive right to participate *pro rata* in all future equity or equity linked issuances by the Company. Subject to certain exceptions, Yara is restricted from transferring securities of the Company until the earlier of April 12, 2014 and the date on which the Company has secured all financing to complete the construction of the Ochoa Project and such construction has commenced.

On April 12, 2012, the Company also entered into an off-take agreement (the "**Off-Take Agreement**") with Yara pursuant to which Yara agreed to buy 30% of all products produced by the Ochoa Project annually. The term will begin upon the commencement of commercial production and continue for a period of 15 years and will automatically extend every five years thereafter unless either party elects not to extend. All products will be sold to Yara based on market prices.

On April 30, 2012 and June 4, 2012, respectively, the Company announced that Jorgen Stenvold and Knute H. Lee Jr. were appointed to the Company's board of directors. Mr. Stenvold is currently the Project Development Director of Yara and is Yara's nominee to the Company's board of directors. On June 4, 2012, the Company also announced that Duane Parnham and Mark Frewin had resigned from the board of directors and would not seek re-election at the Company's annual meeting of shareholders.

The New Mexico Office of the State Engineer and the New Mexico State Land Office granted ICP permits to drill two water wells in October 2011. Both wells were constructed to production capacity. Drilling on the first well was completed in February 2012 and drilling on the second well was completed in June 2012. Following well construction, ICP performed pumping tests to characterize the hydraulic properties of the aquifer and to demonstrate to the New Mexico Office of the State Engineer and to the BLM that the hydraulic properties of the water being drawn from the Capitan Reef satisfy regulatory requirements.

On July 11, 2012, the Company announced the key external industry experts commissioned to complete the feasibility study on the Ochoa Project.

On July 23, 2012, the Company announced the appointment of Arthur J. Roth as Director of Marketing.

On September 11, 2012 the Company announced the successful completion of an aquifer test using two of the Company's recently drilled groundwater supply wells at its Ochoa Project. The test successfully demonstrated the desired pumping capacity of these two wells and confirmed the aquifer's suitability to sustainably provide the Ochoa Project with a high-yield, long term supply of non-potable, brackish water that will not compete with the surrounding communities' use of fresh water. The test provided data used to develop and calibrate a numeric groundwater flow model. The groundwater model is being used by the BLM and New Mexico Office of the State Engineer to simulate potential impacts from proposed pumping on water resources for final permitting purposes.

On October 4, 2012, the Company announced that SNC-Lavalin Inc. was awarded the definitive contract by ICP to develop several key sections of the feasibility study on the Ochoa Project.

On November 19, 2012, the Company relinquished one Prospecting Permit for 2,360 acres, dropping the total number of Prospecting Permits comprising part of the Ochoa Project at of such date to 33.

In 2012, the Company delivered a draft preliminary EIS to the BLM for agency review. The Company also developed a geotechnical sampling program to support the engineering design of proposed surface facilities. The Company delivered a geotechnical work plan to the BLM, who prepared an environmental assessment, a Finding of No Significant Impact and a Record of Decision.

2011

On March 17, 2011, the Company completed a bought deal offering of 12,500,000 Common Shares at a price of $1.60 per Common Share for aggregate gross proceeds of $20,000,000.

Effective April 1, 2011, the Company obtained 13 BLM permits covering an area of 27,923 acres in Lea County, New Mexico.

On June 10, 2011 the Company graduated from having its Common Shares listed on the TSX Venture Exchange to having its Common Shares listed on the TSX.

The Company announced on September 20, 2011 the signing of a Memorandum of Understanding and Cost Reimbursement Agreement (the "**MOU**") with the BLM on August 29, 2011 for the purpose of commencing the formal portion of environmental approvals for the Corporation's new SOP operation. As part of reviewing the Corporation's Mine Plan of Operations ("**MPO**"), the BLM requires that an EIS be prepared. The EIS will be consistent with the requirements of the National Environmental Policy Act ("**NEPA**") and the Council on Environmental Quality ("**CEQ**"). The MOU defines the respective responsibilities, conditions, and procedures to be followed by the Corporation and the BLM during the preparation of the EIS. The EIS will assess the environmental socioeconomic impacts of the proposed mine facilities described in the MPO. The BLM will use the EIS to make a decision regarding the awarding of permits to construct and run the operations.

On October 25, 2011 the Company announced the filing of its MPO with the BLM. The MPO provides an in-depth description of the land usage, water sources, tailings ponds, construction, mining, processing, and reclamation operations for the Ochoa project. The MPO serves as the primary document for mine permitting and will provide the basis for the EIS. The BLM, as the lead federal agency overseeing the permitting of the Ochoa project and the review and processing of the Corporation's MPO, is required to comply with the NEPA before the MPO can be approved and construction authorized. The lead independent consultant responsible for the preparation of the EIS was selected by the BLM and started working on the EIS in late 2011.

On November 29, 2011 the Company's report dated November 25, 2011 entitled "NI 43-101 Technical Report on the Polyhalite Resources and Updated Mineral Resource Estimate for the Ochoa Project, Lea County, Southeast New Mexico" (the "**Resource Report**") was filed on SEDAR and provides details regarding revised resource estimates on the Ochoa Project.

On December 30, 2011, the Company filed its report entitled "NI 43-101 Technical Report Prefeasibility Study for the Ochoa Project Lea County, New Mexico" (the "**Prefeasibility Report**"). The Prefeasibility Report was prepared for the Company by Gustavson Associates, LLC of Colorado ("**Gustavson**"). See "Material Properties."

MATERIAL PROPERTY

The Ochoa Project

Except with respect to certain non-material updates under the heading "Property Description and Location" relating to the BLM Prospecting Permits and the state mining permits, information referenced in this section referring to the Ochoa Project is from the Technical Report entitled "NI 43-101 Technical Report, Ochoa Project Feasibility Study, Lea County, New Mexico, USA" (the "**Report**"). The Report is available from the Company's SEDAR profile (www.sedar.com) and is also available on the Company website (www.icpotash.com). The date of the Report is March 7, 2014 and the Report has an effective date of January 9, 2014. The Report authors are Gary Skaggs, P.E., P.Eng.; Leo Gilbride, P.E.; Tom Vandergrift, P.E.; Susan Patton, Ph.D., P.E.; Vanessa Santos, PG; Lawrence Berthelet, P.Eng., MBA; and Jack Nagy, P. Eng., each an independent Qualified Person within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**").

Property Description and Location

The Ochoa Project is located about 60 miles east of Carlsbad, New Mexico and less than 20 miles west of the Texas-New Mexico state line. The Ochoa Project includes mineral rights totalling approximately 90,000 acres.

The Ochoa Project is located within the Permian Basin of the Great Plains physiographic province. Evaporites in New Mexico and Texas occur in the Permian sedimentary basin, which is roughly oval in shape and elongated in a northeast–southwest direction. The Delaware and Midland subbasins of the upper Permian Basin are separated by the Central Basin Platform and contain extensive evaporite deposits of the Ochoa Series, which lie between the Capitan Reef limestone of the underlying Guadalupe Series and the fine clastic sediments of the Dewey Lake red beds

Through its wholly-owned subsidiary ICP, the Company holds a 100% interest in the Ochoa Project in New Mexico. As of the date of this AIF, the Ochoa Project is composed of 28 federal BLM Prospecting Permits covering approximately 62,000 acres and 18 state mining leases covering approximately 28,000 acres. The Ochoa Project is currently in advanced exploration status.

Each BLM Prospecting Permit has a term of two years, renewable for an additional two years, and is convertible to a PRL upon demonstration to the satisfaction of BLM that a valuable deposit has been discovered and that the land is more valuable for the development of its potassium content than for any non-mineral land use. The Company paid US$50,000 into a Permit Bond that may be refundable if certain prospecting permit and reclamation requirements are satisfied.

The Company has applied to convert 26 BLM Prospecting Permits, on any portion of which the Company demonstrated measured or indicated resources, to PRLs, which do not expire, but are subject to readjustment by the BLM every 20 years. By accepting ICP's application to convert these Prospecting Permits to PRLs, these Prospecting Permits will not lapse during the period required to obtain permits for development. These PRLs will be issued after the EIS is complete and the BLM issues the Record of Decision. The Company's mineral rights are maintained until the BLM makes the decision whether or not to issue the PRLs. Of the 8 BLM Prospecting Permits that were not part of the application for PRLs, two are still believed to have measured or indicated resources and ICP has the opportunity to do further drilling and evaluation to demonstrate measured or indicated resources on those BLM Prospecting Permits and apply for related PRLs before they lapse. The other six BLM Prospecting Permits that had no indication of sufficient mineralization were relinquished (one in late 2012 and five in early 2013).

The NMSLO Leases have a term of ten years with subsequent ten year renewals if, over three consecutive years during the term, the average annual production is not below the amount necessary to generate the minimum royalty required. The Company has posted a US$25,000 MegaBond that may be refundable if certain prospecting and reclamation requirements are satisfied for performance and surface or improvement damage in respect of the NMSLO Leases. The Company has completed exploratory drilling on all of the NMSLO Leases and has entered the period of "Operations After Discovery", as acknowledged in letters from the NMSLO on February 7, 2012 and July 26, 2013, which indicate that the Company has sufficiently demonstrated discovery of minerals in commercial quantities and that no further exploration is required to maintain the NMSLO Leases.

Pursuant to private agreements, a 3% Overriding Royalty (the "**ORR**") is payable on the Ochoa Project for a term of 25 years commencing from the initiation of production of which 1% of the royalty is payable to a director of the Company. The Company may acquire, at its option, up to one-half of the ORR at a price of $3,000,000 per 0.5% royalty interest. The ORR is not payable until all capital required to build the project is repaid. An additional royalty of US$1.00 per ton of polyhalite mined for the first 1,000,000 tons and US$0.50 per ton thereafter is also payable on the Ochoa Project pursuant to an agreement with an arm's length third party.

A minimum advance royalty payment of US$8 per acre is payable to the State of New Mexico Commissioner of Public Lands on the 17 NMSLO leases that commenced in 2010 and the one NMSLO Lease that commenced in 2013 along with an annual rental charge of US$1 per acre. Once the Ochoa Project comes into production, minimum royalties of US$8 per acre or 2.5% of the gross value of production after processing, whichever is greater, will be owed on the state mining leases. In addition, once the Ochoa Project comes into production, and no later than six years from obtaining federal BLM PRLs, minimum royalty payments of US$3 per acre, due in advance before January 1 of each year, or 2% of the gross value at the point of shipment to market, whichever is greater, are expected to be imposed on the federal BLM PRLs.

ICP currently plans on locating the facilities on leased and BLM land. The final location of facilities will be determined during feasibility studies and according to negotiations with the leaseholders with whom ICP has established and has maintained good relations.

The permitting schedule for the Ochoa Project will be significantly influenced by NEPA. NEPA typically requires baseline studies followed by a public review and comment periods for scoping and draft EIS documents. Other permits include: mine registration, air, underground water, state trust land leases, explosive and utility location.

Proposed mining projects are typically also evaluated for a range of social, economic, cultural and environmental impacts in response to NEPA and state permitting regulations.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Property is readily accessible from New Mexico State Highway ("SH") 128 and an extensive network of gravel roads. The Property is traversed by Lea County Road 2 and numerous two-track trails and primitive roads. The site's administrative facilities and processing plant site will be accessed directly from SH128 via approximately 2,170 ft of two-lane, chip-sealed roadway, with an acceleration lane and possibly a turn lane constructed on SH128. The main shaft site will be accessed from SH128 via Brininstool Road by a two-lane gravel access roadway approximately 760 ft long.

The Property is located in Lea County, New Mexico, approximately 8 miles east of the Eddy County line. Airports are located near Carlsbad (Eddy County), approximately 60 miles west via SH128, and at Hobbs, New Mexico (Lea County), via SH128 and SH18, located about 70 highway miles north-northeast of the plant site. Both airports provide commercial and general aviation services.

The Jal loadout site is approximately 22 miles east of the plant site and north of the community of Jal, New Mexico. The loadout will be located near the existing Texas-New Mexico Railroad ("**TNMR**") line running north-south through Jal and connecting to the Union Pacific Railroad near Monahans, Texas. Highway access will be via Phillips Hill Road off SH18, which connects to SH128 in Jal. An industrial spur track connection will be made with the TNMR to handle train shipments of SOP. The climate in southeastern New Mexico is typical of a high plains semi-arid desert environment, with generally mild temperatures and low precipitation and humidity. The prevailing winds are from the southeast in the summer and from the west in winter. Winter temperatures range from lows of –20 degrees Fahrenheit ("**°F**") to highs of 50°F. Summer daytime temperatures are typically above 90°F with nighttime lows in the 70°F range. The average precipitation is about 13 inches per year, with about half of which comes from thunderstorms from June through September. Climate should not affect year-round operations. According to the 2010 Federal Census, the population of Lea County is 64,727 and the population of Eddy County is 53,829. Jal's population is about 2,000 and it is the nearest community to the Project site. Food, fuel, and limited services are available in Jal. Heavy equipment, industrial supplies, and mining support services are available in Carlsbad and Hobbs, New Mexico, and in Midland, Texas. Experienced labor for construction, mining, and processing is available from most all of the southeastern New Mexico and nearby West Texas communities. Many local residents have worked in the underground potash mines and processing plants located between Carlsbad and Hobbs.

A 115-kilovolt ("**kV**") Xcel Energy power line is located near the southern boundary of the Property. Several natural gas transmission pipelines cross the Property.

The area encompassing the Property and surrounding lands has long been an active gas and oil production area with numerous permitted, active, and abandoned gas and oil well sites serviced with a network of interconnection small dirt roads, power lines, and pipelines.

The Property is located in the Pecos Valley section of the southern Great Plains physiographic province. The surface consists of relatively flat terrain with minor arroyos and low-quality semi-arid rangeland. Top soil is caliche rubble and wind-blown sand with mesquite, shinnery oak, and course grasses as the dominant vegetation. The project area is sparsely vegetated and no cultivation is present. Elevation ranges from 3,100 to 3,750 ft mean sea level.

Extensive hydrogeologic analysis was conducted to develop a source of water for the Project. The Capitan Reef Complex aquifer was tested by drilling two wells, and modeling was undertaken to demonstrate that the aquifer could supply the Project with an adequate quantity of water without detrimental effects on the Pecos River Basin. The wells are located about 18 miles east of the Project site. The Capitan aquifer is saline and this water will need to be treated for certain uses in the Project's facilities. The Company has been advised by New Mexico's State Engineer's office that it has the right to withdraw sufficient water from the Capitan Reef aquifer to support the Project.

History

The Property does not have any mining history. The Delaware Basin has been explored for hydrocarbons since the early 20th century, but it has not been previously explored for polyhalite. ICP's planned commercial mining and processing operation to produce SOP and potentially other potassium/magnesium fertilizers is based on work that was performed in the 1920s and 1930s by the USBM and PCA. The large-scale development of economic production of potash from potassium chloride and langbeinite in the Carlsbad, New Mexico area significantly reduced interest in the use of polyhalite to produce potassium-based fertilizers. ICP began preliminary polyhalite exploration in 2008 when they applied for exploration permits and initiated a scoping study. That study was prepared by Micon and it indicated that the Property had good potential for a sizeable polyhalite deposit.

The Carlsbad, New Mexico, potash deposits that were amenable to economic extraction and processing were identified in 1925 through cuttings from an oil well being drilled near Carlsbad that was being drilled by Snowden & McSweeney Company. After additional exploration activities, the deposits in southeastern New Mexico were established as the only ones in the USA that could be mined by conventional underground mining techniques. At the peak of Permian Basin potash production, there were seven mining companies in operation. Today, only two companies remain in operation in the area.

In the 1930s and 1940s, the United State Bureau of Mines ("**USBM**") was tasked with performing scientific and engineering research regarding polyhalite processing to produce SOP. Potash Corporation of America ("**PCA**") conducted pilot plant testing in the 1950s. ICP validated the USBM and PCA results via process testing, verifying, and validating the earlier work, while collecting data regarding equipment design for processing the Ochoa polyhalite.

Geological Setting

The Ochoa Project lies at the northeastern margin of the Delaware Basin, which is a structural sub-basin of the larger Permian Basin that dominated the region of southeast New Mexico, west Texas, and northern Mexico from 265 to 230 million years before present. The Permian Basin is an asymmetrical depression formed on top of Precambrian basement rocks. Marine sediments accumulated in the basin throughout the Paleozoic era. The slow collision of the North American and South American crustal plates resulted in tectonic subdivision of the Permian Basin into numerous sub-basins, of which the Delaware and Midland Basins are the largest. The Delaware Basin has been extensively studied, in part because of extensive gas and oil exploration, but also because of the Waste Isolation Pilot Plant ("**WIPP**") in the northern part of the basin. WIPP is a geologic repository to permanently dispose of radioactive waste.

The sedimentary sequence of the Delaware Basin is composed of deep water siliciclastics, shelf carbonates, marginal marine evaporites, and terrestrial red beds. The deep water siliciclastics and shelf carbonates occur well below the horizon of interest and are not discussed further. Extensive and thick evaporite deposits occur throughout the late-Permian period ("**Ochoan-age**") rocks within the basin. The Upper Permian Series consists of Ochoan-age sedimentary deposits, specifically the Castile, Salado, and Rustler Formations. Collectively, the Castile, Salado, and Rustler evaporite-bearing formations are more than 4,000 ft thick in the Ochoa Project area.

The Castile Formation is the oldest evaporite cycle of the Ochoan series in the Delaware Basin, and is composed largely of anhydrite, light and dark laminae with halite (NaCl), and limestone. The calcareous component increases with depth. In outcrop, anhydrite alters to gypsum.

The Salado Formation consists of cyclic anhydrite ($CaSO_4$), halite, and clay deposits. The Salado Formation is divided into three units—the upper, lower, and middle—in the northern portion of the Delaware Basin. Potassium minerals in the McNutt Member of the Salado Formation occur as interbeds within the anhydrite and halite stratigraphic units and are mined commercially in and around Carlsbad, New Mexico. Potash occurs in the form of polyhalite (K_2SO_4•$MgSO_4$•$2CaSO_4$•$2H_2O$) in anhydrite, and as sylvite (KCl), langbeinite [($K_2Mg_2(SO_4)_3$)], or carnallite ($KMgCl_3 \cdot 6(H_2O)$) in halite.

The target horizon of ICP's Ochoa Project is the polyhalite found within the Tamarisk Member of the Rustler Formation. The late-Permian Rustler is found in both the Delaware and Midland Basins and on the Central Basin Platform ("CBP") that divides them. The Rustler Formation is composed of anhydrite, halite, dolomite, sandy siltstone, and polyhalite, representing a transitional phase between end-stage marine evaporative and the onset of terrestrial depositional regimes.

There are five recognized members of the Rustler Formation which are, from oldest to youngest, the Los Medaños, Culebra, Tamarisk, Magenta, and Forty-niner. Polyhalite occurs in the Tamarisk Member of the Rustler Formation.

The Los Medaños Member consists of siliclastics, halitic mudstones and muddy halite, and sulfate minerals, principally anhydrite.

The Culebra Member consists of pinkish gray dolomite.

The Tamarisk Member is composed of three sub-units: a lower basal anhydrite, a middle halitic mudstone, and an upper anhydrite. Polyhalite occurs within the basal anhydrite. The thickness of the Tamarisk varies principally as a function of the thickness of the middle halite unit.

The Magenta Member is predominantly dolomite with minor amounts of gypsum.

The Forty-niner Member has a similar general stratigraphy to the Tamarisk. It is made up of a lower and an upper anhydrite with a middle siltstone.

The Dewey Lake Formation is composed of mudstone, siltstone, claystone, and interbedded sandstones consistent with terrestrial red beds. The formation is divided into upper and lower members. The lower Dewey Lake is characterized by gypsum-filled fractures, and the upper Dewey Lake is cemented by carbonate. It is unconformable over the Rustler.

The geology of the Ochoa Project is characterized by a simple structural setting within the Delaware Basin. The stratigraphic section of interest, the Rustler Formation, is present in its entirety throughout the project area. In general, the Ochoa Project overlies a gentle, northwestsoutheast oriented downwarped basin that originated in the late-Proterozoic and persisted through the end of the Permian. The early Paleozoic was dominated by shallow water deposition of limestones and clay contrasting with periods of emergence and subaerial erosion. By the Mississippian, the basin was bound to the east by the CBP that separates it from the Midland Basin, perhaps representing reactivation of Precambrian lateral faulting (West Platform Fault Zone). The basins are ringed by broad limestone shelves followed by clastic fill. Beginning in the mid-Permian, the slight lowering of the eustatic sea level and continued restriction within the basin resulted in the formation of back-reef evaporites. By the end of the Permian, with downwarping slowing against the CBP, the basin began filling with fine clastics, then with continental red beds.

The Laramide orogeny uplifted the western edge of the basin on the carbonate shelf. Downfaulting resulted in salt dissolution forming the Salt Basin Graben in the late-Cenozoic defined at the western edge of the basin as Nash Draw and in the east, the San Simon Sink and Swale at the margin of the reef. A Bouguer gravity study confirmed the positive anomaly at the CPB with corresponding steep gradient at the West Platform Fault Zone and negative anomalies at the deepest portions of the Delaware Basin.

Mineralization

Potash is a general term for a potassium-bearing, chemical sedimentary mineral deposit that is the result of low-temperature chemical processes governed by evaporative concentration of a fluid such as seawater or freshwater. Bedded potash deposits commonly occur in sedimentary basins that have restricted connection to more dilute fluid. Diagenetic processes play an important role in evaporite mineral alteration and the production of specific potash ore minerals.

Potash mineralization occurs as assemblages of predominantly potassium chloride or predominantly potassium sulfate minerals. These assemblages may be interbedded or adjacent to one another, but rarely occur as a mixed assemblage in a single sedimentary bed. Individual potash mineral deposits can be correlated with geophysical logs and mapped over large areas.

Polyhalite is a hydrated sulfate of potassium (K), calcium (Ca), and magnesium (Mg) [$K_2SO_4 \cdot MgSO_4 \cdot 2CaSO_4 \cdot 2H_2O$]. Polyhalite may be white, light or medium gray, or salmon colored to orange to brown, or reddish. When pure it has 15.6% K_2O, 6.6% MgO, 18.6% CaO, 53.2% SO_3 with 6.0% H_2O. It is usually finely to medium crystalline, massive, and compact. The hardness is only 2.5 to 3 Moh's scale with a specific gravity of 2.8, but has a conchoidal fracture due to its compact, massive structure that gives an apparent hardness that is much greater. The polyhalite beds in the project area have exhibited finely crystalline laminae and "pinch and swell" structure.

Polyhalite is weakly soluble in cold and hot water and more so with a weak solution of hydrogen chloride (HCl). The weakly soluble nature of it has been the subject of study for a slow release fertilizer. Potassium sulfate is the preferred fertilizer for citrus, tobacco, sugar beet, and potatoes and for use in soils that would be intolerant to the additional salts found in muriate of potash ("**MOP**").

Polyhalite mineralization within the Ochoa Project area occurs within the lower half of the Tamarisk Member of the Rustler Formation. The polyhalite is interpreted to have formed in a paleolagoon of Ochoan age or alternatively a result of early or late diagenesis. The evaporites of the Rustler Formation were deposited in a shallow marine basin. Alteration is of gypsum to anhydrite (at burial) to polyhalite. The latter theory is supported by identification of gypsum pseudomorphs, and brecciation identified in the anhydrites. Gypsum pseudomorphs are composed of anhydrite.

Within the project area, the principal polyhalite resource occurs as a synform approximately 20 miles in length (northwest-southeast) having a width of approximately 9 miles. The polyhalite is typically light gray, massive, and is defined by a basal zone of about 1ft thickness with parallel to sub-parallel dark gray laminations (approximately 0.4 inches) with a sharp contact with the lower anhydrite unit. The middle zone of approximately 3 ft is defined by finer laminations at approximately 0.02-inch spacing. The upper approximate 1 ft is laminar and gradational to the upper anhydrite. The mineralized area is characterized by a bed thickness greater than 4 ft across the majority of the area, and a narrow peripheral zone that contains bed thickness from 0 to 4 ft thick. The upper anhydrite consists of parallel and crenulated laminations capped by a small clay parting and sharp contact with the upper halite.

Exploration

Drilling, gamma logging, geotechnical logging, and geochemical logging were utilized in exploration and investigation of the mineral deposit.

ICP successfully drilled, cored, logged, plugged and abandoned 32 vertical exploration holes throughout the permit area during a three-phase exploration drilling campaign. Data from an additional 855 petroleum wells were used to establish regional correlations. Phase 1 consisted of 6 holes, Phase 2, 7 holes and Phase 2B, 7 holes. Phase 3A began in August of 2012 and completed 12 holes, 11 of which were in the main resource area. Early phases of drilling recovered smaller diameter core (3 inches). The need for bulk samples for metallurgical testing drove the acquisition of 6-inch-diameter core for most of Phase 3A.

ICP applied for approval to explore for potassium minerals on federal exploration permits and was granted permission in December 2008. ICP applied for and received permission to explore for potassium minerals in May 2010. ICP does not have any private mineral leases.

To estimate a Measured and Indicated ("**M&I**") Resource, ICP has drilled to delineate the polyhalite mineralization within the Property boundary. Agapito Associates, Inc. ("**AAI**") accepts the drilling spacing of within 0.75 mile for Measured and 0.75 to 1.5 miles for Indicated Resources that was used in the December 30, 2011 Technical Report and was further updated in the March 7, 2014 Technical Report.

As part of the above, ICP drilled three exploration drill holes for mine geotechnical sampling and physical properties analysis along the projected path of the mine slope and ventilation shaft location.

No deep (ore bed elevation) seismic surveys were conducted by ICP on the Property. Surface seismic velocity surveys were conducted by Sage Earth Sciences, Inc. in the processing plant and tailings site areas for surface facility design purposes, and along the line of the mine slope.

ICP acquired 855 geophysical borehole logs from gas and oil wells within the Project area. Wireline log readings from these boreholes were used to interpret subsurface lithology.

Fifteen geophysical wireline log markers were defined within the target geologic framework. Six of these are formal lithostratigraphic units that are encountered throughout the study area. The remaining nine markers are associated with individual sedimentary beds within the formal lithostratigraphic units which exhibit unique geophysical responses. The effective use of marker correlation and mapping was limited to establishing structural framework, estimating lithostratigraphic volumes, and evaluating physical trends such as changes in elevation and thickness.

Some of the markers were not present throughout the entire reconnaissance area (e.g., Halite_U, APH_05, APH_06, Top Polyhalite, and Base Polyhalite), indicating a limit to the mineralization and presumed delineation of the paleoshoreline. Structural maps with contoured surfaces of the marker bed horizons were created based on the correlated wireline logs.

Previous studies by Keller, Hills, and Djeddit (1980) concluded the reconnaissance area is a depocenter within the Delaware Basin. The results of correlating and mapping the subsurface markers of the Rustler Formation support that hypothesis and suggest the following with regard to the structure of the basin:

- Elongate depression oriented northwest-southeast
- Closed in the northwest and open, but restricted in the southeast
- Bound on the east by a well-defined ridge (50 to 200 ft relief, 2 to 3 miles wide)
- Bound on the west and north by broad sloping ramp
- No disruptions identified (e.g., sharp elevation changes, sharp isopach variations, or sharp slope changes from marker to marker)
- No significant migration of basin depocenter axis or other framework features including highs, lows, and edges
- Variation in thickness between markers is very consistent, but clearly thin or truncate toward and at the edges of the sub-basin
- No clear evidence of significant faults

The geology of the project area is representative of a depositional basin that has experienced uplift and minor structural deformation. The interpretation of a structurally quiescent basin is supported by strong marker correlation, consistent thicknesses between markers, consistent slope of surfaces within the sub-basin, and the thinning trend and truncation of markers near areas where underlying markers begin to shallow in depth. The present shape and slope of the basin is probably enhanced by post-lithification events in the region, the most predominant being salt dissolution and subsidence in the Nash Draw to the west and the San Simon Swale to the east.

Drilling

Stewart Brothers Drilling Company of Milan, New Mexico, drilled all 32 exploration holes. Each drill hole was drilled in two sections. The upper portion of each hole, from ground surface to within 50 to 75 ft of the top of the polyhalite, was drilled using rotary drilling techniques. The lower portion of each hole was cored in order to obtain samples for grade and engineering analyses. In the Phase 3A drilling, one to four sidetracks were drilled in addition to the vertical hole to obtain additional samples for metallurgical testing. In those cases, drilling tools were pulled back up the hole, a whipstock was set, and additional 6-inch diameter core samples were drilled through the ore zone.

Rotary drilling was used to advance each hole through the Dewey Lake Formation and into the upper portion of the Rustler Formation. This portion of the drill hole was advanced using water-based gel chemical drilling fluid, and was cased to maintain borehole integrity and protect groundwater. Rock chips collected at 5-ft intervals were washed in water, logged for lithologic description, placed in chip trays, and were transported to and stored at ICP's core lab in Hobbs, New Mexico.

For coring in the target evaporite intervals, a sodium chloride (NaCl) salt-saturated drilling fluid was used to minimize dissolution and alteration of water-soluble minerals, predominantly halite and polyhalite. Use of salt-saturated drilling fluid was initiated prior to drilling to core point in order to provide sufficient time to establish stable chemical and rheological properties in the drilling fluid of both the active and reserve drilling fluid systems.

Phase 2 and 2B coring was 3-inch core; Phase 3A was generally 6-inch core. The geotechnical sections of holes were cored with a 3-inch barrel, the drill holes were then reamed out, and the target stratigraphy was cored with a 6-inch barrel in the vertical and sidetracks. At the core point, the rotary drilling assembly was removed from the hole and replaced with a 40-ft core barrel and bottom-hole assembly. A 40-ft core run was completed, and the core barrel and drill string were then tripped out and the core recovered. This process was repeated if a second or third core run was desired. The large-diameter core in Phase 3A was recovered in 10-ft core runs and also supplemented by sidetracked holes to core additional samples. In that case, the bit and string were pulled back up and a whipstock set to obtain as many as four sidetracked cores through the ore zone. ICP-092 and ICP-093, the location of the shaft and slope, respectively, were cored from near surface for geotechnical logging. ICP-097 was cored from near surface to below the expected slope horizon at that location (approximately 131 ft below ground surface ("**bgs**")), and then at the polyhalite bed zone.

The completed drill holes were logged with wireline geophysical tools. Logs collected during Phase 1 work include total gamma, caliper, and standard electric logs. No density or neutron logs were acquired during Phase 1 exploration. A variety of tools were used in Phase 1 drilling and presentation of the data recorded was not standardized. Phase 2, 2B and 3A holes were logged using a consistent suite of tools. Logs collected include spectral gamma, laterolog and induction electrical, formation density, sonic, and neutron density logs.

Core recovery in the polyhalite and anhydrite zones was excellent in terms of length and minimal alteration of the rock by the salt-based drilling fluid. In early Phase 1 drilling, halite zones above and below the polyhalite reacted with the drilling fluid and partially dissolved. In most cases, the core was under gauge by less than 0.04 to 0.08 inches. Severe reduction in gauge (e.g., 0.4-inch radial reduction) occurred when the drilling fluid was not properly conditioned or maintained near salt saturation or when there was a prolonged coring time caused by a slow penetration rate through the anhydrite and polyhalite horizons.

Other than dissolution, the surface of the core showed little to no evidence of chemical reaction, such as pitting or efflorescence, between the drilling fluid and minerals. The core was not washed or scrubbed to remove drilling fluid.

After drilling and logging operations were complete, all holes were plugged with cement from total depth ("**TD**") to ground surface. Drill-hole summary reports were compiled for drilling completed during Phases 1, 2, 2B, and 3A. These reports contain core descriptions, photographic records, and assay data.

Sampling Method and Approach and Security of Samples

Sodium chloride-saturated drilling fluids were used during coring in order to minimize drilling-induced alteration of the recovered core. The rate of penetration, revolutions per minute, weight on bit, pump pressure, and strokes per minute were monitored by the driller and documented by the Pason system. Following each core run, the drill string and core barrel were brought to the surface, and the core was removed from the vertically suspended core barrel. ICP has prepared Resource Assessment Team Protocols for core handling, sample preparation and processing.

The core was laid out on a core logging table and the broken sections were fitted together to reconstruct the continuous core recovered. If core loss was suspected, a spacer was placed in the layout until the core could be matched to the geophysical logs. Core length was measured and percent recovery calculated based on the actual length of core cut, and lost core and broken core intervals were documented. The core was cleaned with dry rags and marked to show vertical orientation and drilled depth in 1-ft increments. The marked core was video recorded and digitally photographed, then boxed with desiccant packs and foam spacers to impede shifting during transport. Broken and fragmented core was bagged and labeled prior to boxing. The top and bottom of each core box were labeled with the drill-hole name, core run number, box number, and depth interval of core contained in the box. The boxes were sealed with security tape and a chain of custody form was completed documenting the date of transport from the field. All core was transported from the field to ICP's core lab in Hobbs by ICP personnel using company vehicles.

Upon arrival at the core lab, the chain of custody form was checked against the shipment to verify all materials were present and in secure condition. Ore zone thicknesses were corrected to match the spectral gamma ray geophysical log; however, the geophysical log depth was corrected to the drillers reported depth. The standard industry procedure regarding depth correction between geophysical logs and core (which typically rely on Pason or driller provided depths) is to adjust the generally less accurate field log depths to match the depths indicated on the geophysical logs. ICP took an alternate approach, relying on the driller provided rod count depth to adjust the depth of the geophysical logs and to establish the depth of the ore zone for geologic modeling and mine planning.

Corrected depths were marked on the core in red permanent marker. As part of improved sample handling protocols which were implemented during Phase 2B of the project, the full length of each core run was photographed with a Canon EOS Rebel T1i camera mounted on a stationary tripod. The core was passed by the camera on a rolling table, and each photograph contained an engineer's scale, color scale, and a gray scale. The individual photographs were archived and stitched together using computer software to create a single photograph of the full length of core.

After the full length of core was photographed, it was sawn in half (dry), and one half was then cut into two quarters. One quarter was canted (the outer curved portion of the quarter core was cut off) to limit the possibility of sending core altered by the drilling fluid to the lab for analysis. The canted quarters were used as the analytical samples and were cut into 3-inch to 6-inch interval lengths. These samples were assigned a blind number from a sample book which associated the drill-hole identifier, depth interval, and sample description to the blind number. The samples were individually vacuum sealed in 6-inch by 10-inch, 3-mil poly bags, labeled with their respective blind numbers, and sent to the lab. Multiple core runs may be sent to the lab as a batch, but a single core run was never split between two batches. A chain of custody document listed the sample numbers, shipment date, and mode of transfer and was completed for each batch of samples sent to the lab. A signed copy of the chain of custody was returned to ICP upon delivery to the lab. The designated primary lab was H&M of Allentown, New Jersey.

All retained core was individually vacuum sealed in less than 2-ft intervals in 6-mil poly tubing with a desiccant pack, a humidity indicator, and an index card marked with the drill-hole identifier and sample depth. All vacuum sealed cores were placed back in the appropriate box, with adjusted depths labeled on the outside and a maximum temperature indicator placed on the inside of the box. Core boxes were stacked five boxes high on shelves for long-term storage after the core was processed.

During exploration Phases 1 and 2, samples were shipped to two independent contract labs, The Mineral Lab of Golden, Colorado and H&M, for preparation and XRD and XRF analysis, and to one independent lab, ALS Chemex of Reno, Nevada, for inductively coupled plasma optical emission spectrometry ("**OES**") and supporting analysis. The results of the different methods of analyses were evaluated, and ICP determined that quantitative XRF and XRD analyses were the most useful in establishing polyhalite grade. The XRD and XRF methods provide the added benefit of quantitatively determining the mineralogy and distribution of the elements of interest without the need to dissolve the sample.

Beginning in Phase 2B exploration, ICP standardized the sampling process and began using only XRD and XRF analyses from H&M. Samples from Phases 1 and 2 were reanalyzed according to this process in order to standardize the analytical data. The entire amount of each sample was crushed with a jaw crusher to less than 0.24 inches and then ground in a Retsch RM100 motorized mortar and pestle to a fine powder (–325 mesh) that was suitable for XRD analyses.

The following processing methods were used by H&M in processing the core samples received from ICP:

A small amount of each fine powder was placed into a standard sample holder and put into a Panalytical X'pert MPD Pro X-ray diffractometer using copper radiation at 40 kV/40 megaampere. Scans were run at angles (theta) of incidence from 10° to 80° with a step size of 0.0156° and a counting time of 200 seconds per step. Once the diffraction patterns had been collected, crystallographic databases from the International Center for Refraction Data and the Inorganic Crystal Structure Database were used to identify the minerals present. Finally, quantitative phase analysis was performed with a Rietveld Refinement analysis, which has a typical accuracy of about 1%. The x-ray diffractometer is calibrated using the National Institute of Standards and Technology traceable standard reference material (1976). Calibration is performed every quarter or when the instrument requires servicing. Recent certification provided by the lab indicates that instrumental error is almost 10 times better than the allowable error.

XRF samples were mixed with 20% Paraffin and pressed in a die at 30 t for 5 minutes to produce a standard 1.57-inch XRF specimen. Each pellet was then tested on a Bruker S4 Wavelength Dispersive X-ray Fluorescence Spectrometer for elements with wavelengths between sodium and uranium. This analysis uses a spectrometer, a sequential instrument to examine one element at a time using varying kilovolt settings, filters, collimators and monochromators optimized for detection of each element. Semi-quantitative analysis was then performed using the Fundamental Parameters method, a standardless technique which takes into account the fluorescence yield, absorption, and matrix effects to estimate the atomic chemical composition. This technique has an accuracy of about 5% for the major elements.

Full quantitative analyses were performed for sodium, chlorine, magnesium, sulfur, potassium, and calcium. The remaining trace elements were analyzed by semi-quantitative analysis. The results are a hybrid of fully quantitative analysis for the major elements with errors of approximately 1%, and semi-quantitative analysis for the trace elements with errors of approximately 10%.

The XRF unit runs calibration standards supplied by Breitlander Calibration Lab. These are used during setup of the instrument, service checks, and for drift correction. Drift correction was performed prior to conducting analysis, and negligible drift was incurred in all cases.

The sampling program used duplicate, blank, and standard samples inserted into the sample batches for testing alongside the samples from intervals of interest. This allowed for a check and correction of sample test results, as necessary. Duplicate samples were used to provide a measure of the repeatability of test results, including sample homogeneity and testing procedures.

Duplicate samples were assigned a different sample number than their counterpart sample. Blank samples did not contain the material of interest, potassium in this case, and provided a measure for cross-contamination between individual samples as they were prepared and tested. SRMs have a known composition, which allowed for a comparison between the lab test results and the known composition of the standard. The SRM provides a means of comparison to identify instances and degrees of under- or over-reporting of chemical constituents in the sample testing results.

ICP follows a written protocol for the preparation and submission of samples, which includes submitting at least two SRMs and one duplicate sample for every ten samples submitted. Duplicate samples consist of a portion of the cut core which faces the original sample. The core sample is sent "as cut," and crushing and grinding are completed by the analytical lab. SRMs are submitted as pulp samples, which are already crushed and ground.

An analytical batch consisted of 12 to 20 samples made up of core samples, one or two duplicates, one SRM, and one blank. During Phase 1 exploration, no duplicates were run. The SRM consisted of polyhalite, sylvite, langbeinite, or commercial fertilizer, and the blanks were quartz sand. During Phases 2 and 2B, the SRM was limited to langbeinite, polyhalite, or arcanite (reagent grade potassium sulfate), and reagent-grade anhydrite was used as the blank. During Phase 3A, SRMs #2a, #2b, and #2c were created from the Langbeinite-M sample. Only SRM #2b was inserted. Langbeinite-M SRM #2 was prepared by RDi Mining Consultants and Laboratory (Denver, Colorado) ("**RDi**") and was exhausted in April 2013. Prior to Phase 3A, ICP required the lab to perform an analytical repeat for one sample in every ten. That action is no longer required as ICP has determined that this method is insensitive to the error that the repeats are designed to detect, and the insertion rate is variable.

ICP in-house standards are used for repeat analysis over time of characterized material. Standards are used to monitor laboratory consistency and to identify sample discrepancies. They are submitted as a pulp and are either an SRM or certified reference material ("**CRM**") or a site-specific standard that may or may not be certified. A CRM has a performance range that is either specified by the certifying entity, or direction is provided on how to determine a performance range. Generally, the performance range is approximately ±2 standard deviations from the mean of the standard, and the standard is expected to perform within this range 95% of the time. AAI reviewed the standards employed by ICP to verify that the assays contained in the database were reliable.

Duplicates are used to monitor sample batches for the precision of the assay and sample homogeneity at each step of preparation. During Phase 3A exploration, ICP inserted core duplicates at a rate of one duplicate for every ten samples submitted. Previous exploration phases were subject to varying rates of duplicate submittal. XRD duplicate analysis shows good consistency between duplicate pairs. Industry standard for the preparation of a duplicate sample stipulates a split of the sample; ICP's procedure uses a separate sample of the quarter core.

Mineral Processing and Metallurgical Testing

Extracting potash from polyhalite dates back to the early 1930s. At that time, the USBM began an extensive research and development program to examine viable processing routes for the production of

SOP from the Texas-New Mexican polyhalite mineral deposits. The studies conducted by the USBM reported extractions of potassium and magnesium into the leach brine upwards of 90% when using the following procedure: grinding to –10 mesh, cold water washing to remove NaCl, calcination of the washed and ground ore at a temperature between 896°F and 968°F, and two-stage counter-current leaching with water containing sodium at 212°F.

In early 2011, Hazen Research Inc. ("**Hazen**") was contracted by ICP to research the processing characteristics of Ochoa polyhalite as part of the Pre-feasibility Study. The primary objectives of the research were to validate work and results observed by the USBM as well as to determine processing parameters for future utilization in the PFS. Hazen tested drill core samples of Ochoa polyhalite. Chemical and X-ray analysis proved the ore was made up of 86% polyhalite for an equivalent of 11% potassium. Other minerals contained in the ore were magnesite (4%), anhydrite (3%), halite (2%), and undetermined (5%). The Ochoa polyhalite is slightly higher in polyhalite grade compared to the 75% to 80% Texas-New Mexican polyhalite studied by the USBM. It is also lower in halite content when compared to the 11% to 13% halite observed by the USBM.

The comminution properties of polyhalite were also studied by Hazen. Because of the softness of the mineral, industrial rod-mill grinding of the ore was too aggressive, producing a large amount of fines in the process. As a result, Cage-Paktors were chosen as a less aggressive method of size reduction.

Hazen also studied the NaCl removal from polyhalite by cold water washing. Ground polyhalite (–10 mesh) was tumbled in a carboy for 5 minutes in equal parts with a cold solution containing $MgSO_4$, K_2SO_4, and NaCl. The sodium content in the polyhalite was reduced by 98%, with only a 3% loss of potassium and a 5% loss of magnesium. Moreover, the efficiency of washing had no correlation to particle size, nor did washing affect particle size. Cold water washing therefore proved to be an effective method for removing halite from polyhalite.

Special attention was given to the polyhalite calcination behavior. Differential thermal analysis ("**DTA**") and thermogravimetric analysis ("**TGA"**) of ground polyhalite showed that crystalline water is liberated at the same temperatures indicated in the USBM work. X-ray analysis suggested that at temperatures above 896°F, polyhalite breaks down further to form anhydrite and a solid solution of potassium magnesium calcium sulfate. The reaction observed is in agreement with observations by the USBM, and is considered the reaction defining polyhalite calcination.

Polyhalite was calcined by Hazen in a 4-inch-diameter by 14-inch-long kiln in order to determine the optimum calcining temperature. Calcining in the range of 896°F to 968°F was sufficient for reactions to go to completion. Hazen found that the results were in agreement with USBM observations.

Leaching calcined polyhalite was also extensively studied by Hazen. Potassium sulfate, magnesium sulfate, and calcium sulfate are initially dissolved. Higher liquid-to-solid (L/S) ratios improved dissolution and resulted in better potassium and magnesium extractions at the cost of producing less concentrated brine. The USBM determined that when calcined polyhalite is dissolved in near atmospheric boiling water, there is the potential to precipitate polyhalite and syngenite from the solution, which can have a negative effect on recovery as both minerals contain potassium. Hazen observed the same effects. The USBM suggested, and Hazen subsequently tested, a two stage counter-current leaching circuit to re-dissolve syngenite and polyhalite before they leave the syngenite and polyhalite leaching process in the tailings. The results demonstrated that the second stage was effective in reducing the amount of re-formed polyhalite found in the tailings.

Test work was conducted by ICP in 2013 during the Feasibility Study phase of the Project to further define the details of the process design. Because of the limited supply of Ochoa ore, a commercially available polyhalite, referred to as "gray ore," was secured by ICP to use as needed in the test program.

Detailed chemical analysis and metallurgical test work conducted by ICP determined the gray ore to be essentially identical to Ochoa ore.

The following test work was conducted by ICP during the FS:

- Polyhalite ore crushing tests were performed to confirm the equipment required to produce the particle size distribution (psd) of optimum calcinations.
- Wash tests of polyhalite ore was performed to confirm equipment required for removal of NaCl prior to calcinations.
- Calcination tests we conducted to confirm optimum temperature range and residence time for conversion of the ore for optimal leach recoveries. The use of a fluid bed calciner was also confirmed.
- Leaching tests were conducted to provide information on retention times and final leach brine strength attainable.
- Crystallization tests were completed to validate the K_2SO_4-$MgSO_4$ phase diagram.

Following the laboratory bench-scale program, ICP asked Hazen to complete a pilot plant demonstration for SOP production from calcined Ochoa polyhalite. Because of the limited supply of Ochoa ore, gray ore was used for grinding and fluid bed calcination studies prior to the demonstration. The leaching and SOP crystallization test circuits were commissioned using calcined gray ore, followed by operations with calcined Ochoa ore.

For the pilot plant demonstration, ICP supplied Hazen with approximately 2 tons of gray ore and 100 lbs of Ochoa ore. The ores were ground to –10 mesh. The ground materials were washed, dried, screened, and blended at Hazen prior to calcining. Both ore types were calcined in an indirectly heated 4-inch fluid bed.

The pilot plant leaching circuit consisted of a two-stage counter-current setup with three leach tanks per stage. Leach slurry advanced from tank to tank by gravity overflow in a cascading staircase setup. Because only one centrifuge was available for solid-liquid separation ("**SLS**"), the circuit was operated on a semi-continuous basis. The target leaching temperature was approximately atmospheric boiling. A slurry of water and first-stage leached solids was prepared and fed to the second stage. Second-stage leach brine and dry calcined polyhalite were fed to the first stage under a controlled L/S ratio.

Each stage was operated successively using product from the previous stage. The first stage was fed with gray ore for the first five cycles, and then fed with Ochoa ore for four cycles. The first-stage brines derived from the gray and Ochoa ores were stored separately for the leonite dissolver and SOP crystallization operations.

The pilot plant demonstrated the leaching of calcined gray ore and Ochoa polyhalite in a two-stage counter-current leach circuit. All first-stage feed rates were very close to their intended targets. The brines generated from the leach circuit were treated in a manner consistent with the process flow sheet to produce SOP crystals.

Together with Veolia Water Solutions and Technologies ("**Veolia**"), Hazen, Gundlach Equipment Corporation ("**Gundlach**") and Metso Minerals Industries Inc. ("**Metso**"), ICP conducted a large-scale pilot plant study. ICP supplied Hazen with approximately 22 t of gray ore and 4,000 lbs of Ochoa ore for the large-scale pilot plant activities.

Both gray ore and Ochoa ore (from cores) were crushed to –10 mesh and then washed with water to remove NaCl. Both ores were dried and packaged to be sent for further processing.

The gray ore and the Ochoa ore were calcined over several campaigns in a fluid bed rented from Metso.

Hazen fabricated the leaching skids for the pilot plant. Two identical skids were manufactured with one representing the first-stage leach and the other representing the second-stage leach.

The crystallization tests were carried out in three phases. The first phase included the following steps:

- Polyhalite seed preparation
- Ore leaching
- Leonite dissolution (or simulation)
- Evaporative concentration of the brine after leonite dissolution
- Recovery of the polyhalite slurry

The second-phase testing involved SOP crystallization and subsequent centrifugation and SOP drying. The third phase included the leonite crystallization from the SOP mother liquor and subsequent centrifugation and leonite drying.

Granulation experiments were conducted by FEECO International to obtain data on the granulation parameters associated with SOP. This included the type and morphology of granules generated, as well as potential binders. Four series of tests were conducted using different sized raw material. The material used for the test work was purchased raw soluble grade SOP. ICP will conduct future granulation test work, using different quantities and types of binders for SOP granulation to determine parameters for selecting the type of binder for plant operation and the optimal amount necessary to obtain market-grade granulated SOP.

ICP commissioned Harrison Western Construction Corp. ("HWCC") to perform bench-scale testing on the Capitan Reef water studies to demonstrate the treatment of a water sample received from the Capitan. HWCC performed High Recovery Membrane and Interstage Precipitation Reactor bench testing on a sample of Capitan Reef well water. Two stages of HRMs were utilized with IPR treatment performed between the HRM stages.

Appropriate mineral processing test work has been conducted by ICP and its consultants in order to define the equipment required for the unit operations of:

- Polyhalite ore crushing
- Removal of NaCl from polyhalite ore
- Calcination of polyhalite ore
- Leaching of calcined polyhalite ore for recovery of K_2SO_4 into a leach brine
- Crystallization of SOP from a leach brine.

Mineral Resource and Mineral Reserve Estimates

The mineral resource for the Property comprises polyhalite mineralization within the Ochoa polyhalite bed, which is contained in the Tamarisk Member of the Rustler Formation. The Ochoa polyhalite bed occurs over most of the Property, with the exception of various detached leases to the east. The mineralization occurs as a generally undisturbed, flat-lying bed ranging between 4 and 6 ft thick inside the margins of the depositional basin. The bed dips gently to the southeast within the boundaries of the Property, flattening from a dip of up to 2° in the north to less than 0.5° in the south. Local steepening can occur at the basin margins.

The Mineral Reserve represents that portion of the Mineral Resource projected to be recoverable by the room-and-pillar mine plan developed in this study. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The Ochoa bed is estimated to contain a 1,017.8-Mt Measured plus Indicated Resource at an average grade of 83.9 wt-% polyhalite based on core drilling and core chemical analyses from 32 exploration holes drilled by ICP from December 2009 through April 2013. Another 855 petroleum wells in the area provided supplemental definition of bed thickness and continuity from wireline geophysical logs.

To the southwest and northeast, the Mineral Resource is limited by the margin of the depositional basin, which generally coincides with the Property boundaries. The Ochoa bed persists beyond the Property to the northwest and southeast along the axis of the basin. The Mineral Resource is limited by the Property boundaries in those directions.

Sample assays for the 32 exploration holes were compiled by ICP in a computer-based spreadsheet and provided to AAI for resource modeling. Core recovery was sufficiently high in all holes to support accurate assay compositing. Values within the assay database were spot-checked against Certificates of Analysis and found to be of sufficient accuracy for resource modeling. Drill-hole collar coordinates were surveyed by a Licensed Professional Surveyor and provided in State Plane North American Datum of 1983 coordinates.

Downhole directional surveys of the drill holes were conducted. The borehole deviations were insignificant; therefore, all holes were treated as true vertical holes. The cored thickness was treated as the true bed thickness in all holes. Any difference between cored and true thickness is estimated to be negligible considering the near-flat dip of the bed and vertical drilling character of the overburden.

Seam correlations were made using Carlson Mining 2013 Software™ (Carlson 2013), an industry-recognized commercial-grade geologic and mine modeling software system that runs within AutoDesk Inc.'s AutoCAD 2013©. Strong continuity of the Ochoa bed was evident in all reporting holes across the Property. Ochoa bed tops and bottoms were picked from the sample assays and, in some holes, corroborated against natural gamma logs.

The core was ordinarily sampled and assayed on 0.30-ft to 0.60-ft lengths. ICP geologists attempted to split samples at lithologic contacts at the top and bottom of the polyhalite bed to increase assay resolution wherever possible.

Quality parameters were composited as length-weighted averages of the individual sample assays over the polyhalite thickness. The polyhalite bed top and bottom contacts were generally sharp and readily distinguishable by an abrupt drop in polyhalite grade. Where gradational, contacts were defined by a 50.0% polyhalite cutoff applied to the individual samples. In rare instances, a sub-50.0% polyhalite interval was included in the bed composite where the bed was split by the lower-grade interval and the presence of the split did not significantly diminish the composite grade of the bed.

The drill-hole composites were applied to a gridded-seam model using Carlson Mining's Geology Module 2013 for calculating the resource tonnage and grade parameters. The bed was gridded into a single layer of 500-ft-square blocks of variable vertical thickness representing the local thickness of the zone. Block thickness and grade values were estimated from neighboring drill holes (point data) using ordinary kriging models. Kriging was selected in all cases because it provided the most reliable, statistically unbiased estimator where sufficient spatial data were available.

Semivariograms of zone thickness and quality parameters, including polyhalite grade, were generated from the drill-hole composite data. An anisotropic semivariogram model was developed for bed thickness because directionality was evident in the data. Spatial continuity is dominant along the NW-SE strike of the basin. Comparison of the thickness semivariograms reveals a minor-axis:major-axis "range" anisotropy ratio of approximately 0.46 between the NW-SE and NE-SW directions.

Omni-directional semivariogram models were developed for the principal quality parameters—polyhalite, anhydrite ($CaSO_4$), halite (NaCl), and magnesite ($MgCO_3$)—based on up to 31 ICP boreholes reporting assays.

Grids were created for top and bottom elevations of the polyhalite bed based on drillhole intercept elevations, including all potash boreholes and petroleum wells. Standard triangulation was used for grid estimation. A bed overburden (depth) grid was created by subtracting the respective ground surface and top-of-bed elevation grids.

Polyhalite tonnages are based on an average bulk density of 173.5 pounds per cubic foot (lbs/ft^3) derived from core hole density tests and rock mechanics tests conducted in 2009 and 2011. AAI rock mechanics testing completed in 2012 and 2013 confirms a similar range of polyhalite bulk densities which supports the previous average bulk density. Rock mechanics testing indicates that the natural moisture content of the polyhalite is negligible (i.e., typically < 1%).

In addition to the main polyhalite bed, quality grids (polyhalite, anhydrite, halite, and magnesite) were calculated using an inverse distance squared algorithm for 0.5-ft layers extending to a depth of 2.0 ft beyond the polyhalite bed into the roof and floor. The grids were based on composited assays for the 0.5-ft layers. The roof and floor grids were applied to estimating out-of-seam dilution ("**OSD**") as part of the Mineral Reserves analysis.

The following table summarizes the resource classification criteria applied to the Mineral Resource defined in terms of equivalent radial distance around a drill hole.

Resource Classification	**Composite Grade Cutoff**	**Bed Thickness Cutoff**	**Distance from Drill Hole**
Measured	65.0% Polyhalite	4.0 ft	Located within 0.75-mile radius from an exploration hole
Indicated	65.0% Polyhalite	4.0 ft	Located between 0.75-mile and 1.5-mile radius from an exploration hole
Inferred	65.0% Polyhalite	4.0 ft	Located between 1.5-mile and 3.0-mile radius from an exploration hole

Resource cutoffs of a 4.0-ft bed thickness and 65.0% polyhalite grade are considered reasonably conservative lower limits for potentially economic conventional underground mining in the Ochoa bed. A 65.0% polyhalite cutoff is equivalent to 10.0% K2O, which is an economically reasonable cutoff commonly applied to potassium projects. These resource cutoffs do not preclude the possibility that thinner and/or lower grade polyhalite could be mined locally and remain economic as part of a larger mining operation.

The following table summarizes the Ochoa bed polyhalite Mineral Resource for the Property. The resource is reported on a dry tonnage basis. Mineral Reserves are included in the Mineral Resource totals. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Ochoa Project Mineral Resources, (effective date May 31, 2013)

	Average Thickness (ft)	Resource Area (acres)	In-Place Tons[1,2,3] (millions)	Polyhalite (wt %)	Equivalent K_2SO_4 (wt %)	Anhydrite (wt %)	Halite (wt %)	Magnesite (wt %)
MEASURED[4]	5.2	26,166	511.7	84.5	24.4	4.02	3.27	7.94
INDICATED[5]	5.0	26,698	506.0	83.3	24.1	4.00	3.30	8.61
TOTAL M&I	**5.1**	**52,865**	**1,017.8**	**83.9**	**24.2**	**4.01**	**3.28**	**8.27**
INFERRED[6]	4.8	15,634	284.0	82.6	23.9	4.11	3.37	8.82

[1] Average in-situ bulk density of 173.5 pounds per cubic foot (pcf).

[2] Bed thickness cutoff 4.0 ft, composite grade cutoff 65.0% polyhalite, excludes out-of-seam dilution.

[3] Mineral Resource includes Mineral Reserves.

[4] Measured Resource located within 0.75-mile radius from an exploration core hole.

[5] Indicated Resource located between 0.75-mile and 1.5-mile radius from an exploration core hole.

[6] Inferred Resource located between 1.5-mile and 3.0-mile radius from an exploration core hole.

Note: Gypsum weight percent negligible for all resource classifications.

No reduction has been applied to the resource for possible undiscovered localized geological features, including faults, scours, channels, and other structural disturbances which may or may not affect economic mining. The presence of such structures at the prospective mining horizon and the extent to which these features could impact mining are risk factors. The relatively flat structure indicated by the high density of petroleum wells across the Property suggests that such risk is generally low.

The mining method selected for the FS is the underground room-and-pillar method, similar to the methods commonly used in potash, coal, and trona underground mines. No pillar extraction or retreat mining is proposed. All mining is in the polyhalite ore bed. This mining method is well proven.

Mine projections were developed in AutoCAD 2013™ (Autodesk, Inc. 2013) based on the Ochoa resource grids. The resource grids describe true bed thickness, elevation, depth of cover, dip, and the following quality parameters: polyhalite, anhydrite, halite, magnesite, and K_2SO_4 (equivalent). Projections also accounted for oil, gas, and disposal wells located within the mine boundary. For the Feasibility Study, mining recovery was limited to 60% extraction ratio in the panels; however, geotechnical modeling suggests higher extraction ratios are possible.

The mine layout was developed for the majority of the Property; however, the mine projections for the Reserve determination were limited to the 50-year Feasibility Study timeline and to Measured and Indicated Resources in accordance with the definition of Mineral Reserves per Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Resources and Mineral Reserves ("**CIMDS**"). Mining was constrained by property boundaries, ore bed thickness, polyhalite ore grade contour of 66%, and 200-ft-radius barrier pillars around drilled gas, oil, and disposal wells. Permitted but undrilled well sites were ignored, as the timing and duration of any such well development is undeterminable and will be handled on a case-by-case basis during ongoing operations, similar to US coal mine practice.

Significant Measured and Indicated Resources with reasonable expectations of economic extraction exist on the Property beyond the 50-Year Mine Plan boundary. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Mine timing (unit scheduling) was developed based on bed volumetrics, production rates for each mining section (unit), location (mains, panel development, panel room retreat), and work schedules. Each continuous miner section was scheduled by year for 50 years of the Feasibility Study mine plan.

OSD was calculated in the geologic model based on ore bed thickness using a minimum mining height of 62 inches (equipment constraint). Dilution was calculated on a grid cell by grid cell basis, and the characteristics of the mine roof and floor were taken into consideration. Roof dilution was taken at 2 inches, and floor dilution was taken at 4 inches, for a total OSD of 6 inches, or 9.7% of the minimum mining height. The 6 inches of OSD is an addition to the minimum equipment mining height, or polyhalite thickness when it is greater than the minimum mining height. Because the floor is weaker than the roof, and on average also has higher polyhalite grade, when additional height must be cut to accommodate the mining equipment, it is cut from the floor.

The following table states the Measured and Indicated tonnage converted to Proven and Probable Reserve tonnage based on the 50-Year Mine Plan. No Inferred tons were included in the Reserve estimate.

Ochoa Project Mineral Reserves, (effective date January 9, 2014)

	Average Mined Thickness [1] (ft)	50 Year Mine Plan Mined Area (million ft ^{2})	ROM Mined Tons [2,3] (millions)	Mining Recovery [4] (%)	Polyhalite (wt %)	Equivalent K_2SO_4 (wt %)	Anhydrite (wt %)	Halite (wt %)	Magnesite (wt %)
PROVEN	5.9	246	125.0	47.1%	78.42	22.66	11.29	3.66	7.79
PROBABLE	5.9	113	57.4	64.8%	77.20	22.31	11.60	3.65	8.30
TOTAL P&P	**5.9**	**359**	**182.4**	**51.5%**	**78.05**	**22.55**	**11.39**	**3.66**	**8.08**

[1] Bed thickness cutoff 4.0 ft, composite grade cutoff 66.0% polyhalite, includes out-of-seam dilution.

[2] Average in-situ bulk density of 173.5 pcf.

[3] No inferred tons mined

[4] Aerial recovery (mined area) inside 50 Year Mine Plan boundary

Note: Gypsum weight percent negligible for all resource classifications.

Mineral Reserves are included in Mineral Resources

Mining Operations

Mining Method

The Feasibility Study is based on the underground room-and-pillar mining method based on an average of 60% extraction in the production panels. No secondary (pillaring) recovery is planned at this time. This mining method was selected because the polyhalite ore bed is a tabular, strata-bound deposit suitable for mining by heavy-duty type coal and potash mining equipment used for medium bed thicknesses.

ICP plans to construct and operate, for 50 years, an underground polyhalite mine designed to provide a nominal 3.7 Million Tons Per Year ("**Mtpy**") of Run of Mine ("**ROM**") polyhalite ore to a processing plant located nearby on the surface. The ROM ore grade will average 78.05% polyhalite over the 50-Year Mine Plan area. The deposit ranges from 1,300 ft to 1,635 ft below the surface in the 50-Year Mine Plan area.

All mining takes place in the ore bed, with additional height taken in main and submain entries (mains/submains) for ventilation and long-term convergence allowances. Long life mains and submains are protected with barrier pillars, as are abandoned and existing gas, oil, and disposal wells. Higher extraction ratios may be feasible contingent on results from additional geotechnical modeling.

The polyhalite ore bed will be accessed via a 25-ft-diameter, two-compartment mine ventilation and service shaft, and an 8.5° slope approximately 2 miles long. The 1,525-ft-deep shaft will have an intake air compartment equipped with an escape hoist system and electrical and communication cables. The second compartment will be used for return air and two 11-ft-diameter exhausting mine fans located on the surface will be connected to the shaft. The return air compartment will also house mine freshwater and mine drainage water pipelines. The slope will contain a 60-inch-wide belt conveyor for ore and waste (gob) haulage, a 12-ft-wide vehicle roadway for mining equipment, personnel travel, and supply transportation.

The shaft and slope bottom area will contain a mine equipment repair shop, warehouse, shift foremen, shop and warehouse supervisors' offices, parking areas for crew and supervisor vehicles, diesel fueling station, and an electrical switchgear room for the mine's high-voltage electrical distribution system's circuit breakers and disconnect switches.

The characteristics of the ore body and its location in an active gas and oil producing region create a number of mine design and operational concerns that may limit productivity and impose other constraints. The primary concerns addressed in the Feasibility Study are:

- Polyhalite ore is strong, brittle (microcrystalline structure), and non-viscoelastic (no creep).
- The strong microcrystalline structure and high unconfined compressive strengths increase cuttability difficulty, requiring high horsepower, heavy-duty continuous miners.
- The immediate anhydrite roof features a thin mudstone parting that exhibits little to no
- adhesion to the roof above the parting horizon. The parting ranges from about 3 inches
- to around 18 inches above the top of the polyhalite ore bed.
- The mine floor is weaker than the polyhalite, which may result in additional OSD with the heavy continuous miners.
- There are over 750 gas and oil wells penetrating the ore bed on the Property or near it in the region.
- The mine slope must penetrate, at a shallow angle, through approximately 1,300 ft of weak, fractured overburden.
- Ore grade control may be difficult at times as bed extents are hard to determine visually.

- Mains and submains and respective barrier pillars must be designed to minimize convergence over an extended time.
- Groundwater inflows during shaft and slope construction must be controlled.
- Methane has not been detected in or near the ore zone, but the mine must be designed as a gassy mine due to the presence of the gas and oil wells.
- Adequate ventilation is required for potential methane migration from corrupt well bores, diesel particulate matter (DPM), and respirable dust or K40 radon daughters, if present.

The mine is designed as a room-and-pillar mine, with all extraction done on a first mining basis. For the base case, no pillar retreat (secondary mining, pillar extraction, depillaring) is anticipated. Mine projections are divided into mains, submains, and production panels. Production panels are further subdivided into advance entries and crosscuts, and retreat rooms and room crosscuts. Mains (main entries) are developed five to seven entries wide, and production panels are developed five entries wide to accommodate the dual-split super section ("**DSSS**") arrangement of mining equipment and double-split ventilation concept of simultaneously operating two continuous mining sections side-by-side within a set of entries, using one belt conveyor.

The mine will feature heavy-duty drum-type continuous miners, shuttle cars and articulated haulers, feeder-breakers, and dual-boom roof bolters for the production equipment. At full production of 3.7-Mtpy ROM ore, seven continuous miners deployed in three DSSS and one single section will be required. Underground ore haulage will be with 42-inch belt conveyors in the production panels, and 60-inch-wide belt conveyors in the mains and slope.

Underground power will be provided by a 12,470-volt (V) distribution system, with appropriate step-down transformers located throughout the mine for mobile and stationary electrically powered equipment. Transportation of personnel and supplies will be by self-propelled diesel or battery powered equipment.

A comprehensive geotechnical mine design evaluation was conducted for estimating pillar sizes, entry widths, ground support practices, and anhydrite roof standup time. In addition, shaft lining design and surface subsidence were also evaluated.

Pillar design was conducted using 3D numerical and empirical modeling techniques. 60% extraction pillar Stability Factors ("**SF**"s) are predicted to be adequate regardless of the method used to estimate pillar strength. Based on analysis, it appears that

(1) a 400-ft end-panel barrier pillar width is adequate to protect the mains/submains,

(2) the mains/submains pillars (100-ft by 100-ft centers, 77 ft by 77 ft rib-to-rib) are adequately sized, and

(3) stresses transferred from one 60% extraction panel are unlikely to significantly impact the adjacent panel.

Roof stability and roof support design was addressed using empirical and analytical roof support estimation techniques. Given the thin anhydrite layer underlying the massive halite roof, with the intervening clay-filled joint, it is likely that roof bolts would primarily act to suspend the anhydrite or to ensure that a beam of adequate thickness is developed in the halite. A thicker anhydrite layer is likely to provide longer stand time than the thinner layer. In production panels, two options regarding the anhydrite layer were considered. One option is to selectively mine the anhydrite. This requires that the anhydrite stand in the roof temporarily. To accomplish this, a solid-to-pillar sequence of passes is recommended to reduce tensile and shear stress concentrations. Even though results suggest that cuts up to 20 ft are likely to be stable prior to removal of the anhydrite in the first pass, it is recommended that a cut length be no longer than 10 ft in the first pass to account for geological anomalies such as discontinuities, pinch-outs, etc. The second passes should be limited to 5 ft and 7.5 ft depths and finally 5-ft cut depth increments in the third pass prior to removal of the anhydrite. Another option is to bolt the anhydrite in production panels. Anhydrite is likely to stand long enough to allow three 15-ft cuts, three passes wide, to be taken before it is bolted. To provide for discontinuities, the cut depth would be 15 ft from the last row of roof bolts, or an average depth of cut of 13.5 ft from the face. The cost of the additional bolting would likely be offset by gains in productivity realized by eliminating anhydrite cutting and hauling time.

Model results showing vertical overburden displacement 10 years after mining predicted maximum surface subsidence of 0.8 inches. With time, the peak surface subsidence increases 1.0 inch (20 years), 1.1 inches (30 years), 1.15 inches (40 years), and 1.2 inches (50 years). This level of surface subsidence dispersed over this time span is unlikely to be visually perceptible or to cause structural damage to buildings or surface infrastructure.

The primary mains (North Mains) are mined to the north from the shaft and slope bottom area. East or West Mains are driven off the North Mains at various intervals to form mining districts. The East and West Mains are spaced about 2 miles apart and divide the mine into distinct mining districts. Production panels are driven off the East and West Mains in a northsouth direction. In some limited areas, production panels are driven east-west.

Once mining has been completed within a district and any reusable materials have been recovered, the district can be sealed off from the active portion of the mine, saving ventilation and examination costs.

Entry widths and pillar sizes were evaluated using the physical properties of the strata according to the results of laboratory tests and geotechnical analyses. The dimensions of mains, submains, panel entries, and crosscut centerlines were based primarily on geotechnical analysis with consideration for ventilation requirements, productivity, and equipment operating constraints.

Main entries and crosscuts are mined 23 ft wide, which is two cutting passes with an 11.5-ft-wide continuous miner cutter head. Main entries and crosscuts are mined on 100-ft by 100-ft centerlines. This width provides good productivity and minimizes convergence over time, reducing the frequency of grading entries to maintain ventilation air flow and equipment clearances. All main entries and crosscuts will be mined a minimum of 6 ft high. Mains barrier pillars are a nominal 400 ft wide (centerline distance) on each side of a set of entries. Where double mains are used, the center barrier between the entry sets is 200 ft wide (centerline distance). Long-life main entries will be developed using a selective mining approach to minimize the impacts of OSD and to provide stable, long-term roof conditions.

Five-entry production panel entries and crosscuts inby the panel neck are developed to a 32 ft width, which is comprised of three passes with an 11.5-ft-wide continuous miner cutter head. Entries and crosscuts are developed on 100-ft by 100-ft centers. To accommodate the heavy-duty continuous miners needed to cut the polyhalite ore, the minimum required mining height is 62 inches (5.2 ft). Where the ore bed height is less than 5.2 ft, the additional height needed for equipment clearances is mined from the floor.

In the production panels, the anhydrite roof will be bolted in place, on cycle. The continuous miner will place-change after each cut that is three passes wide and 13.5 ft deep. Where the ore bed height is lower than the minimum mining height, the extra height required for equipment clearances will be mined from the floor, as it typically has a higher residual ore grade than does the roof. Early installation of roof support will be essential to control peeling of the anhydrite below the mud seam parting.

Rooms and room crosscuts are also developed 32 ft wide, which requires three passes with an 11.5-ft-wide continuous miner cutter head. These entries are mined off both sides of the production panel entries as the equipment mines its way out of the panel. Room entries are driven at 60° angles to the production panel entries, approximately 300 ft deep off each side of the production panels as the equipment retreats out of the panel. Room entries are connected by room crosscuts. All room crosscuts that are used as haulageways are bolted on cycle.

Testing was done to develop the expected preliminary instantaneous cutting rate ("**ICR**") for a continuous miner operating in the tested material. For the Feasibility Study, ICR is expressed in tons of polyhalite per cutting hour ("**tph**"). The instantaneous cutting rate determined from the linear cutting tests is 422 tph of polyhalite at an *in situ* density of 173 pounds per cubic foot ("**pcf**"). This ICR does not take into account any machine availability or utilization and is not the mining rate. Those parameters are incorporated in the productivity analysis, and the mining rate is determined by developing an elemental sump cycle using the ICR as the basis. The CSM linear cutting tests showed preliminarily that cutting polyhalite with a drum-type continuous miner is feasible with bit spacing between 2.25 inches and 3 inches.

The estimated number of mining units required to produce 3.7 Mtpy is seven continuous miner units set up as three DSSS and one single section.

Polyhalite ore production is on a 7-day per week, 22 hours per day schedule, with one 8-hour overlap shift per day for utility and maintenance work. The 8-hour shift has crews that overlap from one day to the next so that all 7 days in the week have utility and maintenance coverage. With the production shifts using "hot seat change-out," a window of approximately 2.5 hours is created between one set of production shift crews and the other shift's production crews for the utility and maintenance crews to perform limited daily scheduled utility and maintenance activities.

Each DSSS or single section is scheduled to produce the ore equivalent of 279 days a year out of a scheduled 351 mine operating days a year, requiring each production section to be available for production 79% of its available time.

The Ochoa Project area is an active production area for gas and oil, and there are numerous active gas and oil wells within the mine plan area. ICP has endeavored to form working relationships with the area's gas and oil companies in hopes of changing the two industries' relationship to one of mutual cooperation. To that end, ICP has signed MOUs with several local gas and oil lease holders and conducts meetings with gas and oil producers on a continuing basis. ICP proposes to design and operate the Ochoa Mine under Part 57.22003 regulations for ventilation Category III mines, i.e., mines in which non-combustible ore is extracted and which liberate a concentration of methane, or is capable of forming explosive mixtures with air, or have the potential to do so based on the history of the mine or the geological area in which the mine is located. Based on the known geologic setting for the project area, the only plausible avenues for methane to enter the mine workings would be associated with gas or oil wells, fault planes, or geologic collapse features that are sufficiently deep enough for hydrocarbons to be forced upward through them to the ore bed and surrounding strata.

Adequate mine ventilation is a critical component to preventing the accumulation of potentially harmful quantities of methane within the mine atmosphere. Other regulatory (and prudent) lines of defense are standards for workplace examinations for regular monitoring of gas concentrations, the elimination of ignition sources ("permissible" or "intrinsically safe" electrical equipment requirements, no smoking underground, and controlled cutting and welding procedures), and methane monitoring systems. For the Feasibility Study, a 200-ft-radius well protection pillar is planned around each gas or oil well, and the mining extraction ratio was limited to 60%.

The mine will have a dedicated 30-MVA (upgradeable to 40-MVA with fans) electrical substation located at the main shaft site. The substation will receive incoming power at 115 kV via an overhead transmission line from the main facility substation and transform it down to 12.47 kV for underground distribution throughout the mine. The mine will have a mine-wide monitoring and control system used for control and monitoring of all belt conveyors, pump stations, compressor stations, major electrical installations, ventilation fans, and other crucial support systems. The system will also use appropriate intrinsically safe barriers and sensors to accommodate environmental monitoring for methane, carbon monoxide, hydrogen sulfide (H2S), air velocity, ventilation pressure, DPM, and other atmospheric conditions. All networked programmable logic controllers and downstream devices are interconnected by means of Ethernet communication over fiber-optic cable.

A two-way radio communication system that can be used on the surface and underground, along with a "tunnel" radio ultra-high frequency system with surface antennas and leaky feeder cable underground that can track miners underground will be installed. In addition, a battery-powered, MSHA-permissible phone and cable system will be installed as a separate and isolated backup communication system.

The main mine ventilation air will be provided by two 1,500-hp fans located on the surface adjacent to the return side of the main air shaft. A mine branch network diagram was developed from the life-of-mine projections. As required by gassy mine regulations, the ventilation has been modeled as separate fresh air splits to each mining section. The target quantity at the last permanent stopping at each section is 35,000 cubic feet per minute (35 kcfm). The belt entry is modeled as intake air. The belt drive power centers and battery charging stations are modeled with separate ventilation splits coursing air directly to the returns, of 3 kcfm and 5 kcfm, respectively. The underground shop and warehouse is on a 50-kcfm separate split of intake air with exhaust directly to the return airway.

Processing

The process involves several key unit operations to process conventionally extracted polyhalite ore from the mine to produce the SOP products. The main process circuits include crushing, washing, calcining, leaching, crystallization, drying, and granulation.

ROM ore will be conveyed from the mine to the process plant via a series of belt conveyors.

The first step in the comminution process consists of crushing and screening the ROM ore to obtain the particle sizing required by downstream operations. The ore coming from the mine will have a top size of 4 inches. The ore will be drawn from the ore surge bins and sent to a roll crusher to reduce the maximum particle size from 4 inches to less than 1 inch. The roll crusher discharge will be fed to a pulping tank, where recycled water will be added to produce a slurry. This slurry will pass to a wet sizing screen, where the undersize will move onto the next stage of processing. The over-size will be sent to a Cage-Paktor, which will further reduce the particle size. The crushed particles will be recirculated with the crushed particle slurry from the roll crusher.

The second step in the process consists of removing the NaCl from the ore. Test work confirms that the salt is liberated in crushing and that dissolution is rapid and completed in a salt leach tank. Salt dissolution begins in the wet portion of the crushing circuit. Additional dissolution occurs in a separate salt leach tank that provides additional residence time and ensures complete dissolution of the salt particles. From the salt leach tank, the washed solids will be separated from the high salt brine using hydrocyclones and vacuum belt filters. A portion of the cyclone overflow and wet end filtrate coming off the belt filters will be purged from the system and sent to a holding pond before being disposed of with deep well injection. After the initial dewatering stage on the vacuum belt filters, a stream of clean water will be used to wash the filter cake and displace the high-concentration wash brine.

The polyhalite ore must be heated to a temperature within the calcination range to result in leachable ore. The calcination reaction occurs in three distinct stages. The first stage involves evaporating the free moisture is evaporated from the polyhalite ore. The second stage occurs at or slightly above 320°F where the water of crystallization is severed from the polyhalite ore and vaporized. The final stage occurs slightly above 860°F, where molecular rearrangement takes place forming two solid solutions, one of which contains all the potassium and magnesium sulfate and is amenable to leaching in an aqueous solution. Fluid-bed thermal processing units have been selected as the preferred equipment for calcining the ore because they allow for excellent control of temperature and residence time, which are the main factors controlling the efficacy of the calcination reaction. After calcination, the ore is fed to a fluid-bed cooling unit.

The process uses a two-stage counter-current leach circuit that is designed to produce the highest potassium sulfate concentration brine compatible with high recovery of the potassium contained in the calcinate. Each of the primary and secondary stages of the leach circuit consists of four agitated vessels connected in series. Because the leaching reaction is endothermic, steam is utilized to maintain the temperature in the vessels at or near atmospheric boiling. Calcined solids are fed to the first tank in the primary stage and mixed with brine produced from the second-stage circuit to produce the primary leach slurry. Slurry from the final vessel in the primary stage is fed to the SLS stage consisting of hydrocyclones and solid bowl centrifuges. From SLS, the brine proceeds to the next stage in the process, and the solids go to the second stage of leaching, where they are mixed with water to form the second-stage slurry.

The goal of the second-stage leach circuit is to recover essentially all of the potassium sulfate contained in the solids from the first-stage leach circuit and recycle it back to the first-stage leach circuit as brine. The solids produced in the first-stage leach are slurried with recycled condensate. All of the leachable material in the calcinate is either taken into solution in the primary brine or converted back to extremely fine re-crystallized polyhalite, a form that is essentially 100% soluble in low-potassium concentration brine. To ensure that all of the potassium in the feed to the leach circuit ends up in solution, the secondary leach brine concentration has to be maintained at a specific Potassium, Magnesium ratio. The brine from the secondary centrifuges is returned to the first tank in the primary leach stage and the separated solids are collected and transported by truck to tailings disposal.

During pilot testing, sub-10 micron particles appeared in the first-stage leach brine. These may be eliminated during subsequent processes downstream. To ensure clear brine, extra clarification equipment was added to the circuit.

The crystallization circuit is designed to optimize recovery of SOP from brine produced in the leach circuit. In the first part of the evaporation and crystallization process, leonite ($K_2SO_4 \bullet MgSO_4 \bullet 4H_2O$), which is precipitated in the last stage of the process is dissolved in the leach brine. Leonite has the same equimolar ratio of potassium sulfate and magnesium sulfate as the brine produced in the leach circuit. Dissolving this material in the leach brine does two things: (1) it increases the concentration of the brine, thus reducing the amount of evaporation required to reach the SOP crystallization point and (2) it increases the amount of potassium sulfate contained in the feed to the SOP crystallizers, thus increasing the production of the desired end product.

Polyhalite seed material is added to the leonite dissolution tanks to aid in the removal of calcium oversaturation in the produced leach brine. This calcium will precipitate as a result of increased concentration of potassium and magnesium. Seeding is used to prevent scaling in the downstream pre-concentration unit. Following initial seeding, a portion of the material precipitated is recycled from the next step in the process as seed. After the leonite is dissolved and polyhalite seed is added, the brine is fed to the pre-concentrator circuit.

The pre-concentration circuit further increases potassium and magnesium concentration in the brine by evaporation using a single Mechanical Vapor Recompression ("**MVR**") forced circulation vessel. Concentration of the brine by evaporation drives calcium solubility even lower, resulting in additional precipitation of polyhalite, which precipitates as growth on the seed material rather than forming as scale in the heat exchanger tubes. The precipitated polyhalite solids, plus any fine-particulate calcium sulfate contained in the leach brine, are removed in the clarifier following the preconcentrator.

The pre-concentrated brine is fed to a clarifier which produces almost clear overflow brine for feed to the SOP crystallizer. The underflow is processed in a solid bowl centrifuge to produce a high percent solids cake suitable for recycle to the calciners. The centrate from this unit is returned to the clarifier.

The SOP crystallization circuit uses two forced circulation MVR vessels that are configured in parallel to evaporate water from the clarified brine, resulting in the precipitation of SOP crystals. Potassium in the feed stream can be precipitated as SOP before the brine composition approaches the leonite phase region. The crystallized SOP solids are removed using small thickener vessels and pusher centrifuges. Pusher-type centrifuges are used as they permit washing of the crystals to remove residual high-magnesium mother liquor, thus producing a drier feed cake that will meet product purity requirements.

Mother liquor from the SOP crystallizer serves as the feed brine for the leonite crystallization circuit, consisting of two parallel triple-effect trains. A portion of the first effect vapors are fed to a thermo-compressor to increase the temperature and pressure and then fed to the first effect heat exchanger; the balance of first effect vapors are sent to the heat exchanger on the second effect. The second-stage evaporator is operated under a lower pressure (and therefore lower temperature) than the preceding unit, allowing the vapor produced in the first effect to be condensed in heating the second effect. The same process occurs between the second effect and the third effect. Evaporation of water and thus concentration of brine in all three effects results in the precipitation of leonite crystals, which are removed using settling vessels and centrifuges and sent back to the leonite dissolvers. Because the production of clean water at the proposed site is expensive, an air-cooled condenser rather than the more commonly used evaporative cooling tower has been incorporated into the design to condense the vapor produced from the evaporator system.

Mother liquor from the third leonite crystallizer is purged from the system. Further evaporation of water from this stream at temperatures reasonably achievable in commercial equipment would result in the precipitation of magnesium sulfate and the contamination of the system. This purge is sent to evaporative waste ponds. Recovery of magnesium sulfate would be possible in the future should that become economically attractive.

Following crystallization, SOP will be processed into three different products: soluble, standard, and granular SOP. The circuit is designed to allow flexibility in production for each of the three SOP products. Soluble grade SOP can be varied between zero and 100,000 tpy, granular product can fluctuate between 185,000 and 385,000 tpy, and standard grade product can fluctuate between 250,000 and 503,000 tpy.

The crystal cake from the centrifuges is first dried in a fluid bed dryer to remove any residual moisture and produce a completely dry product. Next, a series of multi-deck screens are used to separate the crystals with respect to the size specifications of the soluble and standard products. Oversize material is passed through a single-stage roll crusher and recycled to the top of the screens. Screen cuts meeting soluble and standard product size specifications are sent to the product day bins to be loaded into the trucks and transferred to the loadout facility, with the remaining material from the cut being sent to the granulation circuit to produce the granular product.

The process has been designed to meet the commercially available product specifications for all three SOP products. This includes the guaranteed minimum K2O content as well as the elemental allowances including magnesium, sulfur, chlorine, calcium, sodium, insolubles, and percent moisture.

Once the required volumes of soluble and standard product have been separated by screening and sent to day bins, the balance of the dryer discharge is sent to a granulation circuit which produces a product meeting grade and product sizing specifications. The granulation circuit is designed as two separate trains: one to be installed initially, with the second set of equipment installed at a later date when output requirements dictate.

To produce a granular product with a high strength level, it is necessary to have a distributed crystal size so that smaller crystals may fill the voids as the granule grows to ultimately produce a low-porosity (high-density) product. To ensure this need is met, approximately 30% of the granulation feed is separated for further size reduction through a vertical fine grinding mill. The material is re-combined with the balance of the split and cooled to reduce the temperature of the particles to optimize the granulation process. Granulation is performed using tilting pan granulators and pin mixers for conditioning the feed to the pans. A binding agent is added, as required, to achieve proper granule sizing and strength. Granulator discharge will be dried in a fluid bed dryer and screened. Material meeting specifications is sent to the day bins and while over- and under-size material is re-circulated to the granulation circuit.

The three SOP products will be conveyed to the site loading area, located east of the granulation and drying process area. Each product (standard, granular, and soluble SOP) will have its own dedicated storage bin with the capacities of 600, 600, and 150 t, respectively. The site loading bins will be elevated and positioned to allow the transfer trucks for each product to enter the loading area beneath the respective loading bin without impacting the traffic of the other product loading trucks. The products are trucked approximately 22 miles over public roadways to the product storage and loadout facility located northwest of the community of Jal, New Mexico. The loadout facility will be located adjacent to an existing TNMR rail line. The project will construct new railroads and switch assemblies to connect to the TNMR line, a short-line railroad that runs from Lovington, New Mexico, to Monahans, Texas, and passes through Jal.

Dust collected at the site loading area will be directed to the SOP area dust baghouse for collection and recycle.

Throughout the process, two reagents will be required: SOP binder and de-dusting agent.

The gypsum tailings are separated from the leach brine in the leaching circuit as the precipitated solids are formed. The solids are analyzed with a K-40 analyzer and scale to determine the amount of gypsum tailings and the corresponding potassium losses, and are then collected in a surge bin. Transfer trucks will be used to transfer the material 1.64 miles to the calcium sulfate storage pile in the Tailings Storage Facility (“**TSF**”).

The magnesium sulfate bleed stream from the evaporation/crystallization circuit will be delivered through a pipeline to the magnesium sulfate evaporation ponds. There will be four high-density polyethylene-lined magnesium sulfate evaporation ponds operated in series. Initially, the plant will be constructed with two of the four ponds, while the remaining two will be put in place when increased volume is required. The ponds will be designed to allow solids harvesting via mechanical means. Solar evaporation combined with the formation of Epsom salt will remove all water from the bleed stream so that there is no liquid discharge from the final pond. The salts formed will be collected and added to the tailings pile.

The NaCl wash circuit bleed, boiler blowdown, and the Reverse Osmosis (“**RO**”) bleed streams are collected in a tailings pumpbox and then delivered by pipeline to the brine holding pond. Any liquid collected from the calcium sulfate storage pile sump will also be forwarded to this pond. The pond will have a 52-day storage capacity. Because solar evaporation will remove only a small portion of the water, a deep injection well is required to dispose of the brine after the 52-day residence time.

Positive displacement injection pumps will be used to pump the excess brine from the evaporation ponds to an injection zone. Five injection wells are included in the design for disposing of 1,200 gallons per minute.

The water source for the plant operations is the Capitan Reef water well field located approximately 13 miles away. The plant will use both raw and treated water for different operations within the process. The raw water to the process will be used for leaching the salt contained in the ore. The salt-leached ore will then be sprayed with process water to remove any residual salt and raw water. The water system is designed to pump up to 3,000 gpm of raw Capitan Reef water from five water wells, with each well having a 600-gpm capacity.

Because the Capitan Reef water contains a high level of total dissolved solids and undesired impurities, it is necessary to produce clean process water to avoid contamination of the process streams. The water treatment plant ("**WTP**") will use filtration and RO to produce 1,225 gpm as the nominal requirement. The primary RO water user is the make-up to the leach process. As the leach brine is sent to crystallization, the majority of the water will be evaporated and then condensed and re-circulated to the leach circuit; however, there are several losses in the system that require a make-up of 900 gpm. The primary losses include crystallization purge and the gypsum tails removal. A portion of the condensate is also used for steam generation which increases the water make-up to the system.

Approximately 40 gpm of RO water is required for potable water consumption. Additionally, 160 gpm of RO water is fed to the mine for dust control and mining operations. Other ancillary point users include reagent mixing, vacuum pumps, and centrifuge cooling.

Xcel Energy will construct a new 345-kV or 230-kV service line to the process plant site with a stepdown to 115 kV. The running load for non-mining facilities is estimated at 59 megawatts (MW) (66.6 megavolt amperes demand at 0.9 power factor). The design has considered 20% spare power for future expansion. A provision to improve the power factor to 0.98 or better is included in the feasibility budget estimate.

Natural gas required for the process plant operations will be provided by one of several natural gas suppliers in the region. A new underground pipeline adjacent to SH 128 will be installed to service the Ochoa Project. A natural gas regulator station will be installed west of the process plant to provide natural gas for the process plant.

Market Studies and Contracts

CRU International published a "Potassium Sulphate and Potassium Nitrates Market Outlook" in 2012. This comprehensive study of the potassium sulfate market is drawn from CRU's database, which uses a wide variety of sources. SOP is used on chloride-sensitive premium crops around the world including tree nuts, citrus, grapes, and other fruits, tobacco, or high-starch potatoes.

Worldwide SOP capacity in 2011 was approximately 4.4 Mtpy of production. Worldwide demand was approximately 5.1 Mt in 2011, with the greatest demand from China. The rest of the world demand was approximately 2.9 Mtpy.

Farmers and growers generally do not buy SOP as a standalone product. Rather, SOP reaches these users as a component of a balanced fertilizer blend.

There are four major international markets that will be primary users of SOP including Latin America and the Caribbean, Asia outside of China, Africa, and Europe. Latin America and the Caribbean will be the most important international market for ICP. In 2012, this region, including Mexico, imported more than 220,462 t of SOP.

The principal market for SOP in North America is those areas where high-value and/or chloride-ion sensitive crops are grown. Demand in the top ten states (California, Ohio, Florida, Washington, Idaho, Kentucky, Wisconsin, Utah, Tennessee, and Oregon) accounted for about 83.5% of US consumption of SOP in 2010. Future SOP consumption in the US is anticipated to be strong, growing at a rate significantly greater than that of MOP. The future growth rate in SOP consumption in the US will be supported by increased consumer demand for more and higher quality fruits, nuts, and vegetables; growth in "fertigation" (the fertilizer application through irrigation systems); increasing concerns about fertilizer runoff in stormwater; and more stringent environmental regulations for water quality in lakes, rivers, and streams.

The market forecast for SOP depends on current and predicted new production, especially by primary producers. The near-tem worldwide forecast for SOP demand is shown in the table below.

Near-Term SOP Demand (‘000 tons)

Region	**2011**	**2015**	**2020**
Europe	1,127	1,187	1,159
North America	417	433	455
Central and South America	209	255	295
China	2141	2,314	2,921
Africa	221	248	261
Rest of the World	722	896	990
Total	**4,835**	**5,334**	**6,081**

Demand in China is expected to rise, but because it is a closed market, its price influence is mitigated. European and North American demand will stabilize in the short term. Europe’s demand is predicted to decrease, while that of the US will slowly increase. Demand in the rest of the world is expected to increase slowly.

The value of SOP is tied to MOP and SOP and is priced at a substantial premium (historically 30% to 50%) over the prevailing market price for MOP. SOP prices, based on projected grades, are freight on board (“**FOB**”) Jal, New Mexico (“FOB Jal”) and net of other sales-related expenses. A.J. Roth and Associates, a US fertilizer consulting company with international expertise in potash and phosphates, provided pricing estimates by grades and receiving locations. The relevant SOP grades are standard, granular, and soluble.

Upon full production of the estimated 714,400 tpy, the product mix is projected to be 229,400 t of standard SOP, 385,000 t of granular SOP, and 100,000 t of soluble SOP. The weighted average FOB Jal SOP price used in the financial model was $636/t. As reported in Green Markets, the average fourth quarter (Q4) 2013 granular SOP price was $680/t for California delivery. Granular SOP prices historically receive an average premium of approximately $50/t above standard SOP. During Q4 2013, ICP estimates the soluble SOP price was $740/t for Florida delivery.

Prices used for the economic analysis are forecast for SOP FOB the loading facility at Jal, New Mexico, and net of sales-related expenses. The netback sales prices are shown in the table below:

SOP Price Forecast per Ton (USD) Plant Gate at Jal

Year	**Standard Grade SOP**	**Granular Grade SOP**	**Soluble Grade SOP**
2017	540	586	631
2018	511	557	602
2019	522	568	613
2020	539	585	630

2021	569	614	660
2022	575	621	666
2023	581	627	672
2024	594	639	685
2025 and beyond	607	652	697

Operating Costs

All costs are in 2013 USD unless otherwise noted. Operating Expense ("**OPEX**") estimates do not include other taxes and royalties. Transportation costs are for the transport of the product to the loadout facility in Jal, New Mexico. Costs to transport product from the loadout facility to port or final market have been included as a reduction of revenue in determining net-back prices. Equipment OPEX estimates for the mine and processing plant include maintenance parts, lube, tires, wear parts, supplies, and diesel fuel where applicable. Electricity costs and labor were tracked separately from the equipment OPEX estimates. Maintenance and operating staff were included in the staff and personnel detail. The OPEX were determined based on the annual production rate of 714,400 t of SOP. Cost per ton of finished product is based on total mineral production.

The OPEX estimate is based on the standards for a feasibility level estimate defined by the Association for the Advancement of Cost Engineering International for a Class 3 estimate ("**Class 3 standards**"). ICP estimates the expected order of accuracy is in the range of ±15%.

Steady state has been defined as the operating years from 2022 through 2065. These years generally exclude major one-time OPEX and events that occur early in the Project and as the Project winds down. Years 2017 through 2021 include effects such as lower SOP production during ramp-up, equipment leasing expenses, initial receding face expenditures, and inventory variations. Year 2066 reflects only a partial year of production once ore reserves are exhausted. Major component rebuild costs are not included within the OPEX estimate because these items are capitalized.

The following table details the steady-state OPEX for the Project:

Steady-State Average Annual OPEX

OPEX	**2022–2065 Cost (millions)**	**Average Annual (millions)**	**Cost/ton of Ore**	**Cost/ton of Product**
Mining	$2,475.8	$56.27	$15.13	$78.76
Processing	$3,389.0	$77.02	$20.72	$107.82
General and Administrative	$267.4	$6.08	$1.64	$8.51
Total OPEX	**$6,132.3**	**$139.37**	**$37.49**	**$195.09**

The nominal quantities in the following table were used in determining the OPEX estimate of the Project. The quantities used are based on an average full production year.

Average Annual Operating Quantities

Description	Quantity
Polyhalite Ore (tpy)	3,700,000
Mine Electricity (kWh/year)	210,000,000
Processing Electricity (kWh/year)	494,220,000
Natural Gas (MMBTU/year)	7,801,600
SOP Production (tpy)	714,400

Mining OPEX was estimated by breaking down the costs into the following areas: mine labor, New Mexico wage credits, equipment leasing, operating supplies, mine maintenance, power and fuel, receding face, and inventory. Labor is estimated from the mine headcount details of hourly underground, hourly mine-related surface, salaried underground, and salary mine-related surface personnel required to match the production schedule. Hourly wage rates are based on skill level. Operating materials and supplies include consumables such as ground support, drill steels and bits, cutting bits, ventilation tubing and curtains, and water hoses. Underground Repair and Maintenance costs include replacement equipment tailing cables and cutter drums, hydraulic oils and lubes, and other materials necessary to maintain the underground equipment. Cutter drums are budgeted to be replaced once per year per continuous miner. Major equipment rebuilds are capitalized in the mine sustaining Capital Cost Estimate ("**CAPEX**"). Other costs are factored from room-and-pillar operations with similar equipment and methods. High horsepower production and ore haulage equipment in the underground mine is operated using electric power. Electric power is estimated using the engineering design of the distribution system and estimated demand. Diesel-powered equipment will be used for personnel and supply transport, and for service equipment. Fuel cost is estimated from the inventory of diesel equipment and factored from similar mines. Receding face cost is an OPEX category based on US Internal Revenue Service regulations that permit a mine to expense for income tax purposes certain capital equipment. Underground belt conveyors, high-voltage power cables, and water lines used to maintain existing design production as the working faces retreat from the mine opening, are included in this cost category. Most of the mine's underground production equipment, ore handling equipment, and outby equipment, and the slope belt conveyor and drives will be leased for the initial 5 years of operation. Lease payments include freight, contingency, and applicable taxes. Lease buybacks at the end of the lease terms are included in the CAPEX estimate at a cost of 25% of the equipment's original purchase price.

Processing and surface area costs were estimated by breaking down the costs into the following areas: Labor, electrical, natural gas and fuel, equipment leasing, reagents, maintenance, and other miscellaneous costs. Personnel requirements and wages were based on knowledge in operating and staffing potash mines and processing plants in the Carlsbad region. Wages were also benchmarked against data available through the Bureau of Labor and Statistics and other sources. The process plant and trucking operations to the loadout facility will operate 24 hours per day, 7 days per week, with either three 8-hour shifts (trucking) or two 12-hour shifts (plant). The loadout facility for outbound shipments will operate on a single 8-hour shift per day, 5 days per week; however, it will receive product 24 hours per day from the process plant. Electrical loads were developed for the surface facilities (process plant, loadout facility, the well field, and the RO water system). In a Letter of Intent dated June 18, 2013, Xcel Energy provided a basis for calculation as well as a current rate tariff. The Xcel Energy letter also established a commitment to provide 115-kV service to the Property. Current engineering design indicates that the surface facilities will demand approximately 70 MW of electrical load at peak operation. Natural gas quantities were derived from SNC-Lavalin, Inc. ("**SNCL**") and vendor calculations. Natural gas pricing was compiled using various sources, with the final derivation being developed by a regional energy broker in Midland, Texas. Mobile surface equipment will be leased for the first 5 years of operation. This equipment, in total, is valued at $8.3 million. Equipment has been calculated to be leased at an implicit rate of 8% with an additional 2% included in owner's costs for upfront fees. At the termination of the leases in Year 5, a charge equivalent to 25% of the initial value has been included in sustaining capital to purchase the equipment. All equipment purchases beyond the initial purchase have been accounted for in sustaining capital. Reagents used throughout the process fall into one of five categories: de-dusting (or anti-dusting agents), boiler water treatment chemicals, granulation binders (lignin), RO water treatment, and laboratory chemicals. Maintenance and repair ("**M&R**") costs were divided into one of four categories: non-crystallizer sections of the plant, crystallizer area, loadout facility, and water treatment system. M&R costs have been escalated from an initial 0.50% of applicable direct capital expenditures to a set maximum for each category based on expected major wear parts. Other processing OPEX include gypsum tailings and waste brine management, product transportation to Jal, reclamation, environmental monitoring, and communications. Solid tailings costs were developed using an approach that blended original equipment manufacturer ("**OEM**") data for haul trucks with industrial time study standards. Design haulage distances and various truck capacities, speed limits, and operating hours were compiled. It was determined that a minimum of three 46-t haul trucks will be required to haul the anhydrite (gypsum) tailings from the plant to the TSF. Finished product will be transported by semi-tractor and trailer to the loadout facility. ICP will operate its own trucking fleet to transport the material. Five trucks per shift will be needed to haul the product from the plant to the loadout facility. Transportation costs include all materials, supplies, mechanical parts, diesel, and manpower needed to operate the fleet. Reclamation costs were determined using the Standardized Reclamation Cost Estimator developed by the Nevada Department of Environmental Protection, BLM, and Nevada Mining Association. This cost came to a total of $15 million, which equates to an annual cost of $300,000 over the 50-year life of the Ochoa Project. Environmental monitoring consists of testing and analysis expenditures required for compliance with all environmental permits. This includes, but is not limited to, the monitoring of air quality, climate, rainfall, subsidence, and groundwater. Communications costs include ICP communication of safety, human resources, and other issues to employees.

General and administrative labor costs include non-production related management, accounting, environmental, purchasing, and security. Items such as courier services, association memberships, office supplies, travel expenses, IT materials and services, project insurance and local and state community support are included.

Capital Costs

The construction cost of the Project (CAPEX) is estimated to be $1,018 million expressed in September 15, 2013 USD, un-escalated. The CAPEX for the Project is shown in the following tables:

Total Estimated CAPEX by Major Area (in millions USD)

Work Breakdown Structure	**CAPEX Total**	**CAPEX % of Total**
Mine Infrastructure and Development	$107	10%
Process Plant	$527	52%
Jal Storage/Loading	$37	4%
Total Direct Costs	**$671**	**66%**
Engineering, Procurement, and Construction Management ("**EPCM**") Services	$99	10%
Construction Indirect	$21	2%
Freight, Spare, First Fill, etc.	$35	3%
Total Indirect Costs	**$155**	**15%**
Owner Costs	$80	8%
Total Project Contingency	$112	11%
Project Total	**$1,018**	**100%**

Mine Direct CAPEX Summary

Area	**Total (in millions USD)**
General Site – Mine	$13.1
Mine – Shaft and Slope	$90.8
Ancillary Buildings – Mine	$1.5
Off-Site Facilities – Mine	$1.3
Total Mine	$106.7

Process Plant and Loadout Facility Direct CAPEX

Area	**Total (in millions USD)**
General Site – Process Plant	$78.7
Tailings Facility	$38.3
Process Plant	$392.2
Product Loadout	$10.3
Ancillary Facilities – Process Plant	$7.4
Total Process Plant	**$526.9**
General Site – Jal Loadout	$8.7
Jal Storage/Loadout Facilities	$28.6
Ancillary Facilities – Jal Loadout	$0.2
Total Jal Loadout Facility	**$37.5**

Owner's Cost Summary

Description	Amount (in millions USD)
Taxes and Duties	$40.3
Owner's Team	$17.1
Owner's Consultants and Related Expenses	$7.5
Project Insurance	$7.2
Training and Other Staffing Costs	$0.9
Land Acquisitions and Payment	$0.7
Other	$6.5
Total	**$80.2**

The following costs are excluded from the estimated Project CAPEX:

- $114 million of mining and surface mobile equipment will be leased for the initial 5 years of operations and is included in the OPEX. A Sustaining Capital total equivalent to 25% of the initial equipment value has been included at the end of the lease period for lease buyouts.
- An un-escalated, deferred capital cost of $27.2 million for the second granulation train, which is required to increase granular product tonnage as market demand is established, is planned to come online and begin ramp-up in Month 19 (third quarter of 2018). This cost is included in the Sustaining Capital total and is reflected in the Economic Model.
- Risk evaluations or any allowances for risk, including business risk, schedule risk, event driven risk or commercial risk were excluded.

The CAPEX has an intended accuracy of ±15% and is consistent with the Class 3 standards.

Mine CAPEX was developed from the list of equipment and infrastructure necessary to produce the ore at the rates designed in the 50-Year Mine Plan. Cost estimates are based on a number of sources including formal quotations, budgetary quotations, engineering estimates, and allowances. Engineering estimates with respect to the mine are based on a design sufficient to provide the degree of accuracy required. Allowances are based on factored costs of similar equipment and systems recently quoted or constructed. The estimated mine capital investment is necessary to achieve and sustain the design capacity of an average 3.7-Mtpy mine operation. The initial direct capital investment for the mine is $107 million. The bulk of the mine CAPEX is made up of the engineer, procure, and construct (EPC) contracts for the shaft and the slope development.

For the process plant, infrastructure and loadout facility, whenever possible, requests for quotations were sent to at least three vendors and the following categories of cost information were used in the CAPEX estimate:

- Firm quotations (the crystallizer is the only package identified as a firm quotation)
- Budget quotations sought for packages over $500,000
- Email quotations sought for packages under $500,000
- Estimated prices based on SNCL's extensive records of historical costs
- Allowances for those items known to exist but material take-offs were not available, based on knowledge and experience
- Local contractors provided unit installation hours and rates for civil, concrete, steel erection, process piping, and architectural work.

Veolia was responsible for an island design concept for the evaporator and crystallizer portion of the process plant which included the price of the equipment only. Layne Heavy Civil Inc. ("**Layne**") provided an EPC-based quotation for the water supply and treatment system, including the RO WTP, from which the design was incorporated.

ICP plans to execute the Project with EPC contracts for the mine construction and water supply and treatments systems, Veolia for engineering and procurement of the crystallization circuit, and an EPCM contract for the balance of the Project.

SNCL's estimate of $99.0 million for EPCM services are based on the list of project deliverables, staffing requirements based on the project schedule, travel costs, construction field expenses, and on SNCL's knowledge and experience. The engineering and design fees for mining, and the water supply and treatment system were provided by the respective consultants and are included in the indirect cost estimate. Veolia carries its design fee in its estimate.

Owner's cost represents those costs incurred during construction that are outside the scope of the EPCM contract or other Project construction contracts.

Sufficient contingency has been added to achieve a 50% probability that the final costs for constructing the Project will not overrun the budget. A 14% contingency was calculated on all direct and indirect costs and the construction cost contingency amounts to $97.7 million. An additional mining contingency of $14.6 million has been added to the construction cost contingency for a total project contingency of $112.0 million.

Total sustaining CAPEX for the life of the Project has been estimated to be approximately $1.407 billion. Surface sustaining CAPEX consists of $423.7 million for maintenance of the plant, Jal loadout and the water treatment facilities. The second granulation plant is estimated at $27.2 million. Three additional magnesium sulfate ponds with a total cost of $9.3 million will be added in the first 3 years of operation. The TSF will be expanded in 20 phases, every second year, until reaching final capacity for a total of $115.2 million (all costs include contingency). The estimated sustaining CAPEX for underground equipment and facilities is $357.9 million, for mine surface facilities is $103.4 million, for major maintenance and rebuilds is $270.1 million, and for mine freight, engineering and design and contingency is $100.55 million.

Economic Analysis

The financial analysis was carried out using the following assumptions for the business case:

- All amounts, including cash flows during construction and operations, are expressed in September 15, 2013 USD, with no allowance for escalation or inflation.
- Project IRR is estimated using the discounted cash flow methodology.
- Total project life is approximately 53 years (50 years of operation after a 3-year construction period).
- Project IRR was calculated after consideration of estimated federal and New Mexico state income taxes, other taxes, and public and private royalties.
- The analysis was performed on the basis that the Project will be 100% equity financed.
- Working capital during construction is based on an average third-party payables period of 30 days.
- Working capital during operation is based on an average receivable collection period of 35 days and on an average third-party payables payment period of 30 days.

The market outlook for SOP prices is based on estimations from ICP. Prices used in the economical analysis are forecasts for SOP FOB the loading facility at Jal, New Mexico less sales related expenses, without inflation, and are expressed in USD per ton. Revenue was calculated on the basis of nominal production of the three products produced. Upon full production of 714,400 tpy, revenues have been calculated based on a product mix of 229,400-t standard SOP, 385,000-t granular SOP, and 100,000-t soluble grade SOP at Jal less other sales-related expenses.

OPEX was determined based on the annual production rate of 714,400 t of SOP. The average sustaining CAPEX per ton per year is approximately $40. The construction cost of the Project is estimated to be approximately $1,018 million USD, of which $671 million is direct costs, $155 million is indirect construction costs (EPCM, field indirect, etc.), $112 million in contingency costs, and $80 million is owner's costs. The CAPEX is spent during the period starting from Q2 2014 and ending Q2 2017. Operations are scheduled to commence in the Q3 of 2017. SOP production in 2017 is estimated at 48% of annual capacity, with full capacity expected in 2018.

Analyses were carried out for a 100% equity financed project. The financial model does not include any financing up-front fee or equity underwriting fee. Taxes were included in the cash flow. In addition to New Mexico state and US federal corporate income tax, the Project is also subject to severance tax, resource excise tax, property tax, and gross receipts tax as well as State and BLM royalties and production royalties.

The economic results yielded a full equity base case Internal Rate of Return ("**IRR**") of 16.0%. The Net Present Value ("**NPV**") is $1,018.9 million at a discount rate of 8% and $612.0 million when discounted at 10%. The estimated investment payback period is 5.4 years of operations. The financial results are summarized in the table below:

Financial Results (USD)

Full Equity Basis (i.e. No Debt)	**Before Tax**	**After Tax**
Capital Cost	$1,018 million	$1,018 million
Operating Cost per Ton SOP at Steady State	$195	$195
IRR	17.8%	16.0%
NPV, 8% Discount Factor	$1,502.3 million	$1,018.9 million
NPV, 10% Discount Factor	$942.7 million	$612.0 million
Payback Period (from start of production)	–	5.4 years

The sensitivity analysis, summarized in the table below, shows that the Project's IRR is mainly sensitive to variations in revenues and CAPEX.

Sensitivity Analysis

Input Variable to Financial Model	**–20%**	**–10%**	**Base Case**	**+10%**	**+20%**
CAPEX	19.3%	17.5%	16.0%	14.7%	13.6%
Revenue	11.3%	13.8%	16.0%	18.1%	20.1%
OPEX	17.8%	16.8%	16.0%	15.1%	14.2%

Risks

A two-dimensional risk assessment process was conducted to identify areas of potentially significant Project risks. A risk register resulted from assessment of the risks. Mitigation measures were incorporated into the Study that should have reasonable probability of reducing these risks to acceptable levels.

Risk management activities were undertaken on the following key areas of the Project:

- Geology and mining
- Infrastructure and services
- Processing: plant, tailings, and loadout
- Environment
- Construction
- Financial
- Community relations
- Government and regulatory requirements
- Human resources, security, health and safety

Based on the results of the risk identification workshops and subsequent post-workshop revisions, the Project has a risk profile consistent with the current state of development for a new commercial process.

All threats that had been identified as having a potential financial impact to the Project were considered part of the financial analysis and divided into the categories of CAPEX and OPEX. The threats in each category were subjected to a Monte Carlo analysis.

Interpretation and Conclusions

The Ochoa Property contains significant polyhalite mineralization in sufficient quantities and of sufficient grade to be attractive for mining and processing under current market conditions, notwithstanding the risk inherent to proving and developing any mining property.

Mineral Resources and Mineral Reserves are stated for the Ochoa polyhalite bed for underground room-and-pillar mining and ore processing.

Adequate mine design, permitting requirements, hydrogeologic testing, processing testing, and marketing analysis were conducted to support the mining methods and processing plant design and infrastructure requirements at the Feasibility Study level. The Feasibility Study projects an economically viable mining and processing facility with the capacity and polyhalite reserves to produce 714,400 t of SOP per year for a minimum of 50 years.

Other interpretations were:

- There is local support for the Project.
- Lea County and surrounding communities stand to benefit significantly from the Project, including the creation of approximately 400 direct permanent jobs and the payment of new tax revenue to the state and county.
- Three fertilizer-grade SOP products can be produced by incorporating processes and technologies proven viable by testing during the FS.

Other conclusions were:

- The Project estimated CAPEX of $1.018 billion USD translates to $1,425 per annual ton of SOP capacity.
- The steady-state OPEX of $195/t of SOP is well below most competing technologies.
- Sufficient polyhalite reserves exist for a mine life of at least 50 years.
- A steady-state annual production rate averaging 3.7 Mt of ROM polyhalite ore with a life-of-mine average ore grade of 78.05% polyhalite should be achievable.
- Annual polyhalite ore grade averages between 73.24% and 83.38%.

- There is sufficient data from the 2009–2013 exploration programs to support the geologic interpretations of the mineral deposit on the ICP Property that were used in the Study.
- Anticipated annual ore tonnage ranges from 3.59- to 3.89-Mt ROM polyhalite.
- Adequate mine geotechnical testing and modeling analysis was conducted to support establishing the Project's mining methods, ground control, equipment productivities, mine ventilation, mine electrical and communications/monitoring, ore haulage, and other underground infrastructure requirements.
- There are sufficient M&I Mineral Resources outside the 50-Year Mine Plan to support extending the mine life beyond 50 years. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- Testing by continuous miner manufacture and an independent rock mechanics testing laboratory confirmed the suitability of using heavy-duty, high-powered drum-type continuous miners for polyhalite production.
- The laboratory and pilot plant testing and design work performed concludes that the processing of polyhalite ore into salable SOP products is technically feasible,
- There is sufficient flexibility built into the production capacity of each of the three SOP product streams (soluble, standard, and granular) to meet the projected sales requirements.
- The plant is designed to operate 7,912 hours annually.
- The plant model projects a K2O process recovery of 82.2% based on the pilot test work carried out by independent consultants and equipment providers. As a result of the pilot test work, the FS projects an SOP product with potassium content, or K2O equivalent, between 50.3% and 53.7%.

The following opportunities exist:

- If local labor availability increases due to slowdowns in other industries in the area (gas and oil, construction), then reduced construction and operating costs may be possible.
- Increased extraction ratios in the mine's production panels may be plausible given the results of the mine geotechnical modeling. Increased extraction ratios would reduce overall mine expansion costs over time, and delay certain future OPEX and CAPEX for several years.
- Value engineering was conducted on various aspects of the mine design to reduce CAPEX and OPEX and should continue.
- Alternate by-products may possibly be produced (gypsum, epsonite, kieserite), potentially increasing the profitability of the Project.

The Study recommends that the Company move to implementation by:

- Commencing EPCM activities,
- Completing environmental permitting, and
- Arranging Project financing.

Specific recommendations for mining are as follows:

1. ICP should have the CSM EMI complete a continuous miner cutter head modeling study. This study will sum all the forces acting on the cutter drum as it rotates. The summation of these forces can then be compared to the continuous miner manufacturers' specification to permit the selection of the most appropriate machine for the mining conditions. The model can also address concerns about bit shank survivability. The anticipated cost for this study is less than $25,000.

2. Proceed with detailed mine design, mine substation design, detailed slope belt conveyor design, and the selection of the shaft and slope contractor, and the final design of the shaft and slope. The estimated cost is $2.2 million USD, excluding Priorities 3 and 4 of the geotechnical testing program.

3. Arrange for a meeting with the appropriate MSHA district manager to discuss the Project in detail, and confirm that the proposed mine plans are acceptable to MSHA.

4. Conduct additional geotechnical modeling to determine whether the production panel extraction ratio percentage could be increased to greater than 60%, and thereby reduce projected mine OPEX. The estimated cost is $50,000.

5. Design a monitoring program for surface subsidence and an underground geotechnical monitoring program of data collection and analysis. The design cost is estimated to be $8,500 for the subsidence monitoring plan and $14,000 for the underground monitoring plan.

6. Conduct 3D modeling of gas and oil well casing and various well protective barrier pillar sizes, using updated extraction ratios. The estimated cost is $30,000.

7. Include Priorities 3 and 4 of the mine geotechnical testing program as part of any exploration drilling conducted in 2014 or later. The estimated cost of mine geotechnical testing is $130,000, exclusive of drilling costs.

Specific recommendations for processing are as follows:

1. During pilot testing, sub-10 micron particles appeared in the first-stage leach brine. These may be eliminated during subsequent processes downstream. To ensure a clear brine, extra clarification equipment was added to the circuit. After testing is performed in the detailed and bridge engineering phase, this filtration equipment may be removed or modified, depending on the results. The anticipated cost for this testing work is $25,000 with an additional $20,000 of design work anticipated.

2. Additional heat is required in the leaching circuit. Adding either heat exchangers or steam sparge tubes are two possible solutions. A larger boiler system may also be required. These changes are not reflected in the process flow diagrams or in the CAPEX. Additional design work is required to determine an adequate solution. Additional natural gas for a larger boiler system has been included in OPEX. The anticipated cost for this design work is $20,000.

3. Quotations for all major equipment will be reevaluated during bridge and detailed design. This includes the fluid bed calciner units, which are one of the larger equipment costs for the Project. Final vendor selection will be based on the most economic equipment meeting the technical requirements. The anticipated cost for this engineering and procurement work during the bridge engineering phase is $220,000.

4. Further trade-off studies and value engineering activities should be conducted to finalize designs and layouts. The anticipated cost for this work during the bridge engineering phase is $100,000.

5. Results from the pilot work, which was completed at the end of the FS provided data indicating room for optimization of the second-stage leach circuit. Review of these test results and redesign of the second-stage leach circuit is also recommended to be studied. The anticipated cost for this design work is $50,000.

Specific recommendations for the detailed design of the TSF are as follows:

1. The design of the TSF is based on assumed material properties for gypsum tailings. Laboratory tests should be completed to adequately characterize the tailings and the design and recommendations should be refined accordingly. The anticipated cost for this laboratory testing is $20,000.

2. The design of the TSF is based on assumed material properties for the foundation soils. Laboratory tests should be completed to adequately characterize the foundation soils, especially strength properties,

and the design and recommendations should be refined accordingly. The estimated cost for this laboratory testing is $40,000.

3. The number of boreholes located in the proposed TSF area, especially in the south of the TSF is limited. Additional boreholes are required to adequately define the stratigraphy and hydrogeology in the vicinity of the TSF. Additionally, the engineering properties of the foundation materials should be further investigated with sampling and testing programs. For drilling investigation planning, field supervision and reporting estimated cost is $30,000. This does not include expenses or disbursements.

RISK FACTORS

The following discussion summarizes the principal risk factors that apply to the Company's business and that may have a material adverse effect on its business, financial condition and results of operations, or the trading price of the Common Shares.

Stage of Development

The Company has a limited history of operations and no material earnings to date and there can be no assurance that its business will be successful or profitable or that commercial quantities of polyhalite will be discovered or commercialized. The market for direct application polyhalite as a multi-nutrient potash has not yet been established. Notwithstanding earlier agricultural testing by the Company, significant field testing will be required. Additional studies will also be required to determine the optimal methods by which polyhalite may be converted to SOP. There can be no assurances that such optimal conversion methods will be identified.

No History of Mineral Production

The Company has never had any interest in mineral producing properties. There is no assurance that commercial quantities of minerals will be discovered at the Ochoa Project or any future properties, nor is there any assurance that the Company's exploration programs thereon will yield any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any of the Company's properties will ever be brought to a stage where mineral resources can profitably be produced thereon. Factors which may limit the Company's ability to produce mineral resources from its properties include, but are not limited to, the price of the mineral resources which are currently being explored for, availability of additional capital and financing, the actual costs of bringing properties into production and the nature of any mineral deposits.

Exploration, Development and Operating Risks

Mineral exploration and development operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of mineral resources, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although the Company intends to take adequate precautions to minimize risk, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Ochoa Project will consist of mixed rights, including various BLM Prospecting Permits, state mining leases, fee lands, and surface rights, all of which must be obtained and maintained in order to go to production.

There is no certainty that the Company's expenditures towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of polyhalite or other minerals.

Reliability of Resource Estimates

There is no certainty that any of the mineral resources identified on the Ochoa Project will be realized. Until a deposit is actually mined and processed, the quantity of mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, mineral prices. Any material change in the quantity of mineral resources, grade, or stripping ratio may also affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that metal recoveries in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production. Fluctuations in mineral prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's properties, consolidated results of operations and consolidated financial condition.

Scale of Operations

While the process involved in converting polyhalite to SOP has been demonstrated in previous pilot-scale tests, and each of the unit operations has been used on an industrial scale, the Ochoa Project, if advanced to the stage of production, would be the first industrial scale operation to convert polyhalite to SOP. Testing and engineering efforts have been completed and are continuing to define the optimum process and for equipment selection. There can be no assurance that such process optimization will be achieved. In addition, as various designs are considered and tested, the projected mining, transportation and administrative functions may be affected. Therefore, capital and operating costs may be subject to change.

Uncertainty of Feasibility Study Results

The results of the Feasibility Study are used to determine the economic viability of a deposit. While the Feasibility Study is based on the best information available to the Company for the level of study, the Company cannot be certain that actual capital and operating costs will not significantly exceed the estimated cost in the Feasibility Study and that the other assumptions on which the Feasibility Study is based will be accurate. While the Company incorporates what it believes is an appropriate contingency factor in cost estimates and other assumptions contained in the Feasibility Study to account for this uncertainty, there can be no assurance that the contingency factor is adequate.

Land Title and Surface Rights

No assurances can be given that there are no title defects affecting the Ochoa Project. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior liens, agreements, transfers or claims, including native land claims as well as non-compliance with regulatory requirements. If there are title defects with respect to any properties, the Company may lose its interest in the affected property or be required to compensate other persons with respect to its activities on the affected property. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on the availability of adequate infrastructure. Reliable roads, bridges, power sources, fuel and water supply and the availability of skilled labour and other infrastructure are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's consolidated business, operations, condition and results of operations.

Reliance on a Limited Number of Properties

The Company's only material property is the Ochoa Project. As a result, unless it acquires additional property interests, any adverse developments affecting the Ochoa Project could have a material adverse effect on the Company and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations.

Environmental Regulation and Risks

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Environmental hazards may exist on the Ochoa Project which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Government approvals, approval of aboriginal people and permits are currently, and may in the future be required in connection with the Company's direct and indirect operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of exploration and evaluation assets. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of exploration and evaluation assets may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current environmental laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new exploration and evaluation assets.

Requirement for Permits and Licenses

The Company's operations require it to obtain licences for operating, permits, and in some cases, renewals of existing licences and permits from the authorities in the United States. The Company believes that it currently holds or has applied for all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations in respect of the Ochoa Project and also believes that it is complying in all material respects with the terms of such licences and permits. However, the Company's ability to obtain, sustain or renew any such licences and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions. The failure to obtain such permits or licenses, or delays in obtaining such permits or licenses, could increase the Company's costs and delay its activities, and could adversely affect the business or operations of the Company. Government approvals, approval of members of surrounding communities and permits and licenses are currently and will in the future be required in connection with the operations of the Company. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of exploration and evaluation assets.

Government Regulation

The mineral exploration and development activities that have been undertaken by the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, historical and cultural preservation and other matters. Exploration and development activities may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both the Company's ability to undertake exploration and development activities in respect of its properties, as well as its ability to explore and operate those properties in which it current holds an interest or in respect of which it obtains exploration and/or development rights in the future.

No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Oil and Gas Development in Designated Potash Area

A portion of the Company's Prospecting Permits may be located within the designated potash area, a 497,000 acre location in southeastern New Mexico established by order of the U.S. Secretary of the Department of the Interior ("**DOI**") and administered by the BLM encompassing the United States' strategic potash reserve. The DOI regulates the development of federal mineral resources, both potash and oil and gas, on federal lands in the designated potash area. In December 2012, the DOI issued an updated order that provides guidance to the BLM and industry on the co-development of these resources. Under the order, it is possible that oil and gas drilling in this area could limit the Company's ability to explore and develop potash reserves or mineralized deposits because of setbacks from oil and gas wells and the establishment of unminable buffer areas around oil or gas wells, which could adversely affect the Company's financial condition or results of operations. Further updated orders could be issued that further influence the Company's ability to develop its potash reserves.

Political Risks

Future political actions cannot be predicted and may adversely affect the Company. Changes, if any, in mining or investment policies or shifts in political attitude in the countries in which the Company holds property interests in the future may adversely affect the Company's business, results of operations and financial condition.

Key Executives

The Company is dependent upon the services of key executives, including the directors of the Company, and will be dependent on a small number of highly skilled and experienced executives and personnel as exploration and development plans progress at the Ochoa Project. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Potential Conflicts of Interest

There are potential conflicts of interest to which some of the Company's directors and officers will be subject in connection with its operations. Some of the directors and officers are engaged and will continue to be engaged in the search of mineral resource interests on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Company. Conflicts of interest, if any, which arise will be subject to and be governed by procedures prescribed by the CBCA which require a director or officer of a corporation who is a party to or is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract with the Company to disclose his interest and to refrain from voting on any matter in respect of such contract unless otherwise permitted under the CBCA. Any decision made by any of such directors and officers involving the Company should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the Company's best interests and its shareholders.

Labour and Employment Matters

While the Company has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities in whose jurisdictions it carries on business. Adverse changes in such legislation may have a material adverse effect on the Company's business, results of operations and financial condition.

Difficulties in Effecting Service of Process

It may be difficult to effect service of process on the Company's directors, officers and others, from time to time, to the extent that they reside outside of Canada. Five of the Company's directors currently reside outside of Canada. Substantially all of the assets of these persons are located outside of Canada. It may also not be possible to enforce against certain of the Company's directors, officers, and experts, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada, to the extent that such persons reside outside of Canada.

Foreign Subsidiaries

The Company conducts its operations through ICP, its U.S. subsidiary. Therefore, the Company is dependent on the cash flows of ICP to meet its obligations. The ability of ICP to make payments to the Company may be constrained by the following factors: (i) the level of taxation, particularly corporate profits and withholding taxes, in the jurisdiction in which ICP operates; and (ii) the introduction of exchange controls or repatriation restrictions or the availability of hard currency to be repatriated.

Competition

The mining industry is competitive in all of its phases. The Company faces strong competition from other companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals and other minerals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive exploration and development properties on terms it considers acceptable or at all. Consequently, the consolidated revenues, operations and financial condition of the Company could be materially adversely affected.

Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Like most companies, the Company is subject to the threat of litigation and may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it could have a material adverse effect on our financial position, results of operations or the Company's property development.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to exploration and evaluation assets or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability. Although the Company may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining Company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its business, consolidated financial performance and results of operations.

Dividend Policy

The Company has not paid dividends on the Common Shares to date. Payment of any future dividends, if any, will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's consolidated operating results, financial condition, and current and anticipated cash needs.

Potential Volatility of Market Price of Common Shares

Securities of various publically listed companies have, from time to time, experienced significant price and volume fluctuations unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Common Shares. In addition, the market price of the Common Shares is likely to be highly volatile. Factors such as SOP or other fertilizer prices, the average volume of shares traded, announcements by competitors, changes in stock market analyst recommendations regarding the Company and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the Company's shares. Moreover, it is likely that during future quarterly periods, the Company's results and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the Common Shares could be materially adversely affected. In the past, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. Such litigation, if brought against the Company, could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on the Company's business, financial position and results of operations.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares. The Company has previously completed private placements at prices per share which may be, from time to time, lower than the market price of the Common Shares. Accordingly, a significant number of the Company's shareholders at any given time may have an investment profit in the Common Shares that they may seek to liquidate.

Global Financial Conditions

Financial markets globally have been subject to increased volatility. Access to financing has been negatively impacted by liquidity crises and uncertainty with respect to sovereign defaults throughout the world. These factors may impact the ability of the Company to secure financing in the future and, if obtained, on terms favourable to the Company. If these levels of volatility and market turmoil continue, the Company may not be able to secure appropriate debt or equity financing, any of which could affect the trading price of the Company's securities in an adverse manner.

Additional Capital

The Company's exploration and development of its properties, including continued exploration and development projects, the construction of mining facilities and the commencement of mining operations in the future, may require substantial additional financing. Failure to obtain sufficient financing may result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties and may lead to a loss of an interest in a property. Additional financing may not be available when needed. Even if such additional financing is available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to existing shareholders or sale of other disposition of an interest in any of the Company's assets or properties. Failure to raise capital when needed could have a material adverse effect on the Company's business, financial condition and results of operations.

Commodity Prices

The price of the Common Shares, the Company's financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of potash, other minerals, or fertilizers. The price of potash and other minerals fluctuates widely and is affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market value of potash or other minerals could cause continued development of and commercial production from the Company's properties to be impracticable. Depending on the price of potash and other minerals, cash flow from any potential future mining operations may not be sufficient and the Company could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Potential future production from the Company's mining properties is dependent upon the prices of potash and other minerals (including polyhalite) and fertilizers being adequate to make these properties economic. In addition to adversely affecting the Company's financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Significant Shareholders

As of the date hereof, Yara indirectly owns, and controls, an aggregate of 30,129,870 Common Shares, representing approximately 17.5% of the current issued and outstanding Common Shares and RCF owns 25,000,000 Common Shares, representing approximately 14.5% of the current issued and outstanding Common Shares. Both Yara and RCF have pre-emptive rights to maintain their *pro rata* percentage of the Common Shares. Accordingly, subject to applicable law and the fiduciary duty of the Company's directors and officers, Yara and RCF may be able to exercise significant influence over all matters requiring shareholder approval without the consent of its other shareholders, including the election of directors and approval of significant corporate transactions. This may have an adverse effect on the market price or value of the Common Shares.

Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that the Company incurs in its operations. Potash and other minerals are generally sold in U.S. dollars and the Company's costs are incurred principally in U.S. dollars. The appreciation of non-U.S. dollar currencies against the U.S. dollar can increase the cost of mineral exploration and production in U.S. dollar terms.

Hedging

The Company does not have any producing properties and, therefore, does not have a hedging policy and has no current intention of adopting such a policy. Accordingly, the Company has no protection from declines in mineral prices or exposure to foreign currency risk.

Technical Information

The disclosure in this Annual Information Form of a scientific or technical nature of the Company's material properties, including disclosure of mineral reserves and resources, is based on the Report prepared for the Ochoa Project in accordance with NI 43-101 and other information that has been prepared by or under the supervision of "qualified persons" (as such term is defined in NI 43-101). The Report has been filed on SEDAR and can be reviewed at www.sedar.com. Actual recoveries of mineral products may differ from reported mineral reserves and resources due to inherent uncertainties in acceptable estimating techniques. In particular, indicated and inferred mineral resources have a great amount of uncertainty as to their existence, economic and legal feasibility. It cannot be assumed that all or any part of an indicated or inferred mineral resource will ever be upgraded to a higher category of resource. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Readers are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into proven and probable reserves.

Other Project Risks

There are other risks associated with the Ochoa Project that were identified in the Report. Please refer to the Report for full details.

DIVIDENDS

The Company has never declared or paid cash dividends on the Common Shares. Any future dividend payment will be made at the discretion of the board of directors, and will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factor that the board deems necessary to consider in the circumstances.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares, of which as at March 25, 2014 there were 172,528,084 issued and outstanding Common Shares. Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company, and to attend and to cast one vote per Common Share held at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Company's board of directors at its discretion from funds legally available therefor, and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and traded on the TSX under the symbol "ICP" and the following table indicates the high and low values and volume with respect to trading activity for the Common Shares on a monthly basis during the fiscal year ended December 31, 2013.

Month	High ($)	Low ($)	Volume
December 2013	0.27	0.235	2,363,338
November 2013	0.29	0.26	868,726
October 2013	0.30	0.26	1,291,839
September 2013	0.32	0.265	1,551,053
August 2013	0.395	0.265	4,167,190
July 2013	0.53	0.38	2,920,410
June 2013	0.59	0.48	1,103,969
May 2013	0.60	0.50	801,917
April 2013	0.70	0.48	2,153,535
March 2013	0.78	0.69	1,155,355
February 2013	0.79	0.71	2,072,012
January 2013	0.87	0.82	2,003,150

Prior Sales

The following table contains details of the prior sales of securities by the Company during the fiscal year ended December 31, 2013.

Date Issued	Number of Securities	Type of Securities	Price Per Security
April 5, 2013	1,121,700	Common Shares	$0.65
December 18, 2013	20,000,000	Common Shares	$0.25
December 18, 2013	10,000,000	Warrants(1)	N/A
December 18, 2013	1,336,000	Warrants(2)	N/A

Notes:
(1) With an exercise price of $0.35 per Common Share.
(2) With an exercise price of $0.26 per Common Share.

DIRECTORS AND OFFICERS

The following table sets forth the name and province and country of residence of each director and executive officer of the Company, as well as such individual's position with the Company, principal occupation within the five preceding years and period of service as a director (if applicable). Each of the directors of the Company will hold office until the next annual meeting of shareholders and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal.

Name and Province and Country of Residence	Position	Principal Occupation Within Five Preceding Years	Director Since
Sidney Himmel(1)(2)(3) Ontario, Canada	Chief Executive Officer, President and Director	President and Chief Executive Officer of the Company (2006 to present).	2003
George Poling(1)(2)(4) British Columbia, Canada	Chairman and Director	Retired (2006 to present).	2003
Honourable Pierre Pettigrew P.C.(2)(5) Ontario, Canada	Director	Executive Advisor, International at Deloitte & Touche LLP (2006 to present).	2009
Anthony Grey(1)(4)(6) Sydney, Australia	Director	Chairman of International Ferro Metals Limited, a ferrochrome mining company (2004 to present).	2009
Ernest Angelo Jr. (1)(5) 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
Jorgen Stenvold (1)(5) 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
Knute H. Lee Jr. (4)(5)(7) New Mexico, U.S.A	Director	Independent landman and owner of KHL Inc., an oil and gas company (1985 to present).	2012

Name and Province and Country of Residence	Position	Principal Occupation Within Five Preceding Years	Director Since
Kay Randall Foote(1)(8) New Mexico, U.S.A.	Director and Chief Operating Officer of Intercontinental Potash Corp. (USA)	Chief Operating Officer of Intercontinental Potash Corp. (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
Kevin Strong Manitoba, Canada	Chief Financial Officer and Vice President of Administration	Chief Financial Officer of the Company (2008 to present).	N/A
Tommy Cope New Mexico, USA	Executive Vice President, Intercontinental Potash Corp. (USA)	Executive Vice President, ICP (USA) (2011 to present) Vice President of Business Development of ICP (USA) (2010 to 2011). Manager of Procurement and Contracts of Louisiana Energy Services from 2009 to 2010. Vice President of Transportation of Albertson's Grocery from 2000 to 2009.	N/A

Notes:
(1) Member of the Technical Advisory Committee.
(2) Member of the Safety and Environmental Committee.
(3) Chairman of the Safety and Environmental Committee.
(4) Member of the Audit and Disclosure Committee (the "**Audit Committee**").
(5) Member of the Nominating, Governance, and Compensation Committee.
(6) Chairman of the Audit Committee.
(7) Chairman of the Nominating, Governance, and Compensation Committee.
(8) Chairman of the Technical Advisory Committee.

As of March 25, 2014, an aggregate of 4,961,246 Common Shares (representing approximately 2.9% of all issued and outstanding Common Shares as at such date) are beneficially owned or controlled or directed (directly or indirectly) by all of the directors and executive officers of the Company, as a group. The information as to Common Shares beneficially owned (directly or indirectly), or over which the directors and executive officers exercise control or direction, not being within the knowledge of the Company, has been provided by the respective directors and executive officers and aggregated.

Corporate Cease Trade Orders

Other than as indicated below, no director or executive officer of the Company is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer 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.

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.

Bankruptcies and Other Proceeding

Other than as indicated below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing 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

(b) has, within the 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, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

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

Penalties or Sanctions

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect material the control of the Company, has been subject to:

(a) 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

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Circumstances may arise where officers or members of the board of directors of the Company are directors or officers of corporations that are in competition to the interests of the Company. No assurances can be given that opportunities identified by such board members will be provided to the Company. Pursuant to the CBCA, directors who have an interest in a proposed transaction upon which the board of directors is voting are required to disclose their interests and refrain from voting on the transaction. See also "Risk Factors – Potential Conflicts of Interest."

AUDIT COMMITTEE

Audit Committee Charter

The Company's Audit Committee is governed by an Audit Committee charter, the text of which is included in this AIF as Appendix "A".

Composition of the Audit Committee

The Audit Committee has been constituted to oversee the financial reporting processes of the Company and is comprised of Messrs. Grey and Lee and Dr. Poling. Each of the members of the Audit Committee is considered to be "financially literate" and "independent" for the purpose of National Instrument 52-110- Audit Committees ("**NI 52-110**").

Relevant Education and Experience

The education and 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 of 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.

Pre-Approval Policies and Procedures

The Audit Committee charter sets out procedures regarding the provision of non-audit services by the Company's auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted non-audit and non-audit-related services.

Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2012 and 2013 for audit and non-audit related services:

Type of Work	Year Ended December 31, 2013	Year Ended December 31, 2012
Audit Fees (1)	$85,000	$127,000
Audit-related Fees (2)	$31,000	$30,250
Tax Advisory Fees (3)	$13,650	$13,650
All other Fees(4)	$2,000	$0
Total	$131,650	$170,900

Notes:

(1) Aggregate fees billed for the Company's annual financial statements and services normally provided by the auditor in connection with the Company's statutory and regulatory filings.

(2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as "Audit fees", including: assistance with aspects of tax accounting, attest services not required by state or regulation and consultation regarding financial accounting and reporting standards.

(3) Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.

(4) Fees paid for work not related to (1), (2) or (3) above. In 2013, a memo on the phases of project expenditures for resource companies was prepared.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below, no director, executive officer or 10% shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF 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% royalty on profits earned in respect of the Ochoa Project. The royalties were negotiated as a finder's fee on the acquisition of the permits for the Ochoa Project. Bald Eagle is a private company which is 60% owned by Mr. Sidney Himmel, the President and Chief Executive Officer of the Company.

On April 12, 2012, pursuant to the Subscription Agreement, the Company issued 30,129,870 Common Shares at a price of $1.32 per Common Share to Yara for total gross proceeds to the Company of $39,771,428. At that time, Yara held approximately 19.9% of the Common Shares issued and outstanding on a non-diluted basis. Yara received the right to appoint one representative to the Company's board of directors and a pre-emptive right to participate pro rata in all future equity or equity linked issuances by the Company. Subject to certain exceptions, Yara is restricted from transferring securities of the Company until the earlier of 24 months following April 12, 2012 and the date on which ICP has secured all financing to complete the construction of the Ochoa Project and such construction has commenced.

On April 12, 2102, the Company also entered into the Off-Take Agreement with Yara, pursuant to which Yara will buy 30% of all products produced by the Ochoa Project annually. The term will begin upon the commencement of commercial production and continue for a period of 15 years and will automatically extend every five years thereafter unless either party elects not to extend. All products will be sold to Yara based on market prices.

LEGAL PROCEEDINGS

There are no material pending legal proceedings or regulatory actions to which the Company is a party or of which any of the Company's properties are subject, nor are any such proceedings or actions currently known by the Company to be contemplated.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Computershare Trust Company of Canada, at its principal offices in the city of Vancouver, British Columbia.

AUDITORS

The auditors of the Company are Davidson & Company LLP Chartered Accountants, located in Vancouver, British Columbia.

MATERIAL CONTRACTS

There are no contracts of the Company, other than contracts entered into in the ordinary course of business, the Off-Take Agreement, the Subscription Agreement (see "General Development of the Business") and the RCF Agreement (as defined below) that are material to the Company and that were entered into by the Company within the most recently completed financial year or were entered into since January 1, 2003 and are still in effect.

Pursuant to a subscription agreement between Resource Capital Fund V L.P. ("**RCF**") and the Company dated August 29, 2010, which was entered into in connection with a private placement (the "**RCF Agreement**"), RCF was granted the following rights provided that it holds at least ten percent of the Common Shares calculated on a fully diluted basis: (i) if the Company proposes to issue equity securities other than (a) pursuant to the Company's stock option plan; (b) pursuant to the exercise of options issued pursuant to the Company's stock option plan; (c) pursuant to the exercise of any convertible securities; (d) for property or consideration other than money; or (e) in connection with a transaction in which all of the Company's shareholders are treated equally, RCF is entitled to purchase that number of equity securities to allow it to maintain its *pro rata* interest in the Company on the same terms and conditions as such equity securities are offered to other purchasers; and (ii) the right to nominate one nominee to the Company's board of directors.

EXPERTS

Names of Experts

Following are the names of each person or company who is named as having prepared or certified a report, valuation, statement or opinion described, included or referred to in a filing made under National Instrument 51-102 – *Continuous Disclosure Obligations* by the Company during or relating to the financial year ended December 31, 2013, whose profession or business gives authority to such report, valuation, statement or opinion:

1. Davidson & Company LLP (regarding the Financial Statements and auditor's report thereon); and

2. The persons or companies that have prepared the Report are Leo Gilbride, Susan Patton, Vanessa Santos, Gary Skaggs, and Thomas Vandergrift on behalf of Agapito Associates, Inc. as well as Lawrence Berthelet and Jack Nagy on behalf of SNC-Lavalin Inc. (collectively, the "**Authors**").

Interests of Experts

Each of the Authors has advised the Company that they are and were at all relevant times the registered and/or beneficial owner, directly or indirectly, of less than one percent of the outstanding Common Shares.

Davidson & Company LLP has advised the Company that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Additional information, including information concerning directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the management proxy circular of the Company dated May 28, 2013, which was filed on SEDAR on June 3, 2013.

Additional financial information is provided in the Company's Financial Statements and MD&A for the financial year ended December 31, 2013.

APPENDIX "A"
CHARTER OF THE AUDIT AND DISCLOSURE COMMITTEE OF THE BOARD OF DIRECTORS

1. PURPOSE OF THIS CHARTER

The Audit and Disclosure Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of IC Potash Corp. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

a) conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;

b) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;

c) ensure that there is an appropriate standard of corporate conduct for senior financial personnel and employees;

d) review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and in the case of the annual financial statements and related management's discussion and analysis, report thereon to the Board for approval of same;

e) recommend to the Board the independent auditors to be nominated and monitor the independence and performance of the Corporation's external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and

f) provide oversight of all disclosure relating to, and information derived from, financial statements, management's discussion and analysis and information.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors, as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part 4 of this Charter.

2. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

b) set and pay the compensation for advisors employed by the Committee; and

c) communicate directly with the internal and external auditors.

3. COMPOSITION AND MEETINGS

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("**OSC**"), the Toronto Stock Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.

a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule "A" attached hereto.

b) Each member of the Committee shall be "independent" and "financially literate". An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which, in the view of the Board of Directors of the Corporation, could be reasonably expected to interfere with the exercise of the director's independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 — *Audit Committees*, as set out in Schedule "B" hereto. A "financially literate" director is a director who has the ability to read and understand a set of financial instruments that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can be reasonably expected to be raised in the Corporation's financial statements.

c) Each member of the Committee shall sit at the appointment of the Board of Directors, and in any event, only so long as he or she shall be independent. The Committee shall report to the Board of Directors.

d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present, either in person or by telephone, shall constitute a quorum.

e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.

f) If, and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

i) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

j) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.

k) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees which do not require the approval of the Board.

l) The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

m) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

4. RESPONSIBILITIES

a) Financial Accounting and Reporting Process and Internal Controls

i) The Committee shall review the annual audited and interim financial statements and related management's discussion and analysis before the Corporation publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and in the case of the annual audited financial statements and related management's discussion and analysis, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

ii) The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.

iii) The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically assess the adequacy of these procedures.

iv) The Committee shall review any press release or other document, such as a Prospectus, containing disclosure regarding financial information that is required to be reviewed by the Committee under any applicable laws or by one of the other Charters before the Corporation publicly discloses this information.

v) The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.

vi) The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.

vii) The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.

viii) The Committee shall ensure that there is an appropriate standard of corporate conduct.

ix) The Committee shall follow procedures established as set out in Schedule ”C” attached hereto, for:

- the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

- the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

x) As requested, by the Board the Committee shall provide oversight to related party transactions entered into by the Corporation.

xi) The Committee shall establish the budget process, which shall include the setting of spending limits and authorizations, as well as periodic reports from the Chief Financial Officer comparing actual spending to the budget.

xii) The Committee shall have the authority to adopt such policies and procedures as it deems appropriate to operate effectively.

b) Independent Auditors

i) The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors' report directly to the Committee.

ii) The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.

iii) The pre-approval of the Committee shall be required as further set out in Schedule "D" prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter. This pre-approval may be delegated to the Chairman of the Committee.

iv) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.

v) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.

vi) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.

vii) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.

viii) The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.

ix) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

x) The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

xi) The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

c) Disclosure

The Committee shall assist the Senior Officers in fulfilling their responsibility for oversight of the accuracy and timeliness of the disclosures made by the Corporation by being responsible for the following tasks, in each case subject to the supervision and oversight of the Senior Officers:

i) Ensure timely, complete and factual disclosure of material information is disseminated as widely as necessary;

ii) Approve release of information;

iii) Support adherence to insider trading reporting and rules;

iv) Design and establish controls and other procedures (which may include procedures currently used by the Corporation) that are designed to ensure that (1) information required by the Corporation to be disclosed to applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities and other written information that the Corporation will disclose to the investment community is recorded, processed, summarized and reported accurately and on a timely basis and (2) information is accumulated and communicated to Management, including the Senior Officers, as appropriate to allow timely decisions regarding such required disclosure;

v) Design and update the Corporation's Disclosure Policy;

vi) Review and supervise the preparation of the Corporation's (i) periodic and current reports, proxy statements, information statements, registration statements and any other information filed with all applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities, (ii) press releases containing financial information, earnings guidance, information about material acquisitions or dispositions or other information material to the Corporation's security holders, and (iii) correspondence containing financial information broadly disseminated to shareholders (collectively, the "Disclosure Statements") and review disclosure policies for financial information displayed on the Corporation's corporate / investor relations website;

vii) Monitor and evaluate the integrity and effectiveness of the Corporation's Disclosure Controls; and

viii) Discuss with the Senior Officers all relevant information with respect to the Committee’s proceedings, the preparation of the Disclosure Statements and the Committee’s evaluation of the effectiveness of the Corporation’s Disclosure Controls.

d) Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

SCHEDULE "A"
POSITION DESCRIPTION FOR THE CHAIRMAN OF THE AUDIT AND DISCLOSURE COMMITTEE

1. PURPOSE

The Chairman of the Audit and Disclosure Committee (the "Committee") of the Board shall be an independent director who is elected by the Board to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Corporation.

2. WHO MAY BE CHAIRMAN

The Chairman will be selected from amongst the independent directors of the Corporation who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.

The Chairman will be selected at a meeting of the Board and will remain Chairman until he resigns or is replaced.

3. RESPONSIBILITIES

The following are the primary responsibilities of the Chairman:

a) chairing all meetings of the Committee in a manner that promotes meaningful discussion;

b) ensuring adherence to the Committee's Charter and that the adequacy of the Committee's Charter is reviewed annually;

c) providing leadership to the Committee to enhance the Committee's effectiveness, including:

   i) providing the information to the Board relative to the Committee's issues and initiatives and reviewing and submitting to the Board an appraisal of the Corporation's independent auditors and internal auditing functions;

   ii) ensuring that the Committee works as a cohesive team with open communication, as well as ensuring open lines of communication among the independent auditors, financial and senior management and the Board of Directors for financial and control matters;

   iii) ensuring that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;

   iv) ensuring that the Committee serves as an independent and objective party to monitor the Corporation's financial reporting process and internal control systems, as well as to monitor the relationship between the Corporation and the independent auditors to ensure independence;

v) ensuring that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions;

vi) ensuring that procedures are in place to review the Corporation's public disclosure of financial information and assess the adequacy of such procedures periodically, in consultation with any separate disclosure committee of the Corporation if applicable;

d) ensuring that procedures are in place for dealing with complaints received by the Corporation regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns, ensuring the establishment of a budget process, which shall include the setting of spending limits and authorizations and periodical reports from the Chief Financial Officer of actual spending as compared to the budget regarding questionable accounting or auditing matters; and

e) managing the Committee, including:

i) adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;

ii) preparing the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;

iii) ensuring meetings are appropriate in terms of frequency, length and content;

iv) obtaining and reviewing with the Committee an annual report from the independent auditors, and arranging meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;

v) overseeing the Committee's participation in the Corporation's accounting and financial reporting process and the audits of its financial statements;

vi) ensuring that the auditor's report directly to the Committee, as representatives of the Corporation's shareholders; and

vii) annually reviewing with the Committee its own performance.

SCHEDULE "B"
NATIONAL INSTRUMENT 52-110 AUDIT COMMITTEES ("NI 52-110")

Section 1.4 — Meaning of Independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- (c) an individual who:
  - (i) is a partner of a firm that is the issuer's internal or external auditor,
  - (ii) is an employee of that firm, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
  - (i) is a partner of a firm that is the issuer's internal or external auditor,
  - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

(a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

(b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 — Additional Independence Requirements for Audit Committee Members

(1) Despite any determination made under section 1.4 of NI 52-110, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities,

is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

SCHEDULE "C"
PROCEDURES FOR RECEIPT OF COMPLAINTS AND SUBMISSIONS RELATING TO ACCOUNTING MATTERS

1. The Corporation shall inform employees on the Corporation's internal website, if there is one, or via a newsletter or e-mail that is disseminated to all employees, of the officer (the "Complaints Officer") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters. If no officer is designated by the Corporation, the Chairman of the Audit Committee shall be designated the Complaints Officer.

2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.

3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Corporation.

4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.

5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

SCHEDULE "D"
PROCEDURES FOR APPROVAL OF NON-AUDIT SERVICES

1. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:

   (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;

   (b) appraisal or valuation services, fairness opinion or contributions-in-kind reports;

   (c) actuarial services;

   (d) internal audit outsourcing services;

   (e) management functions;

   (f) human resources;

   (g) broker or dealer, investment adviser or investment banking services;

   (h) legal services; and

   (i) any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Corporation's accounting standards, from time to time determines is impermissible.

2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole, unless specifically delegated to the Chairman of the Committee. The Chairman of the Committee may approve certain non-audit services subject to ratification at the next meeting of the Committee.

3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee upon request.