



IC POTASH CORP

Annual Information Form

for the Financial Year Ended December 31, 2016

March 28, 2017

Annual Information Form
for the financial year ended December 31, 2016

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Annual Information Form

for the financial year ended December 31, 2016

All information contained in this Annual Information Form (“**Annual Information Form**” or “**AIF**”) is as at December 31, 2016 unless otherwise indicated.

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 AIF include, but are not limited to, statements with respect to: (i) the focus of capital expenditures; (ii) management’s plans and expectations regarding: (a) the potential development of polyhalite to satisfy various needs of the potash fertilizer markets; and (b) the production and distribution of polyhalite as a direct application fertilizer product; (iii) management’s outlook regarding future trends, pricing, and estimated demand; (iv) the purchase, sale or development of exploration properties; (v) exploration and

acquisition plans; (vi) the quantity of mineral resources and mineral reserves and uncertainties regarding preliminary economic assessment results; (vii) treatment under governmental regulatory regimes and tax laws; (viii) the performance characteristics of the Company's mineral resource properties; (ix) 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 assessment results; (vi) land title and surface rights; (vii) infrastructure; (viii) reliance on a limited number of properties; (ix) environmental regulation and risks; (x) sustainability improvements and uncertainties regarding preliminary economic assessment results; (xi) requirement for permits and licenses; (xii) government regulation; (xiii) political risks; (xiv) key executives; (xv) potential conflicts of interest; (xvi) labour and employment matters; (xvii) difficulties in effecting service of process; (xviii) foreign subsidiaries; (xix) competition; (xx) litigation; (xxi) insurance and uninsured risks; (xxii) dividend policy; (xxiii) potential volatility of market price of the common shares of the Company ("**Common Shares**"); (xxiv) future sales of Common Shares by existing shareholders; (xxv) global financial conditions; (xxvi) additional capital requirements; (xxvii) commodity prices; (xxviii) having a significant shareholder; (xxix) exchange rate fluctuations; (xxx) hedging; (xxxi) technical information; and (xxxii) project risk.

Reference is made in this Annual Information Form 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, 2016, 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, 2016. In this AIF, references to "\$" are to United States dollars, unless otherwise specified.

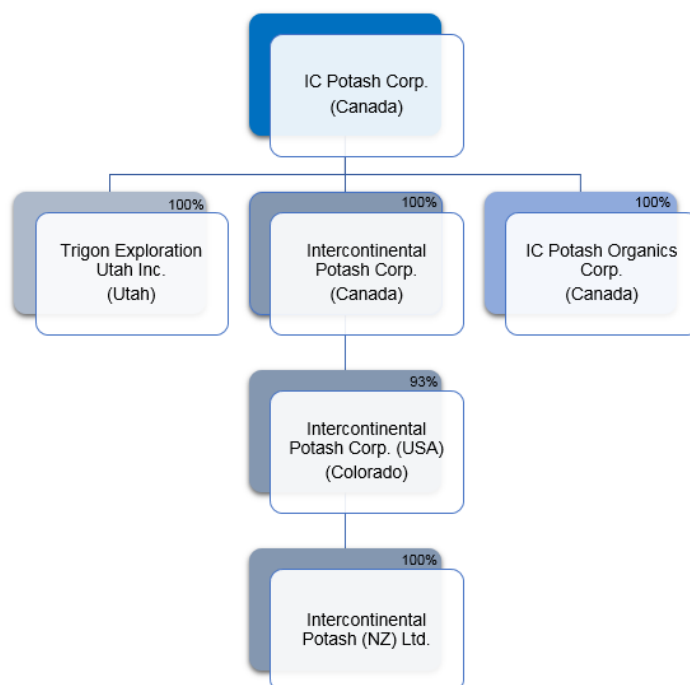
All references in this AIF to the Company also include references to all of the Company's subsidiaries unless the context requires otherwise.

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 registered head office is located at 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

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. Intercontinental Potash Corp. (USA) has issued convertible preferred shares, which on maturity or upon certain deemed liquidation events, provide one shareholder the option to convert them into an undiluted 28.9% of the common shares of Intercontinental Potash Corp. (USA) then outstanding.



Description of the Business

The Company is focused on the development of a polyhalite mine and processing facility at its Ochoa property in Lea County, New Mexico (the “**Ochoa Project**”). The processing facility will produce two fertilizer products for market, natural granular and pelletized product. Polyhalite is an evaporite mineral containing potassium, magnesium, sulfate and calcium, all important plant nutrients.

ICP Organics is a new research and development subsidiary of the Company with a multidisciplinary mandate through engineering and health sciences viewpoints, will conduct research on the impact of organic fertilizers on the yield and medicinal properties of cannabis. Its board has extensive experience in asset management and capital markets and engage in the mass crop fertilizer industry. The Company has made its first \$25,000 capital investment in a licensed producer and plans to build a diversified portfolio in dispensary operations and commercial-scale cannabis cultivation, product formulation and pharmaceutical-grade testing.

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

- Advance the Ochoa Project to the next level of study creating a higher level of confidence and further de-risking the Project;
- Continue market research studies to educate on the therapeutic benefits of cannabis, and expand the market; engage high-quality, commercial-scale operations; advance organic fertilizer product development testing and continue to invest in the cannabis industry; and
- Coordinate sustainability, social and environmental initiatives and develop metrics to gauge performance to create economic and societal value in keeping with the Company's values is essential to our business success.

On November 9, 2016, the Company announced the results of its Preliminary Economic Assessment (the "**PEA**") and the related National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**") compliant Technical Report (effective date October 28, 2016) which was filed on SEDAR on November 30, 2016. The Company has revised the Project to consider direct application of polyhalite as a crop nutrient product rather than producing Sulfate of Potash through a chemical processing plant. The resulting Project has a reduced capital cost, a shorter ramp-up time, improved financial metrics, and reduced environmental impact.

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The Mineral Resource estimates presented in the PEA supersede the Mineral Resource estimate for the Project presented in the 2014 Feasibility Study titled Technical Report Ochoa Project Feasibility Study, Lea County, New Mexico, USA dated March 7, 2014 compiled by Agapito Associates, Inc. and SNC-Lavalin (the "**2014 Feasibility Study**"). All resources produced as polyhalite will reduce the Reserves stated in the 2014 Feasibility Study.

Golder Associates Inc. ("**Golder**") was commissioned by the Company to compile an independent QP authored NI 43-101 Technical Report. This Technical Report incorporates relevant information from previous studies, recent changes to the Project, and an updated Mineral Resources estimate completed by Golder. All scientific and technical disclosure within this document is based on the NI 43-101 Technical Report, Intercontinental Potash Corp. (USA) – Ochoa Project, New Mexico, United States of America, Preliminary Economic Assessment (the "**PEA Technical Report**") that summarizes the PEA. The PEA and the PEA Technical Report were prepared by the Authors (as defined herein) under the supervision of co-author Daniel A. Saint Don, P.Eng., Underground Mining Practice Leader at Golder, who is an independent Qualified Person as defined within NI 43-101. Mr. Saint Don has reviewed and consented to the scientific and technical disclosures contained within this AIF that are based on the PEA Technical Report.

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 mineral mine 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 polyhalite 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, 2016, the Company had an aggregate of 9 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.

The National Environmental Policy Act (“**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 Environmental Impact Statement (“**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 require lessees, licensees, permittees 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 preference right potassium leases and prospecting permits are governed by the United States Code of Federal Regulations Title 43 - Public Lands: Interior. Part 3500 of Chapter 2 outlines the requirements for federal preference right potassium leases and 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

Ochoa Project

Three Year History

2016

On February 29, 2016, the Company's subsidiary, Intercontinental Potash Corp. (USA) ("**ICP(USA)**") received the initial drawdown of US\$2.5 million under the strategic investment commitment by Cartesian Capital Group, LLC ("Cartesian") of up to US\$45 million, as previously announced on December 17, 2015.

On May 19, 2016, the Company announced the appointment of Mr. Mehdi Azodi as Interim Chief Executive Officer of the Company.

On May 20, 2016, the Company announced the closing of its previously announced non-brokered offering (the "**Offering**"). An aggregate of 18,498,891 units of the Company were issued for aggregate gross proceeds of \$834,950.10. Each Unit consists of (i) one common share of the Company (a "**Common Share**"); and (ii) one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to acquire one additional Common Share at an exercise price of \$0.08 until May 20, 2017, subject to early acceleration as described in the Company's press release dated May 17, 2016. An aggregate of 17,998,891 Units were issued at \$0.045 per Unit. In addition, 500,000 Units were issued at \$0.05 per Unit to a director of the Company. The Company paid finder's fees to certain qualified eligible persons assisting the Company in the Offering in the aggregate amount of \$38,496.50 (equal to 7% of the gross proceeds raised by such finders). The Company also issued an aggregate of 855,478 broker warrants ("**Broker Warrants**") to qualified eligible persons as is equal to 7% of the aggregate number of Units sold by such finders), each such Broker Warrant entitling the holder to acquire one Common Share for a period of 12 months at an exercise price equal to \$0.065.

On June 29, 2016, the Company announced the appointment of Mr. John Stubbs to Chairman of the Board of Directors of the Company.

On July 15, 2016, the Company announced that it had received the second tranche of US\$2.5 million under the strategic investment commitment by Cartesian of up to US\$45 million, as previously announced on February 29, 2016. Cartesian has agreed to make the strategic investments in the Company's subsidiary, ICP(USA). The investment represents Cartesian's continued support in the Ochoa Project. The funding enables the Company to complete the review of the feasibility study and determine the economics of producing direct application Polyhalite.

On November 9, 2016, the Company announced the results of the independent Canadian National Instrument 43-101 compliant Preliminary Economic Assessment ("**PEA**") for its Ochoa Polyhalite Project (the "**Project**") located in Eddy and Lea counties, New Mexico, USA.

On November 21, 2016, the Company announced it had accepted US\$2.5 million from Cartesian in its continued support of the Ochoa Project. To date Cartesian has funded the Company's subsidiary, ICP(USA), US\$17.5 million into the development of the Ochoa Project and in respect of the positive results of the PEA announced on November 9, 2016.

On December 15, 2016, the Company announced the closing of its previously announced non-brokered private placement (the "**Private Placement**"). An aggregate of 16,950,000 units of the Company (the "**Units**") were issued for aggregate gross proceeds of \$1.356 million. Each Unit consists of (i) one common share of the Company (a "**Common Share**"); and (ii) one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to acquire one additional Common Share at an exercise price of \$0.11 until December 12, 2017, subject to early acceleration as described in the Company's press release dated December 2, 2016. An aggregate of 16,950,000 Units were issued at \$0.08 per Unit. The Company paid finder's fees to

certain qualified eligible persons assisting the Company in the Private Placement in the aggregate amount of \$85,860 (equal to 7% of the gross proceeds raised by such finders). The Company also issued an aggregate of 1,071,000 broker warrants ("**Broker Warrants**") to qualified eligible persons as is equal to 7% of the aggregate number of Units sold by such finders, each such Broker Warrant entitling the holder to acquire one Common Share for a period of 12 months at an exercise price equal to \$0.11. Additionally, ICP obtained warrant holder approval for the amendment and extension of warrants held by non-insiders for six months to June 18, 2017, as more particularly described in the Company's press release dated December 2, 2016. 4,500,000 warrants held by non-insiders of Company have been exercised at a price of \$0.08 per Unit for aggregate gross proceeds of \$360,000.

On December 19, 2016, the Company announced the appointments of Mr. Grant Sawiak to the Board of Directors and Mr. Sidney Himmel to the ICP(USA) Board.

On December 31, 2016, the Company determined there were indicators of potential impairment on its non-current assets, including the decline in the Company's market capitalization, uncertainty of polyhalite future pricing and market used in the 2016 Preliminary Economic Assessment, and the consequential impact on the Company's future cash flows. Based on the Company's assessment of the recoverable amounts of its CGU, the Company concluded that the Ochoa Project had an estimated recoverable value, based on its FVLCTS, below its carrying value and an impairment charge was required. Based on its assessment, the Company recorded during the year ended December 31, 2016 a non-cash impairment charge of \$40,426,247, using a discount rate of 26.6% along with a long-term polyhalite price assumption increasing from \$162/ton to \$218/ton over the first 20 years and then fixed at \$224/ton over the remaining life of the mine. As at December 31, 2016 the net present value of the project is \$19,733,000 (2015 - \$56,122,518).

2015

On May 8, 2015, the Company announced that its wholly owned subsidiary Intercontinental Potash Corp. (USA) has appointed Patrick Okita as Chief Development and Technical Consultant. The Company also announced that it has retained Graham Wheelock and Kevin Burford to assist with the development of the Ochoa Project, subject to all required government, regulatory and other approvals.

On June 30, 2015, John Stubbs, Joao Paulo Simoes Carrelo and Leiv Mikael Erdal were appointed to the Company's board of directors.

On September 9, 2015, the Company completed a numerical modelling study to evaluate the influence of underground mining on the integrity of petroleum exploration and production well bores on the Ochoa project site. The study involved detailed review of geotechnical and geological data, and the development of material parameters for use in the analysis. Numerical modeling was conducted for the mining panels to estimate stresses and strains at the location of a well bore. The results of this study are being used in ongoing work related to mine design.

In December 2015, Cartesian Capital Group, LLC ("Cartesian") signed a binding term sheet, and subsequently closed a definitive agreement, to make a second investment of up to \$45 million in the Company's subsidiary, ICP(USA). In February 2016, ICP(USA) received an initial draw of \$2.5 million from Cartesian.

Cartesian can invest the \$45 million in two tranches. The first tranche consists of up to \$10 million over six months to fund certain pre-DBOM (Design, Build, Operate and Maintain) phase 1 work for a technical refresh program for the Ochoa project. The second tranche of up to \$35

million would close on successful completion of the pre-DBOM phase 1 work and fund completion of engineering and design work for a DBOM plan for the Ochoa project.

The tranche 1 investment consists of up to \$5 million convertible series B preferred shares and up to \$5 million in senior secured notes. The series B preferred shares accrue dividends at 12% per annum, mature February 28, 2018 and if fully funded at \$5 million will convert on a non-dilutive basis to 21.1% of the common stock of ICP(USA). The secured notes bear interest at 11% per annum, mature on February 28, 2018 and are fully secured by a first interest in the assets of ICP(USA) including the Ochoa project.

The first draw down under tranche 1 was a \$2.5 million secured note. The second draw will consist of \$2.5 million series B preferred shares. ICP(USA) can make up to two further draws of up to \$2.5 million each under tranche 1, subject to certain draw down conditions. In connection with the tranche 1 financing, the Class A preferred share (Note 11) maturity date was extended to February 28, 2018 and the dividend rate increased to 15% per annum effective March 1, 2016.

The tranche 2 financing will consist of up to \$35 million convertible series C preferred shares. Both IC Potash Corp. and Cartesian have the right to invest in the \$35 million based on the "as converted" pro rata holdings of ICP(USA) of 71.1% and 28.9%, respectively. If IC Potash Corp. does not fund its full pro rata share, Cartesian or an affiliate can subscribe for the difference. The series C preferred shares will accrue dividends at 8% per annum with a maturity date of 24 months from date of issue. The shares will be convertible at the option of the holder into ICP(USA) common shares at the greater of a 15% premium to an equity based valuation of IC Potash Corp., and Cdn\$0.115 per share.

2014

On January 23, 2014, the Company announced the successful conclusion of an independent feasibility study for its 100%-owned Ochoa Project.

On February 28, 2014, in accordance with the procedures of the NEPA, the U.S. Environmental Protection Agency published a Notice of Availability (the "**NOA**") of the Final Environmental Impact Statement ("**FEIS**") in the Federal Register. The FEIS is a disclosure document prepared by the BLM that describes the potential adverse or beneficial environmental and social impacts – direct, indirect, or cumulative – that could result from the development of the Ochoa Project. The FEIS 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.

On March 10, 2014, the Company announced the filing of the "NI 43-101 Technical Report, Ochoa Project Feasibility Study, Lea County, New Mexico, USA" on SEDAR (www.sedar.com). The date of the 2014 Feasibility Study is March 7, 2014, with an effective date of January 9, 2014. The 2014 Feasibility Study was prepared by Qualified Persons from Agapito Associates Inc. and SNC-Lavalin Inc. The 2014 Feasibility Study includes a summary of the Ochoa Project, including geology and mineralization, exploration and drilling, resources and reserves, mining methods, mineral processing and metallurgical testing, infrastructure, hydrology, environmental permitting, marketing, capital costs, operating costs, project economics, and conclusions and recommendations. The 2014 Feasibility Study recommends that the Company immediately seek funding for bridge engineering while also seeking full funding of the Ochoa Project. The 2014 Feasibility Study also recommends that the Company move to implementation by commencing engineering, procurement, and construction management activities and completing the environmental permitting.

On April 10, 2014, following publication of the NOA and the compulsory 30-day availability period, the BLM published a signed ROD to mark the completion of the NEPA compliance process. The ROD authorizes ICP to construct and operate its Ochoa Project, including all mining and processing facilities located in southeast New Mexico, U.S.A. The signed ROD marks the final decision made by the BLM based on the analysis described in the FEIS. Based on more than two years of careful and comprehensive study of water resources, cultural resources, natural resources, air quality and other resources, the BLM issued their decision approving the construction and operation of the Project and granting the requested rights-of-way for the Project facilities.

On April 23, 2014, the Company announced the appointment of Mitsubishi UFJ Financial Group, acting through its wholly-owned banking subsidiaries, the Bank of Tokyo-Mitsubishi UFJ, Ltd. and Union Bank, N.A. (collectively “**MUFG**”), as financial advisor for the Ochoa Project. MUFG will provide advice with respect to project financing, including both debt and equity. MUFG will advise the Company in the development of financing plans, including the determination of appropriate commercial engineering contractual models, off-take arrangements, and equity and debt models. They will also provide banking due diligence with respect to capital costs, operating costs, and pricing.

On July 31, 2014, the Company’s air quality permit application for construction was approved by the NMED AQB.

Effective September 1, 2014, seven BLM Prospecting Permits covering approximately 12,483 acres were issued to the Company.

On October 30, 2014, Dr. Ross Bhappu was appointed to the Company’s board of directors.

Effective November 1, 2014, ICP(USA) was granted PRLs by the BLM covering approximately 14,774 acres. These potassium mining leases, in conjunction with mining leases granted by the NMSLO, comprise the entire area of the 50-year Ochoa Project mine plan approved by the BLM in their ROD.

On November 26, 2014, the Company announced that Cartesian Capital Group, LLC (“**Cartesian**”) made a strategic investment of \$10,000,000 in ICP(USA). Cartesian acquired 500,000 Class A preferred shares (“**Preferred Shares**”) of ICP(USA) at a price of \$20.00 per share. The Preferred Shares accrue value through deferred dividends at an annual rate of 12% for two years. At the end of the two-year period the Preferred Shares may be converted into 28.9% of the outstanding common shares of ICP(USA), or may be redeemed at the option of Cartesian. Cartesian has the right to a one-third participation in future equity financings of ICP(USA).

Ochoa Project Overview

IC Potash is focused on the development of its wholly-owned underground polyhalite mine in New Mexico (the “**Ochoa Project**”). On November 9, 2016, the Company announced the results of the Preliminary Economic Assessment performed by Golder Associates Inc. (the “**PEA**”) in the NI 43-101 Technical Report, Intercontinental Potash Corp. (USA) - Ochoa Project, New Mexico, United States of America, Preliminary Economic Assessment. (the “**PEA Technical Report**”) effective date October 28, 2016 and filed on SEDAR on November 30, 2016. The PEA considered direct application of polyhalite as a crop nutrient product rather than producing Sulfate of Potash (“**SOP**”) through a chemical processing plant as previously presented in the 2014 Feasibility Study titled Technical Report Ochoa Project Feasibility Study, Lea County, New Mexico, USA dated March 7, 2014 compiled by Agapito Associates, Inc. and SNC-Lavalin. The

resulting Project has a reduced capital cost, a shorter ramp-up time, improved financial metrics and reduced environmental impact.

The Ochoa Project mine strategy is to produce and distribute high-grade specialty fertilizer to domestic and international markets with initial production expected to commence in 2019. IC Potash will concentrate on an initial development phase that produces a polyhalite product for direct application and provides for a low-cost option that represents a low project execution risk.

IC Potash's 2 million ton per year mine with a production life of 42 years and initial capex of \$368 million USD is the preferred development option that still retains the option to produce a SOP product at a later date. Our current work plan is focused on the development of a Project Execution Plan, refining the cost and schedule estimate, and developing the market for a polyhalite product.

Located in Lea and Eddy Counties, New Mexico approximately 60 miles east of Carlsbad, New Mexico; the project spans across 16 townships and consists of 86,027.27 acres.

IC Potash currently holds 15 Bureau of Land Management Preference Right Leases ("**BLM PRL**") totalling 14,773.98 acres prospecting permits issued by the Bureau of Land Management ("**BLM Permits**"), totalling 58,223.28 acres. Additionally, the Company holds 18 State Trust Lands potash mining leases from the New Mexico State Land Office ("**NMSLO Leases**"), totalling 27,803.99 acres. BLM PRL's do not expire but are subject to readjustment every 20 years. NMSLO Leases have a term of 10 years, but are automatically extended as long as average annual production is enough to generate the minimum required royalty (over any three consecutive years). All BLM Permits and NMSLO Leases are on file at the Court Clerk's Office.

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 proving 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 applied to convert 43,449 acres of Prospecting Permitted lands to PRLs, which do not expire, but are subject to renewal by the BLM every 20 years. The mineral rights for the 50-year mine plan (14,774 acres) were granted PRL status in October 2014 with an effective date of November 1, 2014. The remaining 43,449 acres are still in the PRL application process. These PRLs may be issued after the BLM completes its review of and approves the environmental assessment documents for the portion of the deposit contained in those additional claims. ICP's rights to the land covered by these Prospecting Permits do not lapse while the permits are under application for conversion to PRLs. The Company paid \$50,000 into a statewide permit bond (the "**Permit Bond**") that will be refunded when certain prospecting permit and reclamation requirements are satisfied. The Permit Bond is the only bond required by the BLM at this time for the PRLs and Prospecting Permits.

The PRLs have a term of 20 years and for so long thereafter as the company complies with the terms and conditions of the leases which are subject to readjustment at the end of each 20 year period. PRLs require production royalty payments of 5% of the gross value at the point of shipment to market payable 30 days after sale. Also, once the Ochoa Project comes into production, but no later than six years from obtaining federal BLM PRLs, minimum royalty payments of \$3 per acre are payable in advance before January 1 of each year. In addition, annual rent payments are due annually and in advance for each BLM PRL acre, or fraction thereof, in the amount of \$0.25 for the first partial year, \$0.50 for second, third, fourth and fifth calendar years and \$1.00 for the sixth year and each year thereafter. The minimum advance

royalty and the annual rental payments for each PRL can be credited against the production royalties as they accrue under the PRL during the year for which the advance royalty or annual rental was paid.

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. A minimum advance royalty payment of \$8 per acre is payable to the State of New Mexico Commissioner of Public Lands on 17 NMSLO Leases that commenced in 2010 and on one NMSLO Lease that commenced in 2013 along with an annual rental charge of \$1 per acre. The minimum advance royalty and annual rent payments that were due in 2015 and the payment due on January 15, 2016 were made and the next minimum advance royalty and rent payment is due on or before May 24, 2016. Once the Ochoa Project comes into production, minimum royalties of \$8 per acre or 5% of the gross value of production after processing, whichever is greater, will be due on the NMSLO Leases. The Company 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. The Company posted a \$25,000 MegaBond in respect to the NMSLO Leases. The bond will be released when certain reclamation requirements related to the Company's prospecting activities are satisfactorily completed.

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 former director of the Company. The Company may acquire, at its option, up to one-half of the ORR at a price of CAD\$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 \$1.00 per ton of polyhalite mined for the first 1,000,000 tons and \$0.50 per ton thereafter is also payable on the Ochoa Project pursuant to an agreement with an arm's length third party.

Polyhalite, market studies and estimated demand

Polyhalite ($K_2Ca_2Mg(SO_4) \cdot 2H_2O$) is a naturally occurring soil supplement; classified as an organic fertilizer. Formed about 250 million years ago, the Ochoa polyhalite deposit occurs in three evaporate bearing formations sandwiched between the Capitan Reef complex and the Dewey Lake formations.

Polyhalite is a source of four important soil nutrients including potassium, magnesium, sulfur and calcium; and is low in chloride. Crops differ in both their chloride requirements as well as in their tolerance to chloride toxicity. Most woody fruit, nut crops and rice (paddy) tend to be chloride sensitive.

In July 2016, IC Potash commissioned CRU Group to conduct market research studies on the supply and demand for polyhalite. The CRU study concluded that polyhalite is well suited for high value crops with strong demand potential due to the growing awareness among farmers of the yield and quality benefits associated with this soil supplement. Polyhalite product will be shipped to domestic and international customers. Polyhalite based fertilizer currently constitutes a very small global market with only one in commercial production in small volumes. According to market research demand for polyhalite is estimated at 12 million tonnes/annum inclusive of U.S. 5.8M, Brazil 3.4M and Mexico 2.8M. In the US and the Americas, polyhalite would essentially represent a new fertilizer product.

IC Potash commissioned Upstream Resources LLC to perform an interim product development study on the mineralogical and chemical characteristics of the Ochoa Project polyhalite as well as the agronomical properties of this fertilizer.

The Product Development Study, Interim Report dated September 16, 2016 compared test results against existing commercial products and hypothetical commercial products with the intent of providing guidance to engineering, marketing, and future product development activities.

Summary results including solubility testing, size and uniformity standardizations as well as nutrient content compared to other commercial products can be found in the Preliminary Economic Study (October 2016). Further incubation (also known as pot tests) and greenhouse trials are planned and ongoing.

Geology, exploration and mineral resource estimates

Located in the Delaware Basin, a sub-basin of the Permian Basin, that covers a large portion of west Texas and New Mexico, the Project does not have any mining history. The Delaware Basin

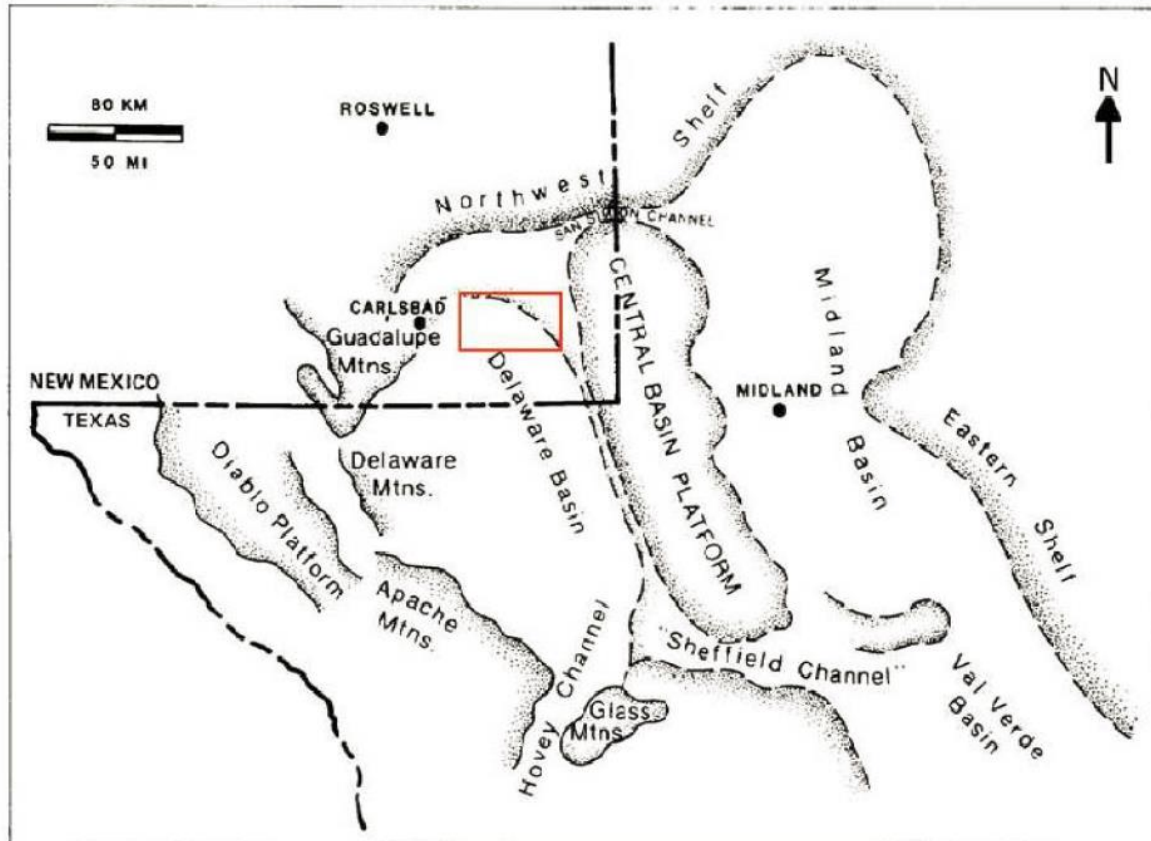


has been explored for hydrocarbons since the early 20th century, but it has not been previously explored for polyhalite. The Company began preliminary polyhalite exploration in 2008 when they applied for exploration permits and initiated a scoping study. That study was prepared by Micon and it indicated 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 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.

Polyhalite mineralization within the Project area occurs as a generally undisturbed, flat-lying bed ranging from 4 feet to 6 feet thick. Based on core drilling analysis, the Ochoa polyhalite bed is estimated to contain approximately 330 million tons of measured and indicated polyhalite mineral resources at a mean grade of 89.3 percent pure. The Project falls within the Carlsbad Potash District, which is host to significant past and current potash production from mines in the Carlsbad area.

The Delaware Basin itself is asymmetrical, with basin fill thickest along the eastern margin adjacent to the Central Basin Platform and thinnest to the west. The Delaware Basin is bordered to the north by the Northwestern Shelf, to the west and southwest by the Diablo Platform, and to the south by the Ouachita Fold Belt.



In the Late Permian Ochoan age, potash mineralization occurs within three evaporate bearing formations, namely the Castile, Salado, and Rustler formations. The evaporate bearing formations overlay the marine carbonate dominated sequence of the Capitan Reef Complex and are in turn overlain by the continental red beds of the Dewey Lake Formation. The Ochoan age units combine to span a total vertical thickness in excess of 4,000 feet.

Figure 7.2: Permian Stratigraphy

Eon	Era	System	Period	Series	Delaware Basin Gr. & Fm.	Period Age (Ma)	
Phanerozoic	Cenozoic	Quaternary	Holocene		Quaternary sediments	Present	
			Pleistocene		Quaternary volcanics	0.0117	
		Tertiary	Pliocene			Tertiary volcanics	2.58
						Tertiary intrusives	
						Tertiary sediments	
			Miocene		Ogallala Fm.	5.333	
	Mesozoic	Cretaceous				66	
		Jurassic			absent	145	
		Triassic				201.3 ± 0.2	
	Paleozoic	Permian	Lopingian	Ochoan	Dewey Lake Fm.	254.14 ± 0.07	
					Rustler Fm.		
					Salado Fm.		
			Guadalupian	Guadalupian	Castile Fm.		
					Artesia Gr.	259.8 ± 0.4	
					Capitan Reef Fm.		
		Cisuralian	Leonardian	Delaware Mountain Gr.			
				San Andreas Fm.	272.3 ± 0.5		
				Yeso Fm.			
				Ado Fm.			
		Carboniferous	Pennsylvanian		Wolfcampian	Hueco Fm.	
	Devonian	Mississippian				298.9 ± 0.15	
						323.2 ± 0.4	
					358.9 ± 0.4		
					419.2 ± 3.2		
					443.8 ± 1.5		
Ordovician					485.4 ± 1.9		
Cambrian					541.0 ± 1.0		
Precambrian							

Note: Prepared using information gathered from Jones and Madsen (1968), Cohen, et al (2013), and USGS (2016)

The polyhalite in the Ochoa Project area occurs in the basal anhydrite unit of the Tamarisk Member of the Rustler Formation as presented in Figure 14.3.

Figure 14.3: Stratigraphic Column with Model Codes

System	Series	Formation	Member	Unit	Top Code	Bottom Code		
Permian	Ochoan	Rustler Formation	Forty-Nine Member	A5	RUSTT	APH_01		
				M4	APH_01	APH_02		
				A4	APH_02	MAGET		
			Tamarisk Member	Magenta Member		A3	MAGET	TAMAT
				H3	Halite	HALT	POLY	
					POLY1	POLY1 Roof	POLY2 Roof	
					POLY2	POLY2 Roof	POLY3 Roof	
					POLY3	POLY3 Roof	POLY3 Floor	
					H3A	POLYB	BPH_01	
					H3S	BPH_01	BPH_02	
				Culebra Member		A2	BPH_02	CULET
				Los Medanos Member			CULET	LOS MEDANOS
				Salado Formation			LMEDT	SALDT
						SALDT	-	

Note: Formation, Member and unit names as presented in SNC Lavalin (2014)

The Rustler Formation is the upper evaporate sequence within the Ochoan stratigraphy. Potash mineralization is focused in a single thick bed in the middle member, the Tamarisk Member. The Tamarisk Member sits stratigraphically above the Culebra Member and immediately below the

Magenta Member with a mean thickness of 145 feet (range of 28 to 350 feet).

IC Potash conducted a four-phased exploration core drilling and core chemical analysis program within the Project area from December 2009 through April 2013 during which 47,879 feet of drilling and 32 drillholes were completed. Drillhole spacing throughout the Project area is variable, with a mean spacing of approximately 10,870 feet (range 2,400 to 25,000 feet) across the majority of the Project area. Focused drilling was conducted with a mean spacing of approximately 6,000 feet (range 2,400 to 15,000 feet) in the core potential mining areas.

A total of 646 samples were collected from the 32 IC Potash drill holes in the Project area. Sampling was focused on the polyhalite bed and immediate roof and floor anhydrite units during four exploration programs. The polyhalite interval was sampled in its entirety in all 31 intercepts (ICP-095 did not intercept polyhalite). The roof and floor anhydrite was typically sampled for 1.3 feet (range of 0.28 feet to 3.65 feet) to provide confirmation of the interpreted lithological and grade boundaries. The mean sample interval length in the anhydrite was 0.37 feet, ranging from 0.12 feet to 0.79 feet. All Phase 1, Phase 2A, Phase 2B and Phase 3A samples were submitted to the Mineral Lab and H&M for sample predation and XRD and XRF analyses. Phase 1 and 2A were also submitted to Actlabs for ICP-OES analyses.

The IC Potash core facility is a secure, climate controlled building located in Hobbs, New Mexico. The core facility has a 650 square foot office space and a 1,890 square foot warehouse space for core handling. The drill core is logged and sampled by IC Potash drill site and core shed geologists and core technicians.

IC Potash implemented a comprehensive analytical Quality Assurance and Quality Control program (“QA/QC”) during each of the Phase 1, Phase 2A, Phase 2B and Phase 3A sampling and analytical programs which included the insertion of blind certified reference material standards, duplicates and blanks to evaluate analytical precision, accuracy and potential contamination during the sample preparation and analytical process. The QA/QC samples were inserted by IC Potash geologists and core technicians during the drill core sampling process.

Based on the PEA Technical Report by Golder, the Ochoa polyhalite bed is accessible with a bench depth of some 1,525 feet (465 metres) below surface. The polyhalite domain of the Ochoa bed are estimated to contain approximately 330 million tons of measured plus indicated polyhalite mineral resources as described in Table 1. Estimation of Mineral Reserves requires additional modifying factors studies performed to a minimum of a PFS level of study.

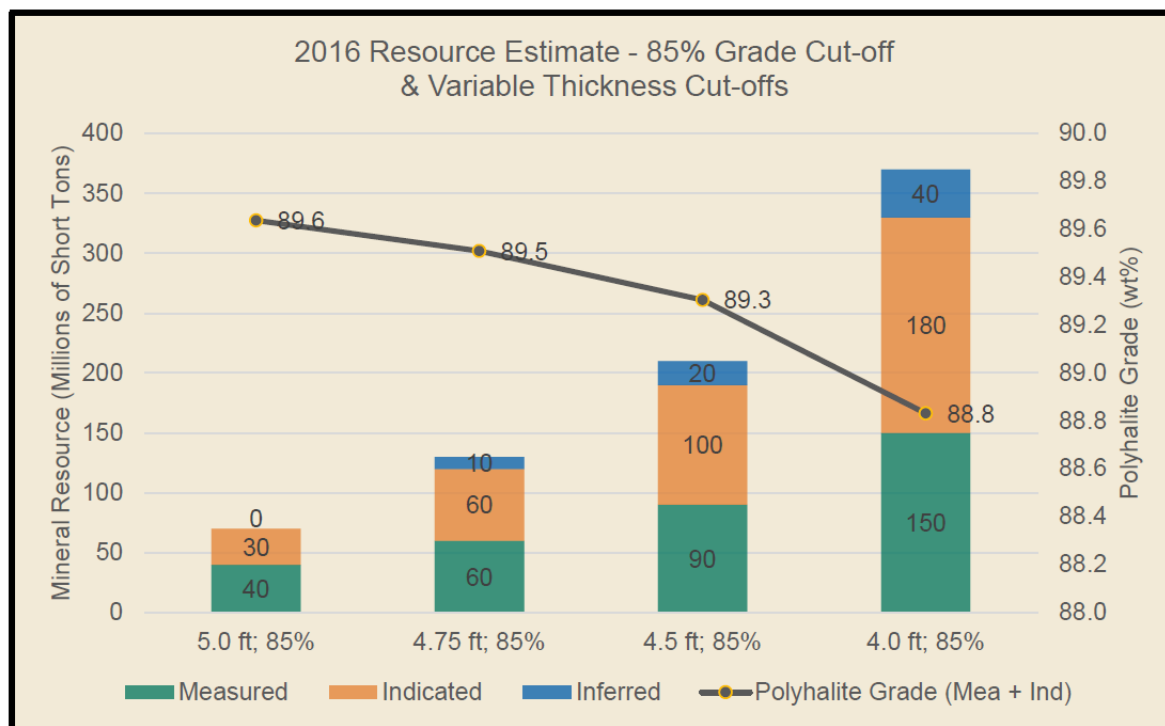
Table 1: Mineral Resource Statement (effective October 28th 2016)

Resource Class	Thickness (ft)	Mass (tons x10 ⁶)	Polyhalite (wt.%)	Anhydrite (wt.%)	Halite (wt.%)	Magnesite (wt.%)
Measured	4.65	150	89.92	2.13	3.25	6.41
Indicated	4.61	180	88.83	2.11	2.79	6.92
<i>Mea + Ind</i>	4.63	330	89.33	2.12	3.00	6.69
Inferred	4.60	40	88.70	2.11	2.77	7.00

Note: Mass rounded to nearest ten million; ft = feet; wt.% = weight percent

As per the Canadian Institute of Mining (CIM) definition of Mineral Resources, a key

requirement in the estimation of Mineral Resources is that they must have a reasonable prospect for economic extraction. Golder ran a series of polyhalite Mineral Resource estimate cases with variable conceptual minimum mining thickness and polyhalite grade cut-offs applied. The validated geological database included downhole lithology records from 32 ICP drillholes totaling approximately 47,000 feet of drilling. The range of conceptual minimum mining thickness and polyhalite grade cut-offs applied in the scenarios was used to evaluate the potential for extraction using likely mining methods as seen below.



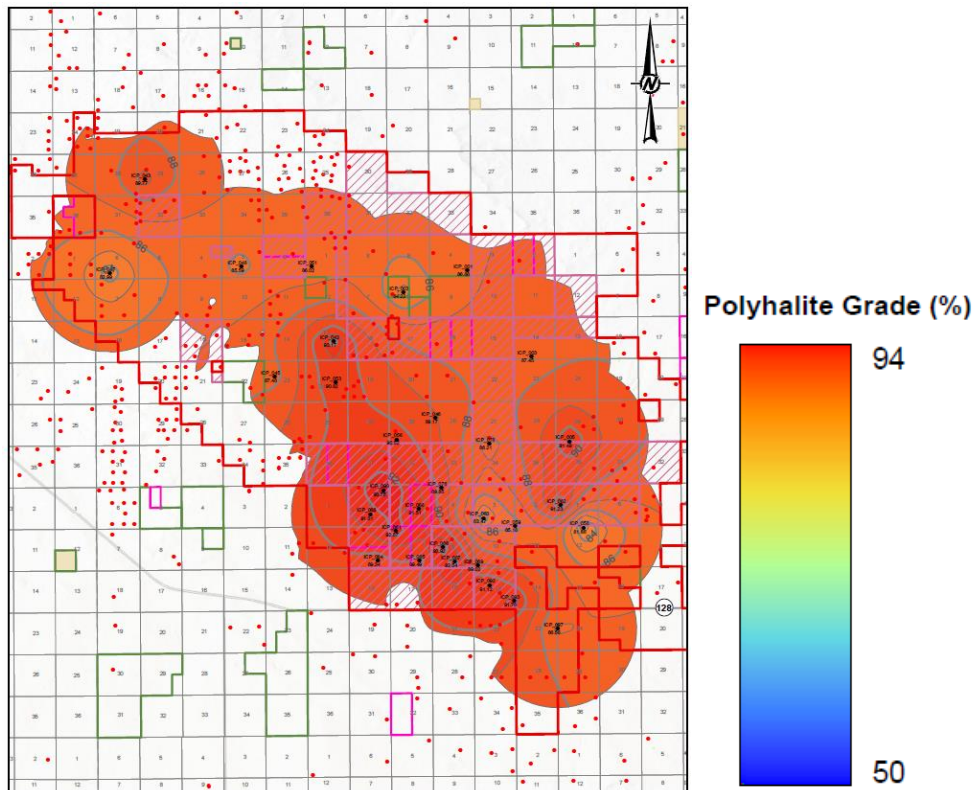
The thickness and grade variogram ranges for each polyhalite domain are presented in table 14.6 below. The application of domaining within the polyhalite bed allows for better evaluation and control over geological dilution of the target polyhalite. Golder recommends that ICP conduct a targeted geostatistical drilling and analytical program in the future to aid in the development at the PFS level.

Table 14.6: Thickness and Grade Variogram Ranges by Polyhalite Domain

Polyhalite Domain	Parameter	Intercept Count	Variogram Model	Major Axis Orientation	Nugget	Sill	Variogram Range (ft)
POLY1	polyhalite (wt%)	17	spherical, 2 structure	omni-directional	8	89	30,000
POLY1	thickness (ft)	17	spherical, 2 structure	omni-directional	-	-	-
POLY2	polyhalite (wt%)	31	spherical, 2 structure	omni-directional	1	11.9	20,000
POLY2	thickness (ft)	31	spherical, 2 structure	omni-directional	0.2	1.15	30,000
POLY3	polyhalite (wt%)	26	spherical, 2 structure	omni-directional	10	85	30,000
POLY3	thickness (ft)	26	spherical, 2 structure	omni-directional	0.05	0.7	30,000
POLY ALL	thickness (ft)	417	spherical, 2 structure	160° azimuth	0.05	0.54	45,000

Note: POLY 1 thickness did not generate a reliable thickness variogram for modelling purposes

Domain grade composites were validated and mapped to an Isopleth Map (below) to simplify the data and show the range of grade quality within the target domain. The target “domain” is a layer of polyhalite within the deposit that has a grade of 85% polyhalite and greater. In most places the layer is continuous throughout the deposit although in isolated spots it pinches out. This target domain has been identified as “Poly2”, which is mapped and colored by polyhalite grade isolines in the following figure.



Infrastructure and utilities

Infrastructure and utilities required in development of the Ochoa greenfield project to support the production facilities include site access, electrical and natural gas, water, communications and labour resources.

Site access

The Project would be accessed via County Road 2, also known as Brinninstool Road, situated adjacent to the Project site and intersects with New Mexico State Road 128 (NM 128). The site’s administrative facilities, processing plant, and main shaft site will be accessed from NM 128 which has deceleration lanes. A comprehensive Travel Management Plan to be prepared.

Airports are located near Carlsbad, approximately 60 miles west, and at Hobbs, approximately 70 miles northeast of the Project site. Both airports provide commercial and general aviation services.

The route for the rail spur to connect Ochoa to the Union Pacific mainline will be via the existing Texas New Mexico Railroad (“TNMR”) line at the Jal loadout site (approximately 22 miles east

of the project site). Polyhalite from Ochoa will be shipped by rail to the Port of Galveston (PoG), one of 13 deep water ports located in the Texas area.

Electrical and natural gas

Xcel Energy has constructed an electrical substation approximately 1 mile from the mine site (north of NM 128). It is estimated that the facility would require approximately 3 MW of connected power to support the mining and processing operations. It is planned to tie into the Project's main substation with a 345kV power supply for all site power requirements including buildings (operations complex/warehouse/workshops).

Natural gas required to support the processing operations (pelletizer dryer and building services) would be provided by the natural gas plant located adjacent to NM 128 less than 1 mile from the Project site. The natural gas requirements for the Project have been reduced as a result of the new Project design.

Water

Water supply will be sourced from the Capitan Reef aquifer. Water wells WS01 and WS02 have been drilled for the Project and are located approximately 13 miles northeast of the Project mine site. There will be three water support systems including raw process water (untreated), treated process water and potable water. A water treatment plant (WTP) in the form of a multi-stage Reverse Osmosis (RO) treatment facility is required for the treated water supply. Water will be stored onsite in their respective tanks. The raw water tank would also serve as the water source for the fire protection system.

The new Project design has resulted in reduced water use requirements. Key differences from the 2014 Feasibility Study include:

- Reduced water required given minimal process water;
- Reduction in injection well capacity due to less water requirements; and
- Reduction in Reverse Osmosis (RO) plant requirements.

As a result, only one water well will be used at any given time with the second used as a backup water source.

Communications

The surface operations complex will incorporate a fiber optic cabling system to support local/wide area network (LAN/WAN), internet and intranet services, Voice over Internet Protocol (VoIP) telephone systems; mobile radio and antenna towers, security closed-circuit television (CCTV) and access control system as well as UPS courier services.

The underground mining operations will use two-way radio communication, tunnel radio ultra-high frequency (UHF) system with surface antennas and underground cables to track miners both on surface and underground. Battery-powered, MSHA-permissible phone system would be included as a secondary communication system.

Labour

Experienced labour for construction, mining, and processing is available from 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.

Mining

The Ochoa polyhalite mine will provide a nominal 2 million tons per year (Mtpy) of run-of-mine (ROM) polyhalite material to a processing plant located on the surface. ROM material must have a minimum grade of 85% polyhalite to meet IC Potash quality standard and is a key driver for mining plans to produce and distribute premium quality organic fertilizer to market. Approximately 80 Mt of mining is expected, based on the Resource estimate and orebody geometry, which potentially translates to a 42-year mine production life.

Room-and-Pillar mining method using heavy duty underground continuous mining equipment will be used to target the highest grade polyhalite bed. The mine will be accessed by two shafts located north of NM 128 and directly to the east of Brinninstool Road. The shafts will be approximately 1,525 feet (465 meters) in depth (bench depth) to reach the polyhalite bed. Shuttle cars or articulated haulers will transfer polyhalite from the continuous miners to feeder breakers where material will be conveyed to the production shaft. The production shaft will also serve as a ventilation exhaust. The service shaft will support workers, materials and fresh air intake.

Mine construction including shaft sinking, underground infrastructure, surface construction, and communication systems is expected to be completed within 3 years with initial production to commence in 2019. There will be a ramp-up period of 3 years to reach full production of 2.0 Mtpy.

Mining equipment

Utilizing drum type continuous miners in this room and pillar arrangement will allow selective mining to target the high-grade polyhalite seam and maintain the minimum product grade of 85%.

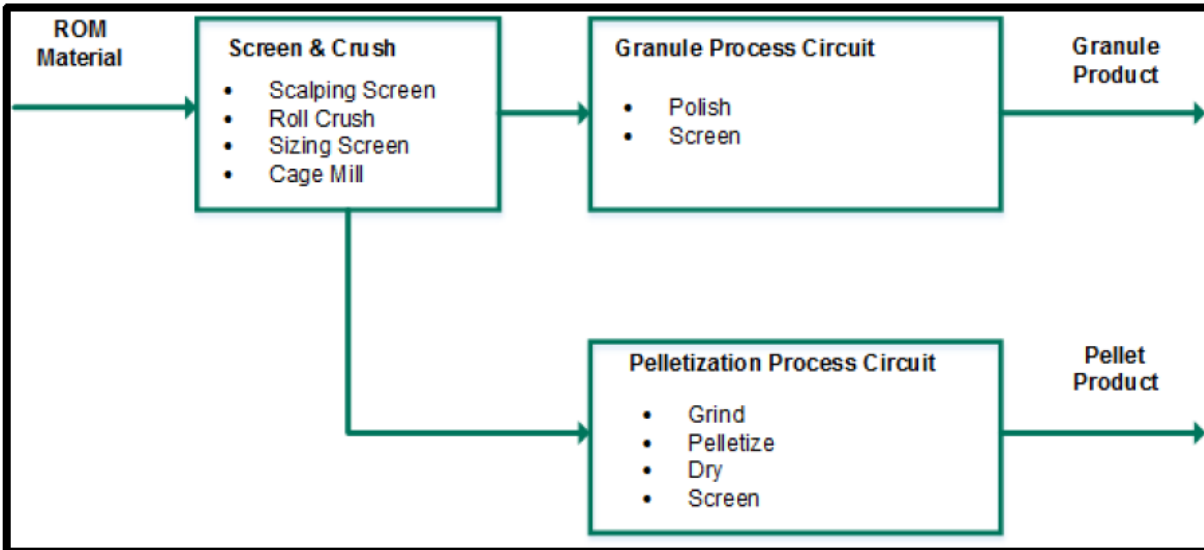
Mineral processing

Simplified mineral processing strategy will include crushing and sizing ROM polyhalite by vibrating screens. This processing scheme will produce two fertilizer products for market; raw granule and pelletized product with 100% ROM polyhalite recovered.

The process for the raw granule product would be entirely mechanical, and would require no chemical treatments, additions, or nonstandard material handling processes. The process would focus on crushing and size classification as the primary objectives.

The process for the pelletized product is to convert a portion of the raw granulated material along with collected fines into a consistent, uniform, value-added marketable product through grinding, pelletizing, and drying. Figure 1.3 illustrates the flow of material through these processes.

Figure 1.3: Material Flow Process



The product would remain a polyhalite composition ($K_2Ca_2Mg(SO_4)+2H_2O$) which is delivered to surface at a minimum grade of 85%. Mining dilution would occur underground. Each of the two products would be conveyed to its dedicated loadout bins for loading and transfer to the railyard facility as seen in the respective Simplified Process Flow Diagrams in Figure 17.1.

Figure 17.1: Simplified Process Flow Diagram

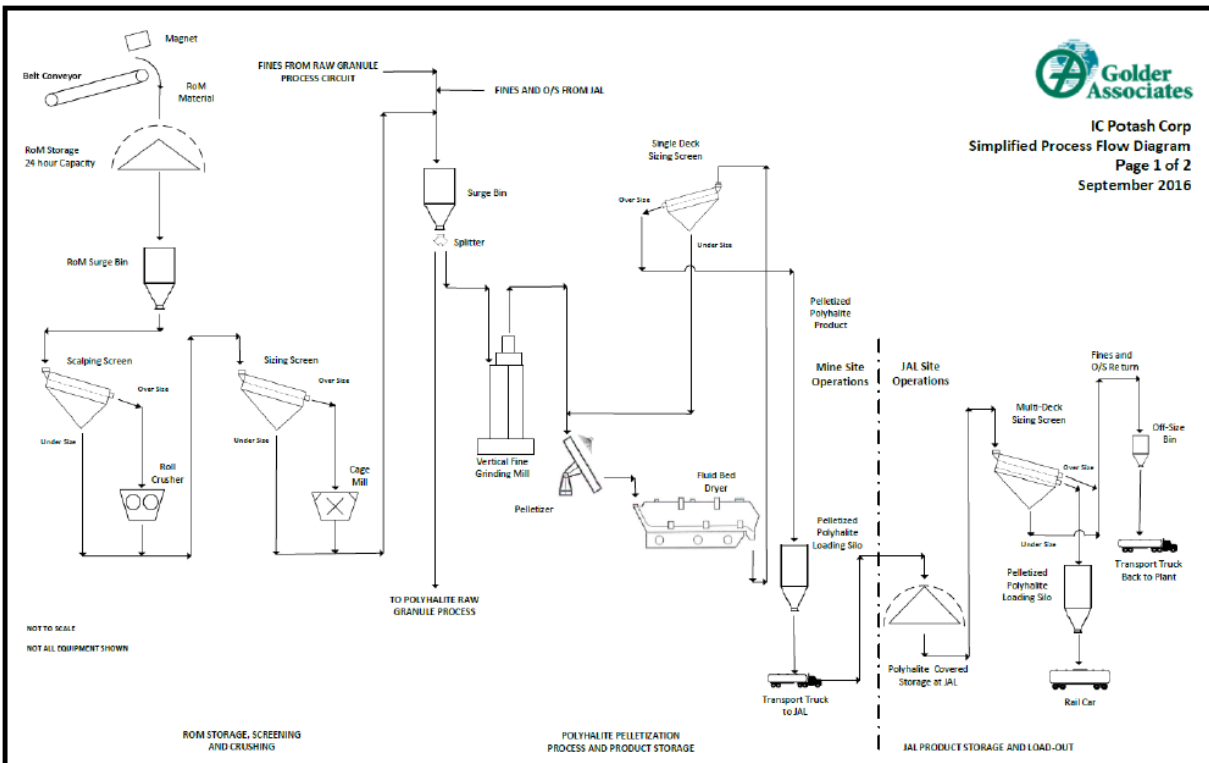
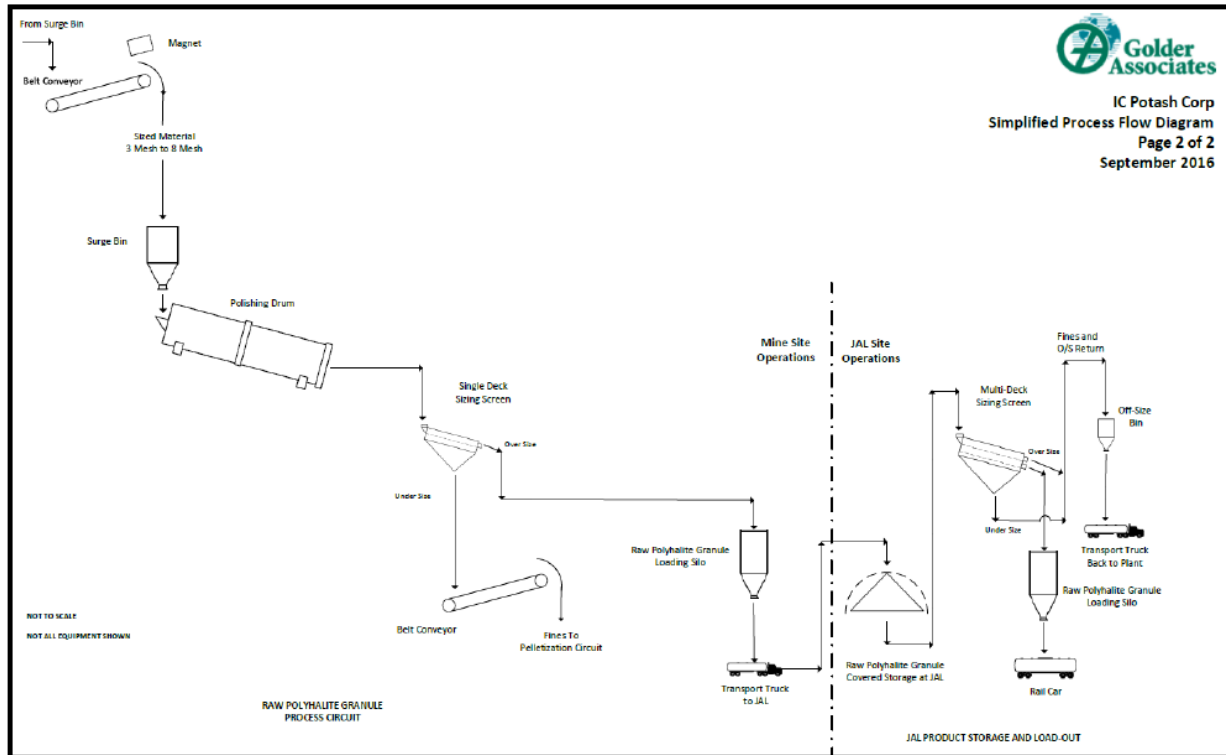


Figure 17.1: Simplified Process Flow Diagram (continued)



Since all material mined will be processed and shipped to market, there is no requirement for a tailings management area. Additionally, the elimination of evaporation ponds and a reduction in injection well capacity requirements has reduced overall water use. A waste rock storage facility will be situated near the mine shafts to hold all shaft and pre-produced material which will be retained on surface and used for site construction as needed. Based on this new project design the Ochoa Project is likely to have a significantly lower overall environmental impact.

Environmental studies and sustainable development

Through the development and integration of detailed environmental plans, monitoring programs and reporting protocols we will seek to mitigate/eliminate potential environmental impacts. IC Potash engaged external consultants to undertake various environmental studies within the Ochoa Project mine site area including:

- Acoustical Bat Survey, Walsh, Ochoa Project 2012 Field Effort, Lea County, NM, December 2012
- Air Study, Class One Technical Services, New Mexico Environmental Department Air Quality Board (NMAQB), December 2013
- Ecological, Vegetation and Wildlife surveys, Walsh, , 2011, 2012 and 2013
- Environmental and Socio-Economic Assessment, Permitting Schedule, and Reclamation Evaluation, INTERA and Walsh, 2013
- Environmental Impact Statement, INTERA, 2013
- Hydrologic Impact Assessment Report, INTERA Incorporated, Ochoa Mine Project, Lea County, NM, July 16, 2013

- Request for Jurisdictional Determination of Four Drainages, Walsh, US Environmental Protection Agency, Lea County, NM, May 2013
- Soil Study, Native soil surface conditions, relatively flat terrain, semi-arid rangeland.
- Threatened, Endangered, and Sensitive Species - Baseline Survey Walsh, December 2011 – June 2012
- Wildlife survey, Baseline, Walsh, 2013
- Cultural Resource survey, Class III, Bureau of Land Management and State Historic Preservation Office
- Bureau of Land Management – Record of Decision, April 10, 2014

The new design has made several positive environmentally sustainable changes to the Ochoa Project by using cleaner production processes through elimination of the chemical processing facility; reducing water consumption by eliminating the evaporation ponds; and improving waste management by eliminating the tailings management area and using waste as raw material for site construction. The new design also reduces the project’s overall footprint (mining area surface disturbance) by approximately 3 miles square (1 mile square vs 4 miles square).

Operating costs

All costs are in 2016 USD unless otherwise noted. Operating costs were developed either from internal data sources, first principal calculations, or by factoring previous costs in the 2014 Feasibility Study.

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

Steady State Operating Costs

OPEX	Total Cost (US\$000s)	Cost per ton of Ore Mined
Mine	\$1,954,499	\$24.07
Process Plant	\$947,708	\$11.67
Jal Storage / Loading	\$422,351	\$5.20
General and Administrative – Operations	\$250,908	\$3.09
Total OPEX	\$3,575,466	\$44.04

Operating costs include transportation of all products to the rail loadout facility in Jal. Costs to transport the product from Jal to port or final market and other sales related charges have been included as a reduction of revenue in determining net-back prices.

Capital Costs

Capital costs were estimated using indicative pricing for major components and equipment. In some cases, actual vendor quotes were used in the capital cost estimate. Other capital cost estimates were factored from the 2014 Feasibility Study and adjusted to the new Project design.

Initial capital is defined as costs required to meet the desired throughput rate of 2 Mtpy and includes all mobile support equipment, fixed equipment, materials, supplies and labour. Sustaining capital includes rebuilds and replacements as a function of initial capital for all fixed and mobile equipment. Indirect capital costs include owner's cost, design, initial construction, spares, freight, and commissioning.

The initial capital cost of the Project (CAPEX) is estimated to be \$368 million expressed in October 2016 US Dollars with no allowance for escalation, currency fluctuation or interest during construction. The CAPEX for the Project is shown in the following table:

Total Estimated Ochoa CAPEX by Major Area (in USD\$000s)

Work Description	Breakdown Structure	Initial Capital	Sustaining Capital	Total Capital
1.0 Mine				
General Site – Mine		\$13,073	-	\$13,073
Ancillary Buildings – Mine		\$1,479	-	\$1,479
Off-site facilities		\$1,183	-	\$1,183
Underground Mine Development		\$940	-	\$940
Shaft Construction		\$77,514	\$58,135	\$135,649
Mine Production Equipment		\$13,730	\$53,754	\$67,484
Underground Support Equipment		\$9,320	\$70,365	\$79,685
	Mine Sub-	\$117,239	\$182,254	\$299,493
Total				
2.0 Process Facility				
General Site – Process Plant		\$38,430	\$28,822	\$67,252
Process Plant		\$71,337	\$96,304	\$167,641
Product Loadout		\$11,501	\$15,526	\$27,027
Ancillary Facilities – Process Plant		\$7,209	\$5,407	\$12,616
	Process Sub-	\$128,477	\$146,059	\$274,536
Total				
3.0 Jal Storage / Loading				
General Site – Jal		\$12,164	\$9,123	\$21,287
Jal Storage / Loading Facilities		\$20,151	\$27,204	\$47,355
Ancillary Facilities – Jal		\$205	\$154	\$359
	Jal Storage/Loading Sub-	\$32,520	\$36,481	\$69,001
Total				
Total Direct Capital Costs		\$278,236	\$364,794	\$643,030
Engineering, Procurement, and Construction Management (“EPCM”) Services		\$19,477	-	\$19,477
Construction Support & Facilities		\$10,847	-	\$10,847
Other Indirect Costs		\$17,864	-	\$17,864
Total Indirect Capital Costs		\$48,188	-	\$48,188
Total Project Contingency		\$41,735	-	\$41,735
Project Total Capital		\$368,159	\$364,794	\$732,953

Economic Analysis

Discounted cash flow modeling of the Project base case yields an after-tax internal rate of return (“IRR”) of 28% and a Net Present Value (“NPV”) of \$1,197 million at a discount rate of 8%. Tax rates applied include 7.2% ad valorem, 2% severance, 35% corporate, and 5.9% state. A 6.7% effective royalty rate was applied to gross sales. All cashflow amounts are expressed in

October 2016 USD\$ with no allowances for escalation. The financial results are summarized in the table below:

Financial Results (USD)

Full Equity Basis (i.e. No Debt)	After Tax
Initial Capital Cost	\$368 million
Sustaining Capital Cost (spread over 42-year mine life)	\$365 million
Operating Cost per Ton of Polyhalite at Steady State	\$62.77
IRR	28.0%
NPV, 8% Discount Factor	\$1,197 million
NPV, 10% Discount Factor	\$848.0 million
Payback Period (from start of production)	2.6 years

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

Sensitivity Analysis

Input Variable to Financial Model	-25%	Base Case	+25%
CAPEX	32.0%	28.0%	25.0%
Polyhalite Price	20.5%	28.0%	34.4%
OPEX	30.4%	28.0%	25.6%

Interpretation and Conclusions

The Ochoa Property contains significant polyhalite mineralization in sufficient quantities and of sufficient grade to be mined and processed as a direct application crop nutrient product under expected market conditions, notwithstanding the risk inherent to mining property development.

The PEA considers all reasonably expected relevant factors in compilation of capital and operating costs in order to complete a cashflow model to assess economic viability.

Adequate mine design, permitting requirements, infrastructure estimates, processing design, and marketing analysis were conducted to support the cashflow model to the PEA level. The PEA estimates an economically viable project with the capacity and polyhalite resources to produce 2 Mt of direct ship crop nutrient product for up to 42 years.

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The Mineral Resource estimates presented in the PEA supersede the Mineral Resource estimate for the Project presented in the 2014 Feasibility Study,

Recommendations

Based on the results of the PEA, the Ochoa Project demonstrates potential economic viability. ICP(USA) is contemplating a design, build, operate and maintenance contract agreement to advance the project to construction stage. This approach may supersede the traditional study levels used for Project advancement. As a parallel effort, ICP should continue with community involvement and permitting activities necessary to comply with regulatory and social expectations.

Regardless of the overall Project approach, the PEA recommends that ICP complete a prefeasibility study to assess various trade-off options and advance the project to a higher level of confidence to reduce Project risk.

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.

No History of Mineral Production

The Company has never had any interest in mineral producing properties. 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, if the SOP option is pursued, failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. Mining equipment has to be specifically configured for polyhalite as it is harder to cut than potash and other evaporates.

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 and mineral 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, BLM PRLs, NMSLO 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 recoveries in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production. Fluctuations in resource 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.

Uncertainty of Technical Report Results

Preliminary assessments such as the PEA contained in the most recent Technical Report are used to determine the economic viability of a deposit. While the PEA 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 PEA and that the other assumptions on which the PEA is based will be accurate. Feasibility studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs. The level of accuracy and confidence of a PEA is less than that of a Feasibility Study. While the Company incorporates what it believes is an appropriate contingency factor in cost estimates and other assumptions contained in the PEA to account for this uncertainty, there can be no assurance that the contingency factor is adequate.

Although the Company does not plan to proceed with the strategy to produce SOP from Polyhalite as outlined in the 2014 Feasibility Study, the Company retains the possibility of doing so in the future.

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.

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 operating/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

The Ochoa Project is located in an active production area for oil and gas companies and there are active and plugged oil and gas wells within the mine plan. These hydrocarbon operations need to be considered as mining is planned and as mining proceeds. The Company has

various memoranda of understanding in place with oil and gas companies for the purposes of co-development. Additional agreements are being negotiated.

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. Three 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(USA), its U.S. subsidiary. Therefore, the Company is dependent on the cash flows of ICP(USA) to meet its obligations. The ability of ICP(USA) 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(USA) 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. It will take considerable time and effort to build up and maintain a distribution system and dealer network. 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. Advanced and sustained marketing effort and sales strategy will be necessary to position as a premium brand fertilizer.

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 publicly 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. Little is known as to what future pricing will be for polyhalite. The price of potash and other minerals and fertilizers 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, other fertilizers, 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 14% of the current issued and outstanding Common Shares and RCF owns 28,107,000 Common Shares, representing approximately 13% 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.

The preferred shares of Cartesian may be converted at the end of their term to a non-diluted 28.9% interest in the common shares of ICP(USA). Cartesian also holds certain tag along rights, the right to participate in one-third of future debt or equity financings of ICP(USA) which

will maintain or increase Cartesian's percentage voting control since preferred shares are convertible into non-diluted common shares. Cartesian has the right to appoint two (2) of five (5) directors and co-approve a third director to the board of directors of ICP(USA), as well as certain other rights and protective provisions under the Cartesian securities purchase agreements, and related agreements (including the stockholders agreement) as well as the articles of incorporation and the by-laws of ICP(USA) that may influence the activities of ICP(USA) and impact matters requiring shareholder or board approval of ICP(USA).

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 resources, is based on the PEA 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 PEA has been filed on SEDAR and can be reviewed at www.sedar.com. Actual recoveries of mineral products may differ from reported mineral 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 many other risks associated with the Ochoa Project including, but not limited to: (i) process plant may be more expensive than anticipated; (ii) product quality must be consistent over long periods of time; (iii) capital costs may increase due to heavy demand in mining equipment; (iv) major suppliers may undercut prices to prevent additional competition; (v) the market for polyhalite as a direct application nutrient/fertilizer may be more difficult to develop than anticipated; (vi) permitting, bonding, and permit requirements may increase the capital requirements, and the time necessary to develop the project; and (vii) fresh water may become more difficult to obtain.

There are other risks associated with the Ochoa Project that were identified in the PEA and the 2014 Feasibility Study. Please refer to the PEA Technical Report and 2014 Feasibility Study 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.

On November 25, 2014, Intercontinental Potash Corp. (USA) ("ICP(USA)"), an indirectly wholly-owned subsidiary of IC Potash Corp., issued 500,000 convertible Class A Preferred Shares (the "Preferred Shares") at a purchase price of \$10,000,000. The Preferred Shares accrue dividends at a rate of 12% per year and mature on November 21, 2016, at which time they can be redeemed by the holder for the purchase price plus accrued dividends or converted into a non-diluted 28.9% interest of the common shares of ICP(USA).

ICP(USA) signed a Securities Purchase Agreement on February 29, 2016 for a financing of up to \$45 million composed of two tranches (the "Securities Purchase Agreement"). The Tranche 1 investment was to consist of up to \$5 million in new convertible Series B Preferred Stock of ICP(USA) ("Series B Shares") and up to \$5 million in senior secured notes ("Secured Notes") issued by ICP(USA). The initial draw of Tranche 1 closed by issuing \$2.5 million of Secured Notes. The Secured Notes are due on February 28, 2018, bear interest at 11% per annum and are fully secured by a first priority security interest in all of the assets of ICP(USA), including the Ochoa Project. The second drawdown made in July 2016 consisted of \$2.5 million in Series B Shares, which bear a 12% dividend rate, will have substantially the same features and rights as existing Series A Preferred Shares of ICP(USA) (including certain voting rights, protective rights, liquidation preferences, redemption rights, anti-dilution rights, tag along rights and participation rights) and will have a term ending February 28, 2018 ("Tranche 1 Maturity"). A third draw was made in November 2016 for an additional \$2.5 million in Series B shares. The Securities Purchase Agreement expired in 2016.

Description of Capital Structure

The Company is authorized to issue an unlimited number of Common Shares, of which as at March 28, 2017 there were 219,596,878 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, 2016.

Month	High (\$)	Low (\$)	Volume
December 2016	0.10	0.08	3,061,060
November 2016	0.14	0.09	3,856,593
October 2016	0.13	0.11	4,488,728
September 2016	0.15	0.09	6,238,319
August 2016	0.11	0.08	2,047,027
July 2016	0.12	0.07	5,559,094
June 2016	0.08	0.06	2,562,919
May 2016	0.08	0.06	11,703,851
April 2016	0.09	0.05	20,297,503
March 2016	0.06	0.05	2,167,609
February 2016	0.07	0.05	2,184,134
January 2016	0.06	0.05	675,625

Prior Sales

During the year-ended December 31, 2016, the Company issued the following common shares:

- On May 20, 2016, the Company issued 18,498,891 units pursuant to a non-brokered offering, made up of 17,998,891 units at \$0.045 CAD and 500,000 units at \$0.05 CAD per unit (issued to a Director of the Company) for gross proceeds of \$834,950 CAD. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company for \$0.08 CAD per share until May 20, 2017, provided that if, at any time after the date which is four months and one day following the Closing Date, the volume weighted average price of the common shares is equal to or exceeds \$0.18 CAD 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 (the “Accelerated Expiry Date”) which is 30 days following of a press release by the Company announcing the Accelerated Expiry Date. The Company paid finder’s fees to certain qualified eligible persons assisting the Company in the offering in the aggregate amount of \$38,496 CAD. The Company also issued an aggregate of 855,478 broker warrants to qualified eligible persons, each such broker warrant entitling the holder to acquire one common share for a period of 12 months at an exercise price equal to \$0.065 CAD.
- On November 7, 2016, the Company issued 4,500,000 shares at \$0.08 pursuant to the exercise of warrants.
- On December 14, 2016, the Company issued 16,950,000 units at \$0.08 pursuant to a non-brokered offering, for gross proceeds of CAD\$1,356,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company for CAD\$0.11 per share until December 14, 2017, provided that if, at any time after the date which is four months and one day following the Closing Date, the volume weighted average price of

the common shares is equal to or exceeds \$0.18 CAD 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 (the “Accelerated Expiry Date”) which is 30 days following of a press release by the Company announcing the Accelerated Expiry Date. The Company paid finder’s fees to certain qualified eligible persons assisting the Company in the offering in the aggregate amount of CAD\$85,680. The Company also issued an aggregate of 1,071,000 broker warrants to qualified eligible persons, each such broker warrant entitling the holder to acquire one common share for a period of 12 months at an exercise price equal to CAD\$0.11.

During the year ended December 31, 2015 the Company did not issue any common shares.

Directors and Officers

The names, positions or offices held with the Company, province/state and country of residence of each director and executive officer of the Company as at March 28, 2017 are set forth below. In addition, principal occupations of each of the Company’s directors and executive officers within the five preceding years.

As of March 28, 2017, directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 2,342,916 common shares of the Company, representing approximately 1.1% of all issued and outstanding common shares.

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. Typically, on an annual basis after the annual general meeting of the Company, the directors pass resolutions to appoint officers and committees.

Name and Province/State and Country of Residence	Position	Principal Occupation Within Five Preceding Years	Director Since
Mehdi Azodi ⁽³⁾⁽⁵⁾ Ontario, Canada	Chief Executive Officer of IC Potash	Chief Executive Officer of the Company (2016 to present). Director, Investor Relations of the Company (2013-2016).	2016
Honourable Pierre Pettigrew P.C. ⁽¹⁾⁽³⁾ Ontario, Canada	Director	Executive Advisor, International at Deloitte & Touche LLP (2006 to present).	2009
Ernest Angelo Jr. ⁽¹⁾ 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
Knute H. Lee Jr. ⁽³⁾⁽⁴⁾ New Mexico, U.S.A	Director	Independent landman and owner of KHL Inc., an oil and gas company (1985 to present).	2013

Name and Province/State and Country of Residence	Position	Principal Occupation Within Five Preceding Years	Director Since
John Stubbs ⁽¹⁾⁽²⁾ Winchester, United Kingdom	Chairman and Director	Non-Executive Corporate Director, Lydian International Limited (2016 to present), and Alloycorp Mining Inc. (2014 to 2016), Senior Advisor, McKinsey and Company (2014 to present), VP Projects, BHP Billiton (2011 to 2014) Upstream VP, British Gas Australia (2007 to 2011)	2015
Ken Kramer New Mexico, U.S.A.	President of ICP(USA) and Corporate Secretary of the Company	Controller of the Company (2011 to 2015), Chief Financial Officer of the Company (2015 to 2016), President ICP(USA) (2016 to present).	N/A
Kevin Strong Manitoba, Canada	Chief Financial Officer of the Company	Chief Financial Officer of the Company (2008-2015) (2016-present)	N/A

Notes:

(1) Member of the Audit, Disclosure and Finance Committee.

(2) Chair of the Audit, Disclosure and Finance Committee.

(3) Member of the Nominating, Governance and Compensation Committee.

(4) Chairman of the Nominating, Governance and Compensation Committee.

(5) Sponsor of Safety and Stakeholder Management

(6) Grant Sawiak was appointed to the Board on December 12, 2016 subsequently, on March 24, 2017, Mr. Sawiak was appointed to the ICP(USA) Board and resigned from the IC Potash Board.

Corporate Cease Trade Orders

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.

Bankruptcies and Other Proceeding

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.

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, Disclosure and Finance Committee

Audit, Disclosure and Finance Committee Charter

The Company’s Audit, Disclosure and Finance Committee is governed by an Audit, Disclosure and Finance Committee charter, the text of which is included in this AIF as Appendix “A”.

Composition of the Audit, Disclosure and Finance Committee

The Audit, Disclosure and Finance Committee has been constituted to oversee the financial reporting processes of the Company and is comprised of Messrs. Angelo, Pettigrew and Stubbs. Each of the members of the Audit, Disclosure and Finance 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, Disclosure and Finance Committee Member that is relevant to the performance of his responsibilities as an Audit, Disclosure and Finance Committee Member is summarized below:

Mr. Ernest Angelo
Independent

Mr. Angelo holds a Bachelor of Science in Petroleum Engineering from Louisiana State University. He is a member of the Petroleum Engineers and the Texas Society of Professional Engineers. Mr. Angelo is currently a Managing Partner of Discovery Exploration, an oil and gas investment company and has been involved in the generation, evaluation, development and operation of drilling prospects and in the operation of producing properties. Mr. Angelo has a distinguished public service career and was appointed to the National Petroleum Council by United States Energy Secretary Edwards in August of 1981 and was subsequently reappointed by Secretaries Hodel, Herrington and Watkins. He also serves as a Member of the National Advisory Board at Londen Insurance Group, Inc. Mr. Angelo was Permian Basin Engineer of the Year in 1973 and received the National Public Service Award from the Society of Petroleum Engineers in 1996. In 2008, Mr. Angelo received the John Ben Sheppard Leadership Foundation Texas Leader Award. He was elected Mayor of Midland, Texas in 1972 and served four terms. He also served as Midland County Republican Party Chairman as a member of the State Republican Executive Committee and was elected Republican National Committeeman in 1976 and re-elected in 1980, 1984, 1988 and 1992. He served as Co-Chairman of Texas for Mr. Ronald Reagan in 1976, and as Texas Chairman of the "Reagan for President" in 1980. He was Deputy Chairman and Campaign Manager for the 1980 Texas Reagan-Bush Campaign, Chairman of the National Advisory Board for Reagan-Bush 1984, and Chairman of the Texas Delegation in 1980 and 1984. He was appointed by Governor George W. Bush to the Texas Parks and Wildlife Commission in March 1996 and served as Vice Chairman of the Commission for nearly three years. Mr. Angelo was appointed by Governor Rick Perry to the Public Safety Commission in January 2005 and subsequently became Chairman of the Commission. He retired from the Public Safety Committee in 2008.

Mr. Pierre Pettigrew
Independent

Mr. Pettigrew holds a Bachelor of Arts in Philosophy from the University of Quebec at Trois-Rivieres and a Masters in Philosophy in International Relations from Balliol College at Oxford University. He is the former Minister of International Trade, of Health of Intergovernmental Affairs, of Official Languages and of Foreign Affairs in Canada. The Honourable Mr. Pettigrew is currently the Executive Advisor of Deloitte & Touche LLP, Canada and has served on the board of several public companies, including Alder Resources Ltd., Aberdeen International Inc., Black Iron Inc., and Sulliden Gold Corporation Ltd.

Mr. John Stubbs
Independent

Mr. Stubbs is a retired chemical engineer with over 40 years of experience in the natural resources sector spanning all aspects of project management including development, execution, assurance, commissioning and operations. Mr. Stubbs most recently completed a three-year contract with BHP Billiton as Vice President, Projects, responsible for the development of the Jansen Potash Mine. Prior to BHP, Mr. Stubbs worked for British Gas as Development Manager for the Karachaganak Project (high pressure sour gas development in Kazakhstan) and as Project Director for the upstream element of the LNG Project on Curtis Island in Australia. Mr. Stubbs held several senior executive and project management positions during his 31 years with Royal Dutch Shell. Mr. Stubbs currently serves as a Senior Advisor with the Capital Productivity Practice within McKinsey and Company's offices in the UK and Canada, and as Corporate Director of Lydian International Limited.

Pre-Approval Policies and Procedures

The Audit, Disclosure and Finance 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, Disclosure and Finance Committee pre-approval of permitted non-audit and non-audit-related services. Please see Schedule "B" of the Audit, Disclosure and Finance Committee charter "Policy and Procedure for Engagement of Non-Audit Services".

Audit Fees

The following chart summarizes the aggregate fees in Canadian dollars billed by the external auditors of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2015 and 2016 for audit and non-audit related services:

Type of Work	Year Ended December 31, 2016	Year Ended December 31, 2015
Audit Fees ⁽¹⁾	\$85,000	\$90,000
Audit-related Fees ⁽²⁾	\$29,500	\$37,500
Tax Advisory Fees ⁽³⁾	\$15,500	\$17,250
All other Fees ⁽⁴⁾	\$nil	\$8,465
Total	\$130,000	\$153,215

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.

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 former President and Chief Executive Officer of the Company.

On April 12, 2013, pursuant to the Subscription Agreement, the Company issued 30,129,870 Common Shares at a price of CAD\$1.32 per Common Share to Yara for total gross proceeds to the Company of CAD\$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, 2013 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, 2012, 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 Professional 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 “INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS” above), the RCF Agreement,

and the Cartesian Tranche 1 and Tranche 2 financings (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, 2004 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.

The Securities Purchase Agreement and related agreements provided for a financing by ICP(USA) in two tranches. The Tranche 1 investment was to consist of up to \$5 million in Series B Shares and up to \$5 million in Secured Notes. Tranche 2 was to consist of up to \$35 million in Series C Shares. ICP(USA) closed the initial Tranche 1 draw of \$2.5 million by issuing Secured Notes. The Secured Notes are due on February 28, 2018, bear interest at 11% per annum and are fully secured by a first priority security interest in all of the assets of ICP(USA), including the Ochoa Project. The second drawdown made in July 2016 consisted of \$2.5 million in Series B Shares, which bear a 12% dividend rate, will have substantially the same features and rights as existing Series A Preferred Shares of ICP(USA) (including certain voting rights, protective rights, liquidation preferences, redemption rights, anti-dilution rights, tag along rights and participation rights - please refer to Significant Shareholders section) and will have a term ending February 28, 2018 (“Tranche 1 Maturity”). A third draw was made in November 2016 for an additional \$2.5 million in Series B shares. The fully funded at \$5 million, Series B Shares will be convertible, on a non-dilutive basis, into 21.1% of the common stock of ICP(USA). The Tranche 1 proceeds are to be used in accordance with an agreed Use of Proceeds Budget.

The Securities Purchase Agreement expired in 2016.

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, 2016, whose profession or business gives authority to such report, valuation, statement or opinion:

1. Davidson & Company LLP – Financial Statements and auditor’s report thereon; and
2. The persons or companies that have prepared the PEA Technical Report are Daniel A. Saint Don, P.Eng., Underground Mining Practice Leader, Jerry DeWolfe, P.Geo. MSc., Alva L. Kuestermeyer, Metallurgical Engineer, and, Peter Critikos, P.E., Mining Practice Leader – Infrastructure, on behalf of Golder Associates Inc. (collectively, the “**Authors**”). Reference is made to ‘Reliance on Other Experts’ within the PEA Technical Report.

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, 2016, which was filed on SEDAR on June 2, 2016.

Additional financial information is provided in the Company's Financial Statements and MD&A for the financial year ended December 31, 2016.

Appendix “A”
Charter of the Audit, Disclosure and
Finance Committee

1) PURPOSE

The Audit, Disclosure and Finance Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of IC Potash Corp. (the “**Company**”) to assist the Board in fulfilling its duties and oversight responsibilities with respect to:

- a) the integrity of the Company’s financial statements;
- b) compliance with legal and regulatory requirements;
- c) adequacy and maintenance of the systems and internal controls established by the Company;
- d) the appointment, remuneration, qualifications, independence, and performance of the external auditor; and
- e) capital management (funding, liquidity, balance sheet management, dividends).

2) AUTHORITY OF THE COMMITTEE

The Committee shall have the authority to:

- a) appoint the external auditor of the Company and set and pay the compensation of such external auditor;
- b) engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation of any advisors employed by the Committee; and
- c) adopt such policies and procedures, as it deems appropriate to operate effectively.

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 (“**TSX**”), the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.

- a) The Committee shall consist of at least three directors, all of whom shall meet the independence, financial literacy and experience requirements of National Instrument 52-110 – Audit Committees (“**NI 52-110**”) and any other applicable regulatory bodies or security

exchange of which the Company has listed securities. Financial literacy requires that each member of the Committee shall possess the knowledge and skills to read and understand a set of financial statements generally comparable to the complexity of issues that can be reasonably expected in the Company's financial statements and have the confidence to make responsible financial decisions on behalf of the Company.

- b) The Board, at its annual organizational meeting, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace the members of the Committee and may fill any vacancy of the Committee. Replacements of vacancies of members of the Committee must be filed by the latter of either the next annual meeting or six months from the date of the vacancy. Until such replacement is made, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- c) The Board will appoint a chair (the "**Chair**") of the Committee who shall be independent and will have oversight of the Committee. The duties and responsibilities of the Chair are more particularly described in Schedule "A" attached hereto.
- d) The Committee shall meet at least quarterly, at the discretion of the Chair, with minimum of two and at least 50% of the members of the Committee present, either in person or by telephone or by electronic communication, shall constitute a quorum.
- e) 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 of the Committee, to act as a secretary of such meeting.
- f) A meeting of the Committee may be called by letter, telephone, facsimile, email or other electronic communication, by giving at least 48 hours' notice, and that no notice of a meeting shall be necessary if all of the members are present either in person or by means of teleconference facilities or other electronic communication or if those absent have waived notice or otherwise signified their consent to the holding of such meeting, which shall constitute a valid meeting for the purpose of conducting business, provided a quorum exists.
- g) 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.

- h) The Committee may request any officer or employee of the Company, its external legal counsel or its external auditor attend a meeting of the Committee or meeting with any member(s) of the Committee.

4) DUTIES AND RESPONSIBILITIES

The Committee shall:

- a) review and discuss with Management prior to public disclosure, annual reports, quarterly reports, Management Discussion and Analysis (“**MD&A**”), earnings press release and any other material disclosure documents containing or incorporating by reference audited or unaudited financial statement of the Company in accordance with NI 51-102 – Continuous Disclosure Obligations (“**NI 51-102**”);
- b) review and recommend approval to the Board the annual and unaudited quarterly financial statements, MD&A and public release thereof by Management in accordance with National Instrument 52-110 – Audit Committees (“**NI 52-110**”);
- c) oversee the reliability and integrity of accounting principles and practices followed by Management, of the financial statements and other publicly reported financial information, and of the disclosure principles and practices followed by Management. The Committee will have unrestricted access to the books and records of the Company;
- d) provide oversight of the transparency, disclosure and controls of the Company including, without limitation, compliance with NI 51-102, NI 52-110, National Policy 51-201 – Disclosure Standards (“**NP 51-201**”), all applicable laws including the *Business Corporations Act (Ontario)* and the *Extractive Sector Transparency Measures Act (ESTMA)*, and all applicable securities regulatory authorities including the OSC and TSX with periodic reviews of the Company policies including:
 - i) Whistleblower Policy in regards to the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, and
 - ii) Timely Disclosure, Confidentiality and Insider Trading Policy;
- e) provide fair disclosure and equal treatment of all shareholders including disclosure of all major transactions and material events on the Company’s website and/or www.sedar.com and ensure shareholders are sent notices annually that they can request paper copies of financial disclosure materials;
- f) evaluate the necessity of making public disclosures including making determinations about whether a “material change” has occurred, a selective disclosure or misrepresentation has been or might be made;

- g) ensure timely disclosure of “Material Information” including "material facts" and/or "material changes" in accordance with NP 51-201. All news releases announcing material information must be approved by at least one member of the Committee in accordance with the Company’s Timely Disclosure, Confidentiality and Insider Trading Policy;
- h) review established timelines for the preparation of disclosure documents, which timelines shall include critical dates and deadlines during the disclosure process relating to the preparation of drafts, the circulation of drafts to appropriate Company personnel, the Company’s independent auditors, and the Committee;
- i) review and assess the adequacy and effectiveness of the Company’s internal control processes and systems and report to the Board on deficiencies, significant deficiencies and material weaknesses of internal audit including Management’s response to such deficiencies and weaknesses;
- j) periodically review risk management systems and processes including assessing such risks when planning new strategies, activities and products and review with Management and the external auditor any significant financial risks or exposures and the steps Management has taken to minimize such risks;
- k) appoint an external auditor and provide oversight of the work of the external auditor including:
 - i) taking reasonable steps to ensure the objectivity and independence of the external auditor including, in accordance with International Financial Reporting Standards (“IFRS”) and applicable securities laws, receipt of a formal written statement from the external auditor confirming its independence and delineating all relationships between the external auditor and the Company,
 - ii) pre-approving any non-audit services of the external auditor, including adherence to the Policy and Procedure for Engagement of Non-Audit Services as set forth in Schedule “B” attached hereto,
 - iii) approving the lead audit partner for the Company’s external auditor and ensuring that such lead partner is rotated and has not performed audit services for the Company for more than five (5) previous fiscal years,
 - iv) communicating directly with the external auditor and meeting with the external auditor and Management in separate sessions,
 - v) reporting to the Board after consultation with Management that the external auditor is in compliance with all relevant laws, regulations and company policies,
 - vi) reviewing the major accounting estimates, assumptions or adjustments made by the external auditors including any accounting adjustments requested by the external auditors but rejected by Management,
 - vii) resolving disagreements between Management and the external auditor regarding finance reporting,
 - viii) consulting with the external auditor on the audit scope and plan of the external auditor including receiving written confirmation annually as to the external auditor’s

- processes and quality control and disclosure of any investigations or government inquiries or reviews of the external auditor, and
- ix) periodically report to the Board on the performance of the external auditor;
 - l) review and approve the annual operating budget for the Company and its subsidiaries on a consolidated basis including funding, liquidity, balance sheet management and dividends and monitor the Company's performance against such budget;
 - m) review and recommend to the Board any financing proposals the Committee deems appropriate;
 - n) n) execute any such instruments, agreements, elections and documents on behalf of the Company as may be necessary or appropriate to give effect to decisions made by the Committee pursuant to this Charter; and
 - o) review annually this Charter together with the Nominating, Governance and Compensation Committee and recommend any changes thereto for approval by the Board.

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

This Charter was reviewed and adopted by the Board on October 31, 2016.

SCHEDULE "A"

Chair of the Audit, Disclosure and Finance Committee

The Board will appoint a chair (the "Chair") of the Committee who shall:

- a) be responsible for calling meetings and will ensure that minutes of meeting are taken and, where necessary, reports are made to the Board;
- b) establish the agenda for meetings of the Committee and will ensure the Committee meets regularly without the presence of non-independent directors or Management at in camera sessions;
- c) chair the meetings of the Committee and report to the Board following each meeting of the Committee on the proceedings, any findings or recommendations;
- d) pre-approve, on behalf of the Committee, any requests by Management for non-audit services of the external auditor in connection with tax compliance, tax advice or tax planning;
- e) together with the Nominating, Governance and Compensation Committee, oversee the composition and activities of the Committee;
- f) ensure that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
- g) address all concerns or conflicts of interest communicated to him or her under the Company's Whistleblower Policy or the Code of Business Conduct and Ethics; and
- h) facilitate effective communication between the members of the Committee and Management.

SCHEDULE “B”

Policy and Procedure for Engagement of Non-Audit Services

1. The Company’s external auditors shall be prohibited from performing for the Company the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Company’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 Company’s accounting standards, from time to time determines is impermissible.
2. In the event that the Company wishes to retain the services of the Company’s external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company 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 Chair 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 annually.

Appendix “B”
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		
	2016	2015	2014
High	\$1.4589	\$1.3990	\$1.1643
Low	\$1.2544	\$1.1728	\$0.0614
Average for the Year ⁽¹⁾	\$1.3248	\$1.2787	\$1.1045
End of Year	\$1.3427	\$1.3840	\$1.1601

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

On March 28, 2017, the noon buying rate was U.S. \$1.00 = \$1.3374 as published by the Bank of Canada.