IC POTASH CORP.

First Canadian Place
Suite 3700
100 King Street West
Toronto, Ontario
M5X 1C9

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

March 1, 2011

TABLE OF CONTENTS

GENERAL

Reference is made in this annual information form (the "**Annual Information Form**" or "**AIF**") to the audited financial statements (the **"Financial Statements"**) and management's discussion and analysis for IC Potash Corp. (the "**Company**") for the fiscal year ended December 31, 2010, together with the auditor's report thereon.

The Financial Statements are available for review on the SEDAR website located at www.sedar.com. All financial information in this Annual Information Form is prepared in accordance with Canadian generally accepted accounting principles.

Unless otherwise noted herein, information in this Annual Information Form is presented as at December 31, 2010. In this AIF, references to "$" are to Canadian dollars.

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

EXCHANGE RATE INFORMATION

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

	Years ended December 31		
	2010	**2009**	**2008**
High	$1.0778	$1.3000	$1.2969
Low	$0.9946	$1.0292	$0.9719
Average for the Period	$1.0299	$1.1420	$1.0660
End of Period	$0.9946	$1.0466	$1.2246

On February 28, 2011 the noon buying rate was U.S. $1.00 = $0.9739 as published by the Bank of Canada.

FORWARD LOOKING STATEMENTS

Some of the statements contained herein, including, without limitation, financial and business prospects and financial outlooks, may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may", "will," "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause the Company's actual results, performance or achievements to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic, performance or achievements of the Company and market conditions and other risks and uncertainties including those discussed under "Risk Factors" and elsewhere in this Annual Information Form. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward looking statements. Forward-

looking statements contained herein are made as of the date of this Annual Information Form and the Company disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on forward-looking statements.

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

Forward-looking statements included in this Annual Information Form include, but are not limited to, statements with respect to: (i) the focus of capital expenditures; (ii) the Company's goal of creating shareholder value by concentrating on the conversion of polyhalite into sulphate of potash ("**SOP**"); (iii) management's plans and expectations regarding: (a) the potential development of polyhalite to satisfy various needs of the potash fertilizer markets; and (b) the identification of optimal methods for the conversion of polyhalite into SOP; (iv) management's outlook regarding future trends; (v) the purchase, sale or development of exploration properties; (vi) exploration and acquisition plans; (vii) the quantity of mineral resources and uncertainties regarding preliminary economic assessment results; (viii) treatment under governmental regulatory regimes and tax laws; and (ix) the performance characteristics of the Company's mineral resource properties.

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

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

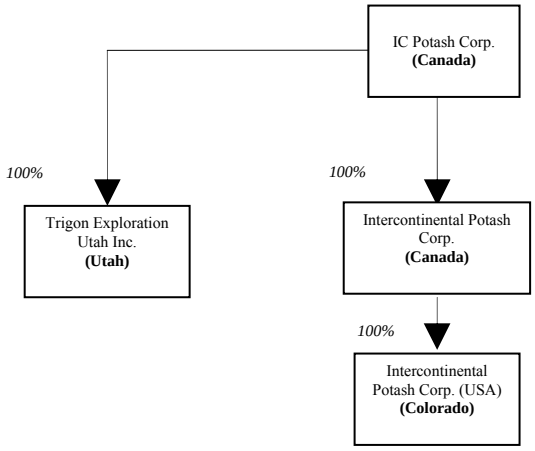
CORPORATE STRUCTURE

The Company was incorporated under the *Canada Business Corporation Act* (the "**CBCA**") on November 8, 2002. The Company filed articles of amendment on December 4, 2009, changing its name from "Trigon Uranium Corp." to "IC Potash Corp." and effecting a four to one share consolidation. The Company's head office is located at First Canadian Place, Suite 3700, 100 King Street West, Toronto,

Ontario, M5X 1C9 and its registered office is located at 50 Richmond Street East, Suite 101, Toronto, Ontario, M5C 1N7.

The Company is a reporting issuer under applicable securities legislation in the provinces and territories of Alberta, British Columbia, Ontario, and the Northwest Territories and its outstanding shares are listed on the TSX Venture Exchange (the "**TSXV**") under the symbol "ICP" and trades on the OTCQX under the symbol "ICPTF".

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



DESCRIPTION OF THE BUSINESS

General

The Company is a Canadian based exploration and development stage mineral resource company focused on the exploration and development of potassium fertilizer minerals in the southwest United States with particular emphasis on SOP. The Company intends to develop a polyhalite mine at its Ochoa property in Lea County, New Mexico (the "**Ochoa Project**" or the "**Ochoa Property**").

Polyhalite is an evaporite mineral containing potassium, magnesium, sulphate and calcium, all important plant nutrients. The Company's plans focus on the use of polyhalite as feedstock to produce SOP. The Company is focused on becoming a bottom quartile cost producer of SOP in the world. The Company's initial analysis is that polyhalite can be converted to SOP on a cost effective basis. The Company estimates that SOP has an established market size of approximately six million tonnes per year. SOP is a widely used fertilizer in the fruit, vegetable, tobacco and horticultural industries in saline and dry soils and in soils in which there is a significant amount of agriculture with a wide variety of crops such as in China, India, the Mediterranean and the United States.

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

1. producing and distributing premium-priced SOP that typically sells for more than a 40% premium over traditional potash, i.e., muriate of potash ("**MOP**");

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

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

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

Through its indirect wholly-owned subsidiary, Intercontinental Potash Corp. (USA) ("**ICP**"), the Company holds a 100% interest in the Ochoa Project. The Ochoa Project is comprised of 21 Bureau of Land Management ("**BLM**") federal potassium prospecting permits covering approximately 48,000 acres and 17 New Mexico State Land Office mining leases covering approximately 26,000 acres.

The term of each BLM permit is two years, renewable for an additional two years, and convertible to an exploitation (production) lease upon demonstration to the satisfaction of BLM that the land is more valuable for the development of sodium, sulphur or potassium than for any non mineral land use. Currently, all of the BLM permits are for mineral exploration purposes. The next annual rent of approximately $18,000 in the aggregate is due on December 1, 2011 for 16 of the BLM permits and approximately $6,000 in the aggregate is due on March 1, 2012 for the other five BLM permits. The Company issued 500,000 common shares ("**Common Shares**") during 2009 as part of the acquisition of the BLM permits. The Company also paid US$50,000 into a permit bond that may be refundable if certain prospecting permit and reclamation requirements are satisfied.

The state mining leases have a term of ten years with subsequent renewals if, over three consecutive years during the term, the average annual production is not below the amount necessary to generate the minimum royalty required. The Company has posted a US$25,000 bond for performance and surface or improvement damage in respect of the state mining leases. The next annual rent of approximately $26,000 in the aggregate is due on May 24, 2011 for the 17 state mining leases.

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

A minimum advance royalty payment of $8 per acre is payable to the State of New Mexico Commissioner of Public Lands on the 17 state mining leases beginning in 2010. Once the Ochoa Project comes into production, minimum royalties of $8 per acre or 2.5% of the gross value of production after processing, whichever is greater, will be owed on the state mining leases. In addition, once the Ochoa Project comes into production, and no later than six years from obtaining federal BLM leases, minimum royalty payments of $3.00 per acre or 2% of the gross value at the point of shipment to market, whichever is greater, are expected to be imposed on the federal BLM leases.

The Company has applied for two sets of BLM permits with six permits covering 9,124 acres and 13 permits covering 29,520 acres, respectively, for a total of 38,644 acres in New Mexico. These new BLM permits will be subject to the royalties pursuant to the private agreements and federal royalties, each as described above, once the Ochoa Project comes into production. The applications for the latter 13 permits

are in the final stages of approval. The Company believes this land may be prospective for polyhalite and other potash minerals and, if obtained, will form part of the Ochoa Project. If obtained, the Company's total acreage in Lea County, New Mexico will be approximately 113,000 acres.

Specialized Skill and Knowledge

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

Business Cycle

The exploration and development business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. The Company's operations are related and sensitive to the market price of SOP. 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, 2010, the Company had an aggregate of seven 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".

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. These laws include the Clean Air Act; the Clean Water Act; the Resource Conservation and Recovery Act; the Comprehensive Environmental Response, Compensation, and Liability Act; the Toxic Substances Control Act; and various other federal, state, and local laws and regulations. Violations can result in substantial penalties and civil and criminal sanctions. In addition, environmental laws and regulations may impose joint and several liability, without regard to fault, and for cleanup costs on potentially responsible parties who have released, disposed of or arranged for release or disposal of hazardous substances in the environment.. The National Environmental Policy Act of 1969 requires an environmental impact statement for all proposals for "major federal actions significantly affecting the quality of the human environment."

Exploration and mining operations for potassium and associated minerals on BLM land are regulated pursuant to the Mineral Leasing Act of 1920 and applicable regulations found in the Code of Federal Regulations which govern operations for discoveries, testing, development, mining, reclamation and processing of potassium and associated minerals and requires lessees licensees, permitees and operators to

take actions consistent with federal and state water and air quality standards needed to avoid, minimize or repair, among other things, soil erosion, air pollution, surface or ground water pollution, damage to improvements, damage to recreation, scenic, historical and ecological values of the lands and damage to archaeological resources. In addition, an approved mining plan is required before operations are commenced. An operator/lessee must also dispose of all wastes in accordance with its lease terms, approved mining plan and applicable federal, state and local laws and regulations. Finally the BLM has enforcement authority to abate violations by shutting down operations or cancelling leases, licenses or permits.

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 legislation has 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.

ICP's federal prospecting permits are governed by the United States Code of Federal Regulations Title 43 - Public Lands: Interior. Subpart 3505 of part 3500 of Chapter 2 outlines the requirements for prospecting permits and leasing of solid minerals other than coal and oil shale.

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

Three Year History

2010

On March 1, 2010, the Company obtained five additional BLM permits covering an area of 11,555 acres in Lea County, New Mexico. On May 24, 2010, the Company also obtained 17 state mining leases with the New Mexico State Land Office covering 25,890 acres. Both the new BLM permits and the new state mining leases form part of the Ochoa Project. See "Description of the Business".

On September 15, 2010, the Company completed a private placement (the "**Private Placement**") for aggregate gross proceeds of $15,000,000 pursuant to which it issued 37,500,000 units ("**2010 Units**"). Each 2010 Unit consisted of one common share of the Company (a "**Common Share**") and one-half of one share purchase warrant with each whole share purchase warrant (a "**2010 Warrant**") exercisable into one Common Share at an exercise price of $0.65 per share until September 15, 2013. Pursuant to the Private Placement, Resource Capital Fund V L.P. ("**RCF**") purchased 25,000,000 2010 Units making RCF the Company's largest shareholder holding as at the closing date of the Private Placement: (i) approximately 25.8% of the issued and outstanding Common Shares on a non-diluted basis; and (ii) approximately 28.6% of the Common Shares on a fully diluted basis.

Pursuant to a subscription agreement between RCF and the Company dated August 29, 2010 entered into in connection with the Private Placement (the "**RCF Agreement**"), RCF is granted the following rights provided that it holds at least ten percent of the Common Shares calculated on a fully diluted basis:

1. if the Company proposes to issue equity securities other than (i) pursuant to the Company's stock option plan; (ii) pursuant to the exercise of options issued pursuant to the Company's stock option plan; (iii) pursuant to the exercise of any convertible securities; (iv) for property or consideration other than money; or (v) 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

2. the right to nominate one nominee to the Company's board of directors.

2009

On February 9, 2009, Intercontinental Potash Corp. ("**ICP Canada**") issued 500,000 common shares ("**ICP Common Shares**") valued at $30,000 pursuant to an obligation to issue shares on a mineral property acquisition.

On November 30, 2009, the Company acquired all of the ICP Common Shares that it did not own (the "**Acquisition**") in consideration for the issuance of one Common Share for each such ICP Common Share resulting in the issuance of 25,800,001 Common Shares.

On December 2 and 3, 2009, ICP Canada completed a private placement financing (the "**ICP Financing**") of 17,841,900 units ("**2009 Units**") at a price of $0.40 per 2009 Unit for aggregate gross proceeds to ICP Canada of approximately $7,136,000. Each 2009 Unit was comprised of one ICP Common Share and one-half of one common share purchase warrant of ICP Canada (each whole such warrant, a "**2009 Warrant**"), with each 2009 Warrant being exercisable for one ICP Common Share for a period of two years at a price of $0.65 per share. In the event that the closing price of the Common Shares became equal to or greater than $1.00 for a period of 20 consecutive business days, the expiry date of the 2009 Warrants could be accelerated at ICP Canada's discretion.

Immediately following the ICP Financing, each ICP Common Share was exchanged for one Common Share, and the 2009 Warrants became exercisable into Common Shares in lieu of ICP Common Shares. On January 21, 2011, the Company announced that the expiry date of the 2009 Warrants had been accelerated to February 21, 2011. All of the 2009 Warrants were exercised prior to their expiry.

Prior to the Acquisition, the Company had operated as a uranium exploration and development company focused on deposits located in the southwestern United States. The Company's strategy included the development of advanced uranium projects and opportune acquisitions of uranium development properties. However, with the decline in spot and long-term uranium prices during 2009, the Company's management viewed the prospects in the uranium exploration and development business, in terms of

expected profitability and financability, as significantly diminished. As a result, the Company changed its focus to the exploration and development of potassium fertilizer minerals, completed the Acquisition and allowed all of its uranium property interests to lapse effective September 1, 2009.

2008

ICP Canada was incorporated on March 25, 2008. On May 14, 2008, ICP Canada issued 30,000,001 ICP Common Shares at $0.02 per share pursuant to a non-brokered private placement for gross proceeds of $600,000. On June 30, 2008, ICP Canada issued 10,300,000 ICP Common Shares at $0.50 per ICP Common Share pursuant to a non-brokered private placement for gross proceeds of $5,150,000.

ICP Canada acquired its initial interest in the Ochoa Project on December 1, 2008 upon the grant by the BLM of an aggregate of 16 prospecting permits covering subsurface potassium rights over an area of approximately 36,589 acres in Lea County, New Mexico, USA. As a result of this transaction, ICP Canada holds a 100% interest in the Ochoa Project through its wholly-owned subsidiary, ICP.

MATERIAL PROPERTY

The Ochoa Project

Information referenced in this section referring to the Ochoa Property is from the technical report dated January 14, 2011 entitled "NI 43-101 Technical Report on the Polyhalite Resources and updated Preliminary Economic Assessment of the Ochoa Project, Lea County, Southeast New Mexico" prepared by Deepak Malhotra, William Crowl, Donald Hulse and Terre Lane for the Company on behalf of Gustavson Associates, LLP ("**Gustavson**") (the "**Technical Report**") filed on SEDAR on January 18, 2011 and which can be found under the Company's SEDAR profile.

Property Description and Location

The Ochoa Project is located about 60 miles east of Carlsbad, New Mexico and less than 20 miles west of the Texas-New Mexico state line. The project spans portions of 10 Township-range blocks, with lease mineral rights totalling 113,000 acres.

The Ochoa Property is comprised of 21 BLM prospecting permits (re: 48,144.58 acres), 17 state mining leases (re: 25,889.83 acres), and 13 new BLM permits (re: 29,520 acres) for potassium minerals that include polyhalite. The term of each leasable mineral exploration prospecting permit is two years, renewable for an additional two years, and convertible to an exploitation (production) lease upon demonstration to the satisfaction of the BLM or state agency that a chiefly valuable resource exists. Currently all of the federal permits are for mineral exploration purposes. The state permits are mining leases.

The areas held by ICP under BLM prospecting permits in the Ochoa Project area plus thirteen new prospecting permit applications that are in the final stage of review and approval. These new prospecting permits are located in T22S R31E, T22S R32E; T22S R33E, T23S R31E, T23S R32E, T23S R33E, T23S R34E, T24S R32E, T24S R33E, T24S R34E, T25S R33E, and T25S R34E**.** ICP will have an exclusive option to lease these tracks from the BLM during the two year option period or extension. The authors of the Technical Report expect the Technical Report to demonstrate the Ochoa Project polyhalite is a chiefly valuable resource allowing ICP to apply to change federal lease status to preference right leases and then mining leases.

The project area is sparsely vegetated and no cultivation is present. Cattle grazing occurs throughout most of the leased areas. In addition, petroleum exploration and development is widespread around the

project area. There is a small amount of oil and gas production within the project area, however those wells are generally older wells and are experiencing declining production.

ICP has maintained good relations with local land owners. ICP will need to obtain the surface rights to land in the vicinity of the planned mine, process facilities, tailings storage areas, and solar evaporation ponds. The final location of these facilities will depend on negotiations with the land owners.

The permitting schedule for Ochoa will be significantly influenced by the National Environmental Policy Act ("**NEPA**") process. NEPA typically requires baseline studies for at least one year followed by a public review and comment periods for scoping and draft environmental impact statement (**"EIS"**) documents. Other permits include: mine registration, air, underground water, state trust land leases, explosives, and utility location.

Proposed mining projects are typically also evaluated for a range of social, economic, cultural and environmental impacts in response to NEPA and state permitting regulations. The permitting requirements for the Ochoa Project are discussed in detail in Section 23.24 of the Technical Report.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Ochoa Project is readily accessible by State Highway 128 and an extensive network of gravel roads. The property is traversed by County Road 2, as well as two track roads and primitive jeep roads. Airports are located in Hobbs (Lea County) and Carlsbad (Eddy County). Electric power is supplied to the area by Xcel Energy. A high voltage power line is located near the southern edge of the property. A rail line runs 24 km (15 miles) to the east of the area of interest, through Jal, south to El Paso, Texas, and a rail spur connects to the WIPP site 10 miles to the west.

There are active and plugged oil and gas wells within the project limits with road, power and pipeline associated with development that has taken place to service these wells. These infrastructure improvements consist of mainly of small dirt roads for vehicle access to the wells.

The climate at Ochoa is semi-arid with generally mild temperatures, low precipitation and humidity. The prevailing winds are from the southeast in summer; and during the winter strong winds come from the west. Winter temperatures range from lows of -6oC (20oF) to highs of 10oC (50oF). Summer daytime high temperatures are typically above 32oC (90oF) with night-time lows of 21oC (70oF). The average precipitation is about 330 mm (13 in) per year, about half of which comes from thunderstorms June through September.

The project is located in Lea and Eddy Counties of southeast New Mexico. According to the 2000 census, the population of Lea County was 55,500 and Eddy County had 52,000 people. The town of Jal, with a population of about 2000 is the nearest community to the project. Jal is located a couple miles southeast of ICP's land holding of Highway 128. Food, fuel, and a few services are available in Jal. Heavy equipment, industrial supplies, and mining support services are available in Carlsbad, Hobbs, and Albuquerque. An experienced labour force is available for construction, mining, and processing operations from all of the southeastern New Mexico communities like Carlsbad, Loving and Hobbs.

The majority of United States potash production is from seven conventional underground mines in the vicinity of the Ochoa Project. These mines, operated by The Mosaic Company ("**Mosaic**") and Intrepid Potash, Inc. ("**Intrepid**") are located near Carlsbad in Eddy County northwest of the Ochoa Project**.**

Detailed hydrological studies have not been conducted for the Ochoa Project; however an opinion of the availability of water and hydrologic conditions is addressed in more detail in the Technical Report.

The Ochoa Project is located in the Pecos Valley section of the southern Great Plains physiographic province. The climate of the area is characterized as a high plains desert environment. The surface

consists of relatively flat terrain with minor arroyos and low-quality semi-arid rangeland. Vegetation is mesquite, shinnery oak and coarse grasses. The top soil is caliche rubble and wind-blown sand. The northern portion of the project is situated in sandy dune country having a few different plant species.

Wildlife includes jack rabbits, desert cotton tail, ord's kangaroo rat, the plains pocket mouse, rattle snakes, road runners, and northern grasshopper mouse. Threatened species include the lesser prairie chicken or grouse and sand lizard. Larger species include mule deer, pronghorn antelope and coyote. Reptiles include the side-blotched lizard. Bird species include raptors, loggerhead shrike, pyrrhuloxias and black-throated sparrows.

Elevation ranges from 900 m to 1,005 m (3,100 ft to 3,750 ft) above sea level. Exploration, mining and mineral processing may take place year-round.

History

In 1856 chemical potash was discovered in Germany with production beginning in 1861. During World War I a German embargo and monopoly inflated U.S. potash prices to US $450 per metric ton. Beginning in the 1920's the U.S. Commerce Department and U.S. Bureau of Mines ("**BOM**") began an exploration program in the Permian Basin of Texas and New Mexico for potassium minerals. This survey revealed quantities of polyhalite unsuitable for mining. Studies of polyhalite were abandoned after the discovery of sylvite (potassium chloride) and langbeinite (potassium-magnesium sulfate) deposits were discovered in Eddy County, New Mexico in 1925.

Until commercial production began in 1931 small plants throughout the country were producing potash. As of 1934, eleven companies were actively exploring for potash minerals in New Mexico; a merger in 1936 formed Mosaic Potash. Production of New Mexico potash peaked between 1966 and 1967 with 2.84 million tons produced. Canadian potash imports overtook domestic production in 1971 with the discovery of higher grade potassium deposits.

Large low grade potassium deposits are currently being mined in New Mexico. World demand for potassium sulfate has the New Mexico Bureau of Geology and Mineral Resources examining new technologies to: produce potash from low grade ores, extend existing mine life and use polyhalite as an alternative for potassium sulfate production.

The BOM developed processes to produce SOP fertilizer produced from polyhalite in the 1930's and 1940's. Their work was based on the experimental chemistry done in Germany combined with conventional industry unit operations from the time. Potassium sulfate fertilizer has not been produced from polyhalite on a commercial scale. ICP has rediscovered the previous work and has identified unit operating processes that will utilize polyhalite as the feed stock for potassium sulfate production. Preliminary exploration by ICP for polyhalite started in 2008 under the direction of former USGS geologist, Robert J. Hite. After detailed interpretation of geophysical logs from the oil and gas industry, ICP applied for exploration permits. A scoping study in early 2008 by Mincon also concluded that the Ochoa area had good potential for a large polyhalite deposit.

The Original PEA supported the prospects for polyhalite production from the Ochoa Project. In 2010, ICP completed two phases of drilling. A total of thirteen core holes were drilled. These samples were tested to determine the chemical composition of the polyhalite.

Geological Setting

The area of interest ("**AOI**") lies at the northeastern margin of the Delaware Basin, and neighbouring Midland Basin to the east, are structural sub-basins of the large Permian Basin that dominated the region of southeast New Mexico, West Texas, and northern Mexico from 265 Ma to 230 Ma. The AOI has

limited bedrock exposures, and surface conditions are dominated by windblown sand dunes, caliche, and poorly developed soil horizon.

A really extensive and thick evaporite deposits occur throughout the Late Permian (Ochoan) age rocks of the Delaware Basin. These evaporites occur between the Capitan Reef limestone of the underlying Guadalupe Series and the fine clastic sediments of the Triassic Dewey Lake red beds.

The Ochoan series consists of the Castile, Salado, Rustler, and Dewey Lake formations in the northeastern Delaware Basin. The oldest evaporite cycle of the Ochoa series is known as the Castile formation. The Castile consists of anhydrite and halite within the Delaware Basin. The overlying Salado formation is structurally and lithologically complex and, in addition to the cyclic anhydrite, halite, and clay sedimentation, it is also host to the McNutt potash zone. Potassium-bearing salts accumulated in the northeastern Delaware Basin. With later subsidence, the remainder of the Salado formation sediments was deposited, followed by anhydrite, interbedded polyhalite, halite, and dolomite of the Rustler formation and the Dewey Lake formation continental red beds. Collectively, the Castile, Salado and Rustler evaporite-bearing formations are over 4,000 feet thick.

Rocks of the Ochoa series underlie an area of about 400,000 square miles. Potash salts are found throughout the southern half of the area of that area. Potash in the Salado formation occurs as interbeds within both the anhydrite and halite units of the cyclic units. In the former, it occurs in the form of polyhalite and in the latter as sylvite, langbeinite or carnallite. The Salado formation in the northern Delaware Basin is divided into three units of which the middle zone, known as the McNutt potash zone, varies in thickness between 120 ft in the northwest part of the Delaware Basin to over 590 ft in the eastern part of the basin. Within the McNutt zone, there are 11 distinct potash cycles of which five have been commercially developed in the Carlsbad area. The McNutt zone has not been evaluated in the AOI.

The target horizon of ICP's Ochoa Project is the polyhalite within the Rustler formation. The Rustler formation disconformably overlies the Salado formation. The occurrence of polyhalite in the AOI was inferred by ICP by analyzing geophysical logs of oil and gas wells. Elevated gamma ray readings were observed in the Tamarisk member of the Rustler formation at a depth between 1,200 and 2,000 feet. Subsequent core drilling by ICP confirmed the mineralogy to be polyhalite.

Polyhalite shows a high gamma ray response, high velocity on sonic logs and relatively high formation density**.** The Rustler stratigraphy and that of the underlying Salado Formation that produces sylvite and langbeinite in mines near Carlsbad.

Polyhalite has a bulk density lower than anhydrite and higher than halite. The potassium-bearing component of polyhalite accounts for its high gamma ray response.

The Castile formation includes anhydrite, halite, and anhydrite interbedded with limestone. The Salado Formation includes halite with beds of anhydrite, polyhalite, magnesite and claystone, and massive potash deposits locally. The Rustler formation includes anhydrite, halite, dolomite, sandy siltstone, and polyhalite (Source: After Jones, 1972).

The AOI is located in the southeast corner of New Mexico, approximately 25 miles east of the major potash producing area near Carlsbad. ICP's exploration target is polyhalite in the Rustler formation which overlies the Salado formation. The Salado is host to the McNutt potash zone in the Carlsbad area. The Rustler Formation is predominantly made up of marine anhydrite and dolomite and represents the transition from the predominantly halite-bearing evaporites of the Salado Formation to the continental red beds of the Dewey Lake formation. There are 5 recognized members of the Rustler formation. They are, from oldest to youngest, the: Lost Medanos, Culebra, Tamarisk, Magenta, and Forty-niner members. Polyhalite occurs in the Tamarisk member of the Rustler formation.

The Los Medaños member consists of siliclastics, halitic mudstones and muddy halite, and sulfate minerals, principally anhydrite (Source: Powers and Holt, 1999). The Culebra member consists of pinkish gray dolomite. The Tamarisk Member is comprised of 3 sub-units which are a lower basal anhydrite, a middle mudstone, and an upper anhydrite. Polyhalite occurs within the upper anhydrite. The thickness of the Tamarisk varies principally as a function of the thickness of the middle halite unit. The Magenta member is predominantly dolomite with minor amounts of gypsum. The forty-niner member has a similar general stratigraphy to the Tamarisk. It is made up of a lower and an upper anhydrite with a middle siltstone.

The following geophysical responses characterize the identification of several evaporite minerals, namely:

- Halite is identified by a uniformly low gamma ray response similar to anhydrite, an oversized hole (owing to its high solubility) on caliper logs, moderate to low neutron response, moderate formation density and sonic log response, and high resistivity.

- Anhydrite beds are recognized by low response on gamma ray logs, normal borehole diameter on caliper logs, low count on neutron logs, high velocity on sonic logs, and high formation density log response.

- Polyhalite can be identified by high gamma ray response due to the presence of potassium, an in-gauge borehole diameter on caliper logs, high velocity on sonic logs, relatively high density on formation density logs, and apparent limestone porosity on neutron log. Its response on caliper and neutron logs distinguishes polyhalite from sylvite.

- Sylvite is identified by high gamma ray response, an enlarged borehole diameter on caliper logs, relatively low density, low sonic transit time, and low neutron density response.

Mineralization

Economic potash resources are chemical sedimentary deposits. Potash mineralization is typically a consequence of low temperature chemical processes governed by evaporative concentration of a fluid such as seawater or freshwater. Consequently, bedded potash deposits commonly occur in basins that have restricted connection to more dilute fluid. Diagenetic processes play an important role in modifying initial evaporite mineralogy.

Potash mineralization characteristically occurs as either predominantly potassium chloride or potassium sulfate mineral assemblages. The assemblages can be found interbedded or adjacent, but rarely as a mixed assemblage in one bed.

In addition, potash beds typically can be correlated and mapped over large areas. Similarly, anomalous lithologies, such as shale beds often extend over the same large areas which can provide excellent stratigraphic control for mapping.

Bedding is often simple and conformable with the dip of the host basin unless significant post-lithification tectonic processes affect the basin. Localized folding and faulting can occur as a result. Salt tectonic processes are also possible, but this is primarily a concern in thick halite sequences in structurally disturbed terrains.

Polyhalite is an evaporite mineral that is a hydrated potassium-calcium-magnesium-sulfate salt. Polyhalite is white, colorless or gray but may be brick red or pink if it contains traces of iron oxide. It has a hardness of 2.5 to 3.5 on the Moh's scale and a specific gravity of approximately 2.8 g/cc. Polyhalite exhibits a triclinic crystal habit although it is commonly extremely fine-grained or aphanitic. When large enough crystals are present to get an interference figure, polyhalite is biaxial negative as opposed to

anhydrite which is biaxial positive. Anhydrite, a common polyhalite gangue mineral, is orthorhombic with perfect cleavage and produces a biaxial positive interference figure. Physical properties such as cleavage and crystal form are sometimes observed (i.e. Schaller and Henderson, 1932) to be inherited from parent alteration phases, which sometimes results in polyhalite appearing to have the crystal form, structure and cleavage of anhydrite for instance. Another common gangue mineral with polyhalite, particularly in the underlying beds of the Salado Formation, is halite or sodium chloride salt.

Polyhalite is reported from ancient evaporite deposits in Carlsbad, New Mexico; west Texas, Hallstatt, Austria; Galicia in Poland; Stassfurt, Germany; and the Middle East. It occurs in direct association anhydrite; although kainite, carnallite and sylvite are present as separate beds deposits.

Modern occurrences of polyhalite include Ojo de Liebre, Mexico; Salar de Uyuni, Bolivia; Sebkha el Melah, Tunisia; and Tuz Gölü, Turkey. In these modern occurrences, polyhalite forms by the diagenetic alteration of gypsum. The alteration is described to occur by the reaction of increasingly concentrated brines, formed in the evaporative facies of the basin, that accumulate high K and Mg concentrations.

In reconnaissance studies the polyhalite bed was defined using total gamma curve. The pick of the base and top contacts was selected at the inflection point of the gamma curve. Accurately determining the inflection point is very difficult because the ratio of the amplitude of the gamma peak to the thickness of the bed is very high. In many cases the historical interpretation was determined to overestimate the thickness of the polyhalite bed. The overestimation could be as much as 25%.

The true thickness of the polyhalite bed is only reliably known from ICP core holes because mineral and chemical analyses were made to define the upper and lower boundaries. Comparison of the polyhalite contact with various wireline logs collected in the same core holes was made in an attempt to better define the log pattern that more closely approximates the bed.

A relationship between the resistivity curve and the polyhalite contacts was observed in ICP core hole logs and analytical data. This relationship is believed to provide interpretation of the polyhalite contacts that is closer to the actual contacts and provide a more systematic control than relying on estimating the inflection point of the gamma curve. All well control was revised using this procedure.

In addition, ICP core hole data for top and bottom of polyhalite were entered in the mapping programs to ensure maps and models correctly reflect these data points.

The resulting correlations for the top and base of the polyhalite bed portray a thinner bed than originally mapped. Thickness ranged from 0 to 6.9 feet.

All available logs were reviewed and correlated using the more stringent criteria. Approximately 1,385 wells were evaluated and 802 wells were used in and immediately surrounding the AOI. This includes the 13 ICP core holes.

ICP core holes were used to anchor all correlation efforts. The thickness of polyhalite from core analysis was tied to the wireline log signatures. Correlations were made working outward from ICP core holes. Correlation confidence is extremely high between all well control for all formation and markers, as well as for the top and base of polyhalite. Informal makers also exhibited high correlation confidence and provided additional constraint on the volume within which the polyhalite bed occurs. These informal markers also provide addition insight on lithologic characteristics associated with polyhalite mineralization.

Thickness variation within the main area of interest is relatively low. The greatest changes in thickness occur close to the margins of the polyhalite mineralization and depict an abrupt termination.

The largest effect on apparent thickness is still the positioning of contacts from log correlation. A subtle error in picking a single contact can result in 0.5 to 0.75 foot difference in apparent bed thickness.

Variation was assessed in part by compiling volume estimates at thickness cut-offs of 6, 5, and 4 feet. The following table shows the summary of the area hosting polyhalite ore at the stated cut-off thickness. The rock density determined from wireline log and core samples are the same as the density of the mineral polyhalite, all being approximately 2.78 g/cc. For simplicity in evaluating the bed thickness and mineralized volume the tonnage calculation is not adjusted for grade and is based on 100% polyhalite over the unit's entire thickness.

Comparison of Polyhalite Mineralized Tonnages at Three Cutoff Thicknesses

Cutoff thickness(FT)	Total Area (FT x FT)	Data Area (FT x FT)	Range (Ft)	Polyhalite (TONS)
6	4,143,479,100.60	182,102,091.73	6.00 – 7.00	99,042,617.61
5	4,143,479,100.60	2,047,521,539.53	5.01 – 7.00	982,315,645.02
4	4,143,479,100.60	3,041,429,545.28	4.02 – 7.00	1,377,146,145.51

For a 6 foot cutoff, 2 focus areas are evident. In the northwest, 14 contiguous parcels contain an estimated potential for 9,379,000 tons of polyhalite (not adjusted for grade). In the south central part of the study area a 25 parcel group contains an estimated potential for 49,776,000 tons of polyhalite (not adjusted for grade). An additional estimated 21,787,000 tons are estimated in 5 closely neighbouring parcels to the northwest, and another estimated 8,241,000 tons are in present in 15 parcels to the east. Together these three groups amount to about 79,805,000 tons of polyhalite (not adjusted for grade).

Using a 5 foot cutoff makes substantially all parcels significant in terms of potential polyhalite tonnage. Note that both high tonnage and high average thickness occur in a persistent west to east trend across the center of the lease area. The northwestern parcels contain marginally lower apparent tonnage and average thickness but are still significant.

A 4 foot cutoff was used to assess the sensitivity of the tonnage and thickness model. The inclusion of the extra 1 foot added approximately 400,000,000 tons to the model over a 50% increase in data area in contrast to the 10-fold increase in tons over a 10-fold increase in data area between the 6 foot and 5 foot cutoff. This suggests little variability throughout the mineralized area, and largely adds tonnage at the margin of the mineralized area. Similarly, the average thickness calculated in each parcel shows no or very small (e.g. 0.1 ft) decrease from the 5 foot cutoff average to the 4 foot cutoff average. This too supports the position that thickness variation is small at locations inward from the margin of mineralization.

Exploration

Exploration efforts over the past 15 months accomplished the recommendations of the Original PEA. Furthermore, ICP cored seven additional locations, collected comprehensive petrophysical borehole logs, and completed extensive mineral and chemical analyses of the lithologies from the target zone.

ICP has utilized this information and improved its understanding and interpretation of the geologic setting, nature and control of polyhalite mineralization, and characteristics of grade of the polyhalite bed.

Fifteen petrophysical wireline log markers were defined for the rock package between the top Rustler Formation to the top Salado Formation (inclusive). Six of these are formal lithostratigraphic units and

commonly mapped in the study area. The remaining seven markers are related to beds within the formal members and unique petrophysical responses observed in particular logs.

At this stage, correlation and mapping is not interpretive for depositional environment or facies analysis. In other words, the mapping is limited to establishing structural framework, defining lithostratigraphic volumes, and evaluating physical trends such as changes in elevation and thickness.

The Salado, Los Medanos, and Culebra can be correlated confidently throughout the study area and therefore provide very strong interpretation of the basin structure and extent of depositional conditions before deposition of the polyhalite host unit.

Mapping the subsurface markers of the Rustler Formation throughout the reconnaissance area is summarized by:

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

The study area is interpreted to be a depositional basin that has undergone uplift and minor structural changes. Very strong correlation of markers, consistent thickness between markers, consistent slope of surfaces within the sub-basin, and thinning and truncation of markers near areas where underlying markers shallow support the interpretation of a structurally quiescent depositional basin. The present shape and slope in the basin is probably enhanced by post-lithification events in the region. The most important being salt dissolution and subsidence in the Nash Draw to the west and the San Simon Swale to the east. The structural overprinting is minor.

Drilling

ICP has successfully drilled, cored, logged, and abandoned thirteen (13) holes across the permit area during a two phase exploration drilling campaign. The basic well plan for all holes involved drilling the uphole section from surface to near the top Rustler Formation using water based mud. In most holes casing was set to isolate the uphole units to protect shallow aquifers and isolate potential porous and permeable drilling fluid loss zones. No aquifers were detected. Loss zones did occur in several holes but were managed with lost circulation materials. In one case a cement plug was set to heal a loss zone. No holes were abandoned prematurely.

For the target evaporite intervals, drilling fluid was changed to salt saturated mud and drilling continued to the core point. The core point was forecast using offset well control and confirmed during drilling by interception of an anhydrite marker bed approximately 20 feet above the polyhalite. At that point, the bit

was tripped out, swapped for a core barrel and bit, tripped back in, and coring was initiated for a forty foot core run cut to total depth. The core barrel and drill string was then tripped out.

Upon completion of coring, the hole was logged with wireline petrophysical tools. Phase 1 work collected only basic logs including total gamma, caliper, and electric logs. No density or neutron logs were acquired. The specific tools used in Phase 1 varied and presentation was not standardized. Phase 2 holes were logged using a consistent suite of tools and included additional curves such as spectral gamma, additional electric logs including laterolog and induction logs, formation density, and neutron density.

Core recovery in the polyhalite and anhydrite zones was excellent in terms of both length and minimal alteration of the rock by the salt based drilling fluid. Halite zones above and below the polyhalite reacted with the drilling fluid and partially dissolved. The degree of dissolution depended on the salt saturation condition of the drilling fluid. In most cases, the core was under gauge by less than 1 to 2 mm. Severe reduction in gauge (e.g. 1 cm radial reduction) occurred when the drilling fluid was not properly conditioned or maintained near salt saturation or when there was a prolonged coring time caused by slow penetration rate at the anhydrite and polyhalite horizons.

Chemical alteration (reaction) between the drilling fluid and rock-forming minerals is possible but does not appear to be a significant issue. Visual appearance of the surface of the core does not show any significant pitting or efflorescence. The core was not washed or scrubbed to remove drilling fluid. Thus it is possible that some amount of the halite detected by x-ray diffraction ("**XRD**") is drilling fluid contamination.

In addition to core, drill cuttings were collected at 5 foot intervals from spud to total depth. After completion of drilling and logging operations, all wells were plugged from total depth to surface.

Well summary reports were not prepared for Phase 1 wells (ICP001 through ICP006). However, well documents and logs are on file in ICP's field office. Well summary reports were compiled for Phase 2 wells (ICP007 through ICP013). These too are on file in the field office.

Sampling Method and Approach and Security of Samples

Core drilling was conducted in salt brine drilling fluid. Brine composition was checked by the drilling fluid contractor upon delivery of the brine. The brine was acceptable if it contained no potassium and density was at least 9.5 pounds per gallon. Halite was added to the brine and the density was raised to 10.0 pounds per gallon prior to starting the salt mud section of the hole. Effort was made to ensure the brine was at halite saturation throughout the salt mud section of the hole and all core runs by regularly checking brine composition and density.

Coring was conducted using conventional core barrel. No liner or splits were used. The cored interval was usually 40 feet in length and required one connection be made (2 x 20 foot joints). Retrieval was made by tripping the drilling string and using a standard core jack to control the removal of the core from the barrel. Removal was done with the barrel hanging vertically in the tower.

Core was labeled to indicate vertical orientation and boxed at the catwalk. After recovery the core was immediately laid out, measured, briefly described, and labeled with drilling depth. The core was boxed in labeled core boxes and transported to the core storage facility.

Core recovery was very good in terms of length. Gauge or diameter of the core was variable in halite sections but full gauge in anhydrite and polyhalite zones.

Core logging was conducted at the core facility. The core was laid out and depth matched to petrophysical logs prior to sampling. The upper and lower polyhalite-anhydrite contact was identified visually as well as with the assistance of a handheld gamma ray detector.

The polyhalite interval was marked in 6 inch sample intervals. In addition, sample intervals were extended 12 to 24 inches above and 12 to 18 inches below the polyhalite contacts. The core was split in half using a hydraulic splitter, and one half was split again. The analytical sample was taken from the quarter core. The unused half and quarter were bagged in plastic sleeves, sealed and returned to the core boxes for storage.

The analytical sample was assigned a sample number and the rock and sample tag were sealed in a plastic bag. If a duplicate sample was prepared the other quarter core was submitted separately. The duplicate was assigned a different sample number.

The core was not washed or scrubbed to remove drilling fluid.

Samples were shipped to a contract lab that performed the sample preparation followed by XRD and x-ray fluorescence ("**XRF**") analysis.

The analytical sample, the pulp, was returned to ICP. The samples were then sent to a contract laboratory for optical emission spectrometry ("**OES**"), carbon, and sulfur analysis. The same sample numbers were used.

An analytical batch consisted of 12 to 20 samples made up of: core samples, 1 or 2 duplicates, 1 standard reference material ("**SRM**"), and 1 blank. In Phase 1, no duplicates were run, SRM was polyhalite, sylvite, langbeinite, or commercial fertilizer; and the blank was quartz sand. Upon review of the first program a decision was made that too many standards were being used and the composition of those standards were not established. In addition, the blank (a silicate) was determined to be inappropriate because it was not of similar matrix to the sample (i.e. sulfate). Therefore, in Phase 2 the SRM was limited to langbeinite, polyhalite, and arcanite (reagent grade potassium sulfate ("**K2SO4**")); and the blank was reagent grade calcium sulfate ("**CaSO4**").

The quantitative XRF procedures currently provide the best evaluation of mineralogy and grade. The XRD analysis is critical to identifying the major and minor minerals (e.g. polyhalite, anhydrite, magnesite, and halite) and confirming the absence or very low abundance of certain minerals (e.g. langbeinite, kainite, gypsum, calcite, dolomite, quartz, and clays).

The x-ray fluorescence results are well suited for use in calculating mineral abundance in this project because the procedure reports S and Cl. This avoids the use of sample splits as is required by the OES technique, which may introduce variability between splits cause by sample heterogeneity and analytical procedures (i.e. gravimetric and coulometric preparation and analysis).

The XRD-XRF reporting for grade does suffer one limitation attributable to one of the labs. In the case of results presented by The Mineral Lab ("**TML**") the weight percent mineral reported is sometimes as a semi-quantitative value in the form of 'greater than' an amount. This limitation is caused by the lab's data reduction method. In contrast, results from H&M Analytical are reported to a greater degree of certainty. H&M was used only for holes ICP011, ICP012, and ICP013.

Calculations of mineral abundance utilized TML results by using the threshold value in the calculation. Thus a value reported as ">85" was entered into equations as "85". The consequence of this treatment is that the grade estimate is probably a minimum grade. The threshold problem only affects situations of high abundance.

Analytical data was composited to identify the optimum thickness and grade for each core hole. Comparison of the mineral abundance, chemical concentration, and borehole geophysical logs was made to assess the nature of the top and bottom contacts, as well as any zonation and interburden.

Both upper and lower contacts are sharp and occur as an abrupt change from anhydrite to polyhalite. Sampling intervals were typically 6 inches or 3 inches and clearly defined the boundary in either case. No interburden was observed.

A subtle vertical increase in polyhalite abundance is evident. This creates lower and upper zones which appear as approximately sub-equal portions of the polyhalite bed (i.e. half the bed thickness). This pattern is evident in the mineral abundance and chemical data as well as the log patters for gamma, spectral gamma, and neutron porosity (reflecting the hydrous nature of the polyhalite).

Grade was calculated as a weighted average in each hole. The range and average of these calculations are tabulated below. The table below summarizes the compositions of the polyhalite zone intercepted by the core holes.

Composition Statistics for Core Hole Samples

	Thickness	Polyhalite	Anhydrite	Halite	Magnesite
Maximum	6.60	89%	12%	9%	9%
Minimum	4.30	76%	1%	1%	2%
Average	5.57	83%	5%	4%	6%
Standard deviation	0.66	4%	3%	2%	2%

Data verification is conducted at several points along the process from identifying potash bearing stratigraphy to measuring the potash content of the polyhalite ore zone. This data verification is required to ensure adequate quality feedstock to a processing plant so that SOP fertilizer production from polyhalite is economic. Some of these points of data verification include at the stages of polyhalite ore zone delineation, polyhalite ore zone sampling and testing, and potassium grade measurements of polyhalite in samples.

Stratigraphic control of the polyhalite ore zone sampling procedures included sampling 12 to 24 inches above the polyhalite ore zone and 12 to 18 inches below it to ensure that the entire zone is sampled and that there is a reference for the compositions of the overlying and underlying lithologies. This reference allows for comparison in composition between ore and non-ore zones and helps confirm the locations of the top and base of the polyhalite zone.

Wireline logs from oil and gas wells have been correlated with ICP drilling program wireline logs and cores, WIPP logs and cores, and with some underground exposures in potash mines to the west of the Ochoa Project area. The ICP drilling program boreholes have provided an important cross check between wireline log character on a coarse scale (up to 1-2 foot resolution) and the cores cut from the polyhalite zone that can be logged in much finer resolution and detail.

A well designed sampling program utilizes duplicate, blank, and standard samples inserted into the sample batches for testing alongside the samples from intervals of interest. These allow for checking the lab results and making corrections to sample testing results, when required. Duplicate samples are duplicates or splits of samples collected and they provide a measure of the repeatability of the test results including sample homogeneity and testing procedures. When duplicates of analytical samples are inserted into the sample run, they are assigned different sample numbers than their counterpart sample. Blank samples do not contain the material of interest, potassium in this case, and provide a measure of cross-contamination between individual samples as they are prepared and tested. Standard samples have

a known composition and allow a comparison between their lab test results and their known composition. These standards or SRM provide a comparison to identify instances and degrees or under- or over-reporting of chemical species in the sample testing results.

Grades or composition percentages have been obtained from XRD-XRF and several other types of analytical tests. When not using XRD-XRF, several different analytical tests are required to obtain data on the different elemental constituents of the samples, including potassium (K), sulfur(S), carbon (C), and chlorine (Cl) that make up the portion of polyhalite that will be used to produce end product K2SO4 fertilizer. Method 1 is XRD-XRF and is the primary approach. Method 2 is inductively coupled plasma OES, but it must be supplemented with gravimetric and coulometric techniques for measuring sulfate sulfur and carbonate carbon concentrations. Several sample preparation techniques for sample digestion have been undertaken and are being compared so that the digestion method ultimately selected results in the most representative test results with minimal under-reporting of potassium. The comparison of the method 1 XRD-XRF with the method 2 suite of OES and supplemental tests allows the comparison of results from these two testing "methods" and data verification of their results.

Mineral Processing and Metallurgical Testing

Past test work included extensive research by the BOM, and a pilot plant test, run for 8 months by a private corporation in 1955.

ICP intends to generate potassium and magnesium sulfate liquors by one of the processes proposed by the BOM in the 1930's and 1940's. These process were extensively studied by the BOM, and the fundamentals underlying the processes are well understood. The processes were demonstrated on a laboratory scale, and work was done to develop the parameters needed to implement the processes on an industrial scale.

The pilot plant referred to above was successfully operated on a continuous basis for 8 months in 1955 utilizing the technology developed by the BOM.

Polyhalite was mined and crushed to -10 mesh using a hammer mill. The crushed polyhalite was then washed with cold water to remove soluble chlorides. The wash water was removed from the polyhalite using a bowl centrifuge. The polyhalite was then calcined in a 2 foot diameter, 20 foot long rotary kiln operating at 950 degrees fahrenheit. The calcined polyhalite was then leached in hot water, in leach tanks operating a counter current configuration. The CaSO4 was removed by vacuum filters and agglomerates (flocculants), and then the leach liquor was "polished", removing the last bit of solids with a pressure filter. The leach liquor was then sent to a mechanical evaporation circuit where 92% of the water was evaporated from the liquor. The concentrated evaporator liquor was then sent to a crystallizer, where the liquor was cooled and magnesium sulfate, and potassium sulfate crystallized. The K2SO4 was harvested from the liquor using batch filters and dried in a rotary gas fired drier. The dried product very easily pelletized by outside companies. The Technical Report included estimates of revenue, capital, operating cost, and project economics for a 50,000 and 100,000 ton per year plant. The Technical Report recommended ICP proceed with an industrial scale project.

Recent metallurgical test work has been limited to two polyhalite samples from the Salado formation, and one from core from the Rustler formation. The samples were crushed to 10 mesh and a screen analysis performed. The analysis showed the Salado samples were approximately 80% polyhalite with the main gangue constituent being halite. The halite tended to report to the fine fraction, likely due to differential hardness and cleavage. Polyhalite was upgraded to nearly 100% polyhalite with a fresh water wash.

A polyhalite core sample was obtained from the Rustler formation west of Ochoa was carefully logged and split. The sample is from the Ochoa Project polyhalite bed of the Rustler formation. Discrete 6 inch intervals were collected and several evaluated by microscopy. Some of the samples were also examined

by scanning electron microprobe. The chief gangue constituent of the Sandia core sample was anhydrite which has a similar hardness and specific gravity to polyhalite.

A Rustler core sample was crushed, split, and analyzed using the same testing procedures as the Salado samples, described above. RDi performed initial calcine and leach test on the composite sample confirming USBM and PCA test work. These tests showed 97% the potassium of the polyhalite went into solution during leaching.

Process Modeling

Mr. Don Felton of Chemfelt Engineering has provided a detailed metallurgical simulation model ("**METSIM**") of the processing plans to convert polyhalite into potassium sulfate product. The model has been reviewed by Mr. Neuman, Mr. Chastain and Gustavson. The following describes the interaction between the modeling effort, past work, and future testing, and supports ICP's approach to developing a full scale process.

The METSIM model built by Chemfelt follows the design envisioned by the BOM and subsequently pilot tested by a private corporation, and provides reasonable estimates the full scale equipment requirements.

It is important to understand that the Bureau of Mines and the private company demonstrated conclusively the validity of the process. Additional work is needed to develop the data required for size, optimize and scale up the process up to a 660,000 tons per year ("**tpy")** or a 990,000 tpy facility. The test work planned to be done by Hazen Research in coordination with the manufacturers of the proposed equipment, will focus on process optimization. Hazen Research is an internationally recognized process development facility located in Golden, Colorado.

A comprehensive test program is planned, culminating with pilot scale testing. For example, while it is known that polyhalite can be ground with many types of equipment, studies must be undertaken to determine the optimal equipment. Therefore, Hazen will be performing tests to generate data needed to select the crushing, sizing, and grinding equipment. Similarly, data will be collected to determine the best possible calcination equipment (rotary kilns, fluid bed devices, etc.). Leaching configuration is another area needing optimization. The BOM investigated both co-current leaching and counter-current leaching. Subsequent private pilot testing used a counter current approach. Both processes were demonstrated to work well. The best configuration and most suitable commercially available 21st century equipment need to be established.

Once the potassium and magnesium sulfate liquors are produced, they will be sent to solar ponds and will follow the process pioneered and now used by Great Salt Lake Minerals and also SQM in Chile. The most significant difference between these operations and the Ochoa project process is the relative simplicity of the Ochoa brines. The pond operations at these other facilities are extremely complex because of the presence of large quantities of sodium and chloride and other cations and anions. The Ochoa brines will have very low levels of these cations and anions apart from potassium, sulphate and magnesium, and this lack of complexity will simplify pond management. The testing will include laboratory scale solar pond operations, schoenite decomposition reactions, as well as drying, screening and granulation steps.

Once each of the processes are studied and optimized, the overall process will be tested in a continuous pilot scale test at the Hazen facilities to confirm that there are no unexpected issues from the planned ICP processes. ICP will also be using Hazen Research to investigate several potential improvements to the process developed by the BOM. These studies could result in a significant reduction water consumption and pond size. ICP intends to protect any process improvements it generates.

By the end of the feasibility stage of process development the entire process will have been tested at pilot scale in the Hazen Research facilities. This will ensure a minimum of start-up issues when the process is brought on-line in full scale operations.

Mineral Resource and Mineral Reserve Estimates

ICP currently holds 113,000 net acres under federal and state exploration permits issued and pending imminent issuance. This permit acreage is summarized in the table below.

Ochoa Project Exploration Permit Acreage

	Issued	Issuance Pending	Application Pending
BLM Federal	48,144.58	29,520.00	9,123.66
NM State	25,889.83	0	0
Total acres	74,034.41	29,520.00	9,123.66

The Ochoa Mineral Resource was estimated using Petra and Techbase. The Mineral Resources were assigned categories of confidence based on a radius from ICP core holes.

The bulk density of the ore bed was determined from petrophysical logs and ranges between 2.70 and 2.85 g/cc (see composite logs in Appendix Figures A24 through A26 of the Technical Report). The principal mineral in the ore bed is polyhalite (ρ = 2.78) with minor amounts of anhydrite (ρ =2.97) and magnesite (ρ =2.98). Halite (ρ = 2.17) is present in minor amounts primarily in the lower half of the ore bed, which corresponds to the interval of the ore having an overall lower bulk density (e.g. 2.70 to 2.75). No attempt was made to compile the petrophysical logging data and calculate an apparent average density because the resolution of the logging tool for spatial (i.e., vertical sampling) and density measurements are not detailed enough to assign values to the sample intervals used for lab analysis. In addition, the semi-quantitative results for mineral abundance estimation in some of the XRD-XRF reports prevent calculating an apparent bulk density based on mineral components. Therefore, the density used in this evaluation is 2.78 g/cc. This is reasonable given the predominance of polyhalite and the observation that the two most common contaminants in the ore are anhydrite and magnesite which have greater densities of 2.97 and 2.98 g/cc respectively.

Ore in place was calculated using the polyhalite thickness from each of the rotary and ICP core holes. Thickness was estimated into a 2 dimensional gridded model with a grid cell size of 660 feet north south, by 660 feet east west, and with 303 columns and 196 rows covering the entire area of interest. PETRA was used to estimate thickness using a Least Squares algorithm. Measured resources are within a 0.75 mile radius from ICP core holes, indicated resources are within a 1.50 mile radius of ICP core holes, and inferred resources are beyond 1.5 miles. These dimensions are considered reasonable based on the large number of well control points, excellent definition of the sub-basin, characterization of the host and mineralized units as continuous and unaffected by significant disruptions (e.g. faulting, pinch, swell, channels, and karst), low variability in polyhalite bed thickness, and homogeneity of composition and grade. The table below shows the estimate ore resource within the lease area.

Estimates of Ore Resource

Ochoa Project - Mineral Resource

All Polyhalite over Minimum Thickness

	Measured	Indicated	Measured plus Indicated	Inferred
4 ft Minimum Thickness				
Tons (million)	282,200,000	571,900,000	854,100,000	611,100,000
Grade Polyhalite	82.6%	82.5%	82.5%	82.3%
Eq Grade K2SO4	23.4%	23.4%	23.4%	23.3%

5 ft Minimum Thickness				
Tons (million)	238,700,000	461,500,000	700,200,000	352,700,000
Grade Polyhalite	82.7%	82.4%	82.5%	82.2%
Eq Grade K2SO4	23.4%	23.4%	23.4%	23.3%

6 ft Minimum Thickness				
Tons (million)	40,600,000	47,100,000	87,700,000	19,800,000
Grade Polyhalite	86.1%	84.1%	85.0%	82.3%
Eq Grade K2SO4	24.4%	23.8%	24.1%	23.3%

Polyhalite grade was estimated from ICP core holes using an inverse distance to the 1.5 power algorithm in Techbase. The selected grade intervals were considered minable intervals using the very selective continuous mining equipment and additional dilution was not added. The mineable portion of the Mineral Resource incorporates a 90% mine recovery in areas away from oil and gas production, and 60% mine recovery within 1500 feet of an active well, preventing surface subsidence. The table below shows the amount of resource within the proposed mine plan using a 5 foot thick cutoff.

Ochoa Mine Plan Mineral Resource Estimates

5 ft. Thick Cutoff

Category	Total Short Tons of Ore	Total Short Tons of PH	Grade of PH	Mineable Short Tons of Ore
Measured	43,717,276	36,935,301	84.5%	38,561,212
Indicated	147,381,421	123,037,400	83.5%	130,157,350
Inferred	51,784,566	43,056,150	83.1%	45,140,208
Total/Avg.	242,883,263	203,028,851	83.6%	213,858,771

Other Relevant Data and Information

ICP plans to explore and develop polyhalite mineralization within the Tamarisk member of the Rustler Formation on its OCHOA PROJECT. Although polyhalite was considered as a potential source of potash fertilizer in the 1940s (Source: Conley and Partridge, 1944), this consideration pre-dated the development of the extensive sylvinite resources of Saskatchewan, Canada, and the former Soviet Union (Belarus and Russia). The development of potash operations based on sylvinite in Saskatchewan, Canada, in the early-1960s (where the grade of sylvinite was particularly high at approximately 25% K2O) and the expansion of output in the USSR resulted in those two countries holding the first-ranking positions until the breakup of the former Soviet Union in 1989.

Potash was first produced near Carlsbad, New Mexico in 1931. At that time, world production was approximately 1.5 million tons K2O and Germany and France together accounted for 1.3 million tons K2O. By 1943, the United States had overtaken France as the second largest potash producer. The majority of United States output was from mines established in Eddy County, New Mexico. The first potash mine in Lea County, New Mexico was opened in 1957 and closed between 1968 and 1974. The second mine in Lea County was opened in 1965. At that time, world potash production had increased to over 13.5 million tons K2O and the United States was the largest single producer, with output of 2.8 million tons K2O, followed by the then USSR and West Germany, each with output of around 2.4 million tons K2O.

The majority of potash output in New Mexico has been based on mining sylvinite and the First Ore Zone of the McNutt Potash Zone has provided the greater proportion of mined ore. Langbeinite is also mined to recover a beneficiated potassium-magnesium sulfate fertilizer. At present, two companies, Intrepid and Mosaic, mine and process sylvinite and langbeinite in New Mexico. The USGS reports that sales from these two companies account for nearly 80% of total United States producer sales of potash.

Micon (2008) reported that approximately 93% of world potash production is used by the fertilizer industry as a source of potassium which is one of the three essential plant nutrients, along with nitrogen and phosphorus. Potassium salts are also used in a wide range of non-fertilizer applications, including glass and ceramics, soaps and detergents, synthetic rubber and chemicals.

*Preliminary Economic Assessment ("**PEA**")*

In order to evaluate the potential economic viability of the Ochoa polyhalite deposit, the updated PEA has been prepared. The proposed mine plan was developed by Gustavson based on information obtained from other similar mines in the area as well as from the experience of Randy Foote, Chief Operating Officer for ICP. Gustavson developed the mine staffing, capital and operating costs using the Western Mine Engineering Cost Estimators Guide (2010) as well as from quotes directly from suppliers. The conceptual process flowsheet was developed by Chemfelt Engineering and is based on work done by the USBM and others through the late 1950's. Process operating and capital costs were estimated by Gustavson, Messrs. Felton, Neuman, Chastain and Foote, and from supplier quotes. Gustavson estimated the General and Administrative costs as well. The pre-tax economic evaluation included revenue royalties due to the Federal Government and the state of New Mexico, production royalties, and royalties on net profits.

Two different economic scenarios were examined for the Technical Report. The base case scenario assumes that ICP will produce 660,000 tons of K2SO4 on an annual basis. Gustavson also examined the economic effects of producing 990,000 tons of K2SO4 per year. Mineral resources in the proposed mine are sufficient for 990,000 tons of K2SO4 per year. Mining and processing methods will be identical for both scenarios. Differences in capital and operating costs are reflected in the economic analysis contained later in this section. The Technical Report is based on measured, indicated, and inferred mineral resources.

K2SO4 production involves two separate operations. The first operation is to mine raw polyhalite underground. The polyhalite is hoisted to the surface and delivered to the processing plant where the polyhalite is processed to produce K2SO4, the saleable product. The final product will be trucked to a load out facility near Hobbs or Carlsbad, where it will be loaded on trucks and trains and distributed.

The Ochoa mine will require sinking a production shaft, and a man and materials shaft, installation of ventilation systems, development of underground facilities, the acquisition of an entire mining equipment fleet and the hiring of an underground mine workforce.

Mining will be conventional Room and Pillar similar to the other mines in the Carlsbad mining district. The polyhalite bed is 1,500 feet below the surface with an average thickness of 5 to 6 feet in the proposed mine area. ICP has elected to consider the proposed development under MSHA non metal gassy mine rule because there are active oil and gas wells within the proposed mine area. Natural sources of gas are not anticipated.

The proposed mine is laid out in an area of the mineral lease boundary that has a low number of active drill holes and thick polyhalite, with an overall polyhalite thickness of over 5ft. The mine shaft and facilities are approximately 2 miles from state highway 128 and will be accessed by building a road from the highway to the mine. The processing, tailings, and solar ponds facilities are located southwest of the mine in areas that are flat and have no active oil or gas wells and near the edge of the area underlain by polyhalite. There are 2 existing underground pipelines in the mining area but these pipelines do not interfere with any of the mine or processing facilities and will not need to be moved.

Electric utilities are planned via the existing transmission lines that run adjacent to highway 128. A substation and 2 miles of transmission lines will be built in order to bring electricity to the mine and plant. For the purposes of this study, fresh water will be supplied by drilling into the Capitan aquifer and treating the brackish water by a reverse osmosis, engineered membrane plant.

The mining method selected for the extraction of polyhalite will be room and pillar retreat with an overall extraction rate of 85%. This method is consistent with adjacent potash mines in the area. An overall extraction rate of 90% is targeted for most portions of the mine; however, in areas of the mine that there is

an active gas or oil well, only 60% of the polyhalite will be extracted in order to insure the stability of the active well and that there is no ground subsidence in areas around the wells.

Mining will be in a herringbone pattern. The mine is divided into eight separate panels and each panel is further divided into 12 subpanels. Each subpanel will be developed and mined by continuous miners. Once a subpanel has been completely developed, mining will progress in a retreating manner, which will allow for minimal pillars left for support and increase the mining extraction rate up to 90% of total polyhalite within the subpanel. As in the adjacent mines, it is expected that the rooms in each subpanel will slowly close through plastic deformation or crushing of the pillars and deformation of the overlying strata. A 60 foot thick layer of halite lies directly above the polyhalite beds, and this layer of salt is compatible with the plastic/crushing failure model for the pillars. Laboratory tests are currently underway to determine the behaviour of the each of the rock units.

The Ochoa mine will follow the rules of a gassy mine because there are active gas wells within the mining limits. Gassy mine rules stipulate that 9,000 cubic feet of fresh air needs to be provided to the active mining face if a continuous miner is being used. Fresh air and exhaust air will travel down separate drifts in both the mains and the subpanels

Mining equipment will be permissible in order to comply with gassy mine regulations. Nearly all the underground equipment is electric, with the exception of diesel powered man trips which shuttle workers to and from the active mining areas to the shaft. Extra maintenance has been included for the permissible equipment.

Capital and operating costs for the required underground equipment has been included within the economic analysis. Underground mobile equipment for both the 660K ton and 990K ton scenarios will consist of the items as listed in the following tables.

Mobile Underground Mining Equipment for 660K Ton Scenario

Quantity	Description
7 ea	Continuous miners – Joy 12HM
14 ea	Shuttle cars
7 ea	Man trips – diesel
7 ea	Rock bolters
7 ea	Feeder Breaker

Mobile Underground Mining Equipment for 990K Ton Scenario

Quantity	Description
10 ea	Continuous miners – Joy 12HM
20 ea	Shuttle cars
10 ea	Man trips – diesel
10 ea	Rock bolters
10 ea	Feeder Breaker

Mining support services include engineering, mechanical, and electrical maintenance. Underground shop and offices as well as surface laboratory, warehouse, and other facilities have been included as part of mining support.

Mining recovery varies within the mine based on the amount of polyhalite in the ore and whether the ore is being extracted in a 90% area or 60% area. In the proposed mine, ore is 83.6% polyhalite overall. There are only a few areas within the mine area that are within the 60% extraction areas of active wells. Gustavson expects that overall extraction will be 85% of the polyhalite ore within the mining area. Most of the ore that remains in place will be in areas where roof collapse is not permitted.

Overall resources of the proposed mine using a 5 foot cutoff is 225.4 million tons of polyhalite with an average grade of 83.6%. When applying the extraction rates of 60% around active wells and 90% everywhere else in the mine area, the actual mineable resources of raw ore is 213.9 million tons at a grade of 83.6% available for mining within the mine plan area. The proposed mine has sufficient polyhalite to produce 990K tons of product for 43.4 years. For the 660K ton scenario, only 158 million tons of raw ore at an average grade of 83.6% is mined over the course of the 40 year mine plan. The table below shows the resource estimates of the 5 foot thick cutoff for the entire mine plan.

Ochoa Mine Plan Mineral Resource Estimates

5 ft. Thick Cutoff

Category	Total Short Tons of Ore	Total Short Tons of PH	Grade of PH	Mineable Short Tons of Ore
Measured	43,717,276	36,935,301	84.5%	38,561,212
Indicated	147,381,421	123,037,400	83.5%	130,157,350
Inferred	51,784,566	43,056,150	83.1%	45,140,208
Total/Avg.	242,883,263	203,028,851	83.6%	213,858,771

The economic model is based upon the 660,000 ton per year scenario. The processing capital cost estimate for the 990,000 ton scenario were scaled up from the 660,000 ton scenario using a factor of (990/660)^0.6 or 1.275.

Operating Costs per Ton for 660K Ton Scenario

AREA	Per Ton Feed (US$)	Per Ton Product (US$)
Mine	$12.36	$61.39
Mill	$19.76	$98.11
G&A	$0.95	$4.72
Total	$33.07	$164.23

Operating Costs per Ton for 990K Ton Scenario

AREA	Per Ton Feed (US$)	Per Ton Product (US$)
Mine	$10.96	$54.41
Mill	$15.91	$79.01
G&A	$0.63	$3.15
Total	$27.50	$136.57

The total estimated initial capital cost for the project is US$661.7 million for the 660K ton scenario and US$813.1 million for the 990K ton scenario.

The capital estimate has been broken into three general areas:

Mine and surface capital

Process capital

Exploration, engineering and permitting

An additional capital amount of US$839 million will be required as sustaining capital over the life of the mine in the 660K ton scenario and US$1.04 billion for the 990K ton scenario. The tables below show the capital costs of both scenarios.

Total Estimated Initial Capital Cost for the Mine and Plant for 660K Ton Scenario

Total Mine Capital				$153,345,109 (US$)
Total Direct Costs				$153,345,109
EPCM	0%	included in # above		$0
Indirects	4%	direct		$6,133,804
Subtotal Direct plus Indirect				$159,478,913

Owners costs	3%	direct		$4,600,353
Contingency	10%	total		$16,407,927
Subtotal Other Costs				$21,008,280
Total Mining costs				$180,487,193
Subtotal Processing Costs				$481,170,687
Total Estimated Costs				$661,657,880

Total Estimated Initial Capital Costfor the Mine and Plant for 990K Ton Scenario

Total Mine Capital				$174,497,109 (US$)
Total Direct Costs				$174,497,109
EPCM	0%	included in # above		$0
Indirects	4%	direct		$6,979,884
Subtotal Direct plus Indirect				$181,476,993
Owners costs	3%	direct		$5,234,913
Contingency	10%	total		$18,671,191
Subtotal Other Costs				$23,906,104
Total Mining costs				$205,383,097
Subtotal Processing Costs				$607,720,404
Total Estimated Costs				$813,103,501

In the 660K ton scenario, a 40-year life project at an average annual production rate of 661,380 tons of potassium sulfate product, gives a pre-tax IRR of 25% and NPV of (US$)$1.43 billion with a 10% discount rate. NPV's at other rates are listed below.

NPV'S of 660K Ton Scenario

NPV	BILLION (US$)
15%	$.567
12%	$.989
10%	$1.43
8%	$2.07
5%	$3.76

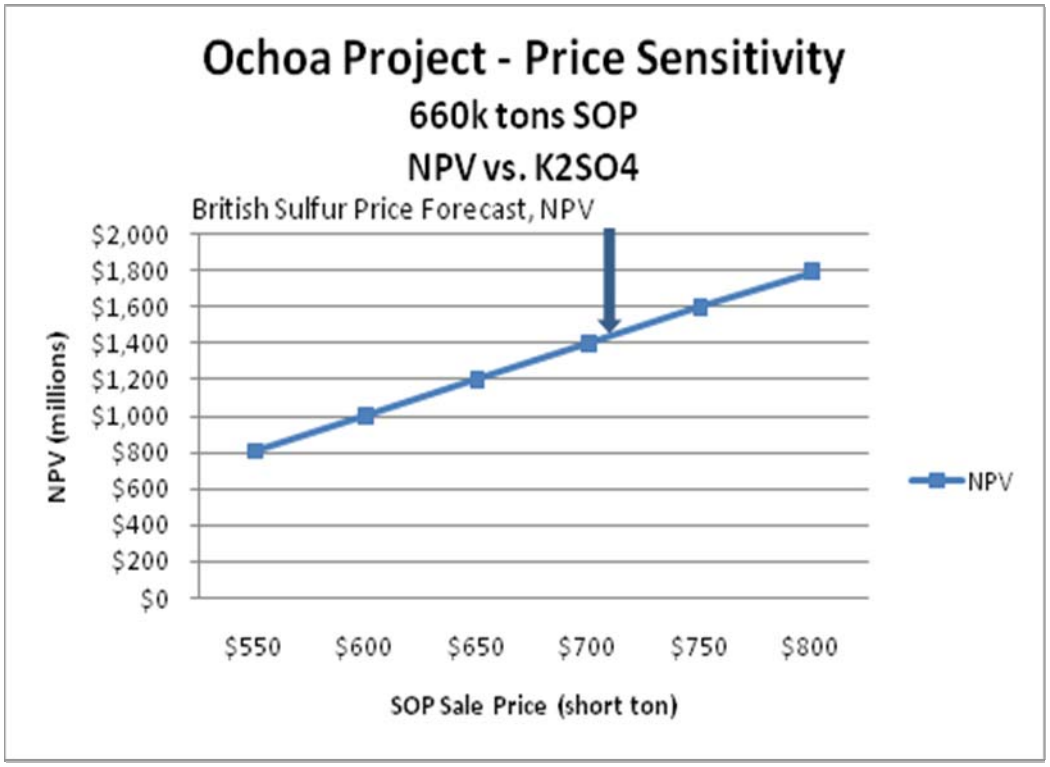
In the 990K ton scenario, a 40 year project has an annual production rate of 997,000 tons of SOP produces a pre-tax IRR of 32% and an NPV of US$2.58 billion using a 10% discount rate. NPV at other rates are shown below.

NPV'S of 990K Ton Scenario

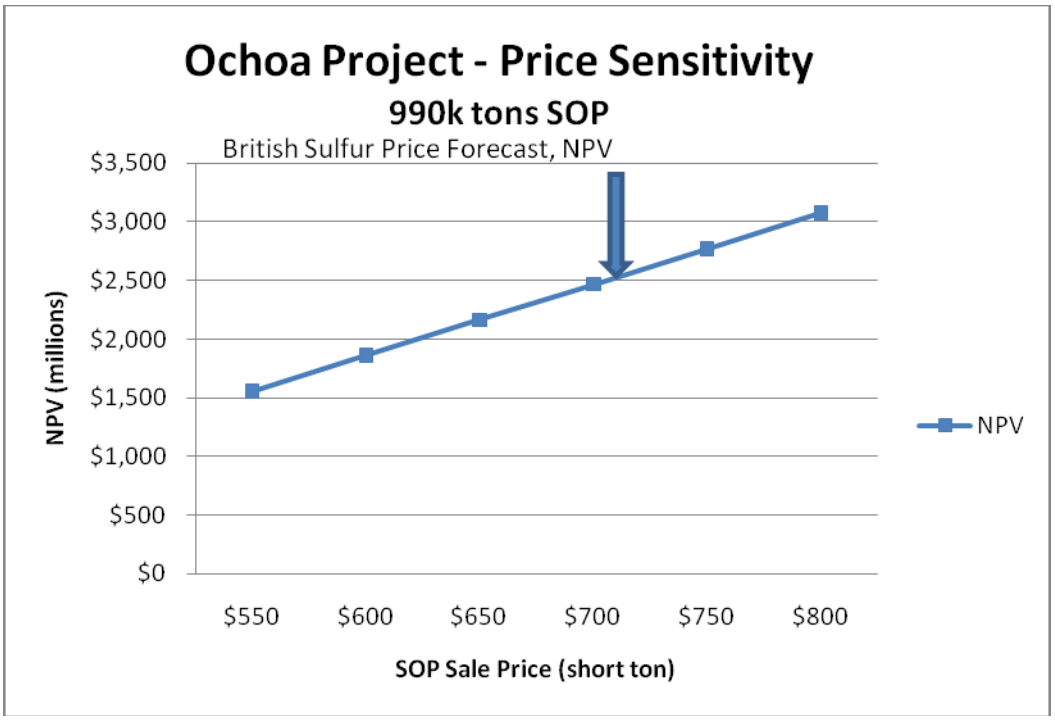
NPV	BILLION (US$)
15%	$1.11
12%	$1.80
10%	$2.51
8%	$3.56
5%	$6.27

Sensitivity analysis was completed on the project to determine those costs to which the project was most sensitive. The project is most sensitive to the selling price of SOP (K2SO4), followed by, capital cost, price of water and gas, overall processing costs, and metallurgical recovery.

Regarding the price sensitivity of SOP the arrow in the chart is pointing to the NPV of the British Sulfur pricing which is used in the economic model. The British Sulfur pricing estimates vary from year to year. The Sensitivity of the SOP price versus NPV is based on constant prices throughout the entire life of mine.



660K Ton Sensitivity Analysis



990K Ton Sensitivity Analysis

Interpretation and Conclusions of the PEA

ICP controls a large land package that hosts a substantial polyhalite resource

The Resource has been estimated from 789 rotary holes and 13 core holes, and the Measured and Indicated Mineral Resource now stands at 700 million tons grading 82.5% polyhalite, at a 5 foot minimum thickness.

The polyhalite within the mine plan occurs at depths of 1500 to 1600 feet and is considered to be minable using conventional Room and Pillar mining methods with continuous miners and other underground mining equipment.

The proposed ICP processing methods have previously been demonstrated on a pilot scale.

Operating costs appear to be in the lowest quartile of the SOP market.

Capital costs were developed on a major equipment price factored basis. Future work will be much more detailed.

Recommendations (including Exploration and Development recommendations)

Gustavson recommended the following, the estimated cost of which is set out in the table below:

- Proceed with a bulk sample drill program in order provide sample for metallurgical test work, define resource within the mine area, and to perform geotechnical testing.
- Bench scale metallurgical testing followed by small scale pilot scale testing.
- Acquire surface rights of proposed surface facilities area or acquire the land. The cost of this cannot be reasonably estimated at this time. These costs will only be incurred if the Ochoa Project progresses past the feasibility study.
- Initiate permitting and baseline data collection for environmental permits.
- Continue Hydrology studies in order to determine where water will be obtained in the region and how it will be delivered to the plant.
- In depth market study in order to better understand the market conditions and price forecast, including kieserite.
- A prefeasibility study should be initiated based on the findings in the Technical Report, incorporating data gathered in the above programs.

Exploration, Engineering and Permitting Costs

Activity	Estimated Cost (US$)
Definition Drilling	$2,000,000
Prefeasibility Study (including metallurgical testing, hydrology, and the market study)	$3,000,000
Feasibility Study	$5,000,000
Permitting	$1,000,000
Corporate Costs	$1,000,000
Land or Surface Rights Acquisition	Nil
Total	$12,000,000

RISK FACTORS

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

Stage of Development

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

No History of Mineral Production

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

Exploration, Development and Operating Risks

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

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Ochoa Project will consist of mixed rights, including various federal permits, state 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 ICP's expenditures towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of polyhalite or other minerals.

Reliability of Resource Estimates

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

Uncertainty of Preliminary Assessment Results

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

Land Title and Surface Rights

No assurances can be given that there are no title defects affecting the Ochoa Property. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, the Company has not conducted surveys of the claims in which it currently holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, such mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. 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 Property. As a result, unless it acquires additional property interests, any adverse developments affecting the Ochoa Property 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 Property 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 mineral properties. 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 mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current environmental laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or

production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

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 Property 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 mineral properties.

Government Regulation

The mineral exploration and development activities of the 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 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.

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

Competition

The mining industry is competitive in all of its phases. The Company faces strong competition from other companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals and other minerals. Many of these companies have greater financial resources,

operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive exploration and development properties on terms it considers acceptable or at all. Consequently, the consolidated revenues, operations and financial condition of the Company could be materially adversely affected.

Litigation

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

Insurance and Uninsured Risks

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

Dividend Policy

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

Potential Volatility of Market Price of Common Shares

Securities of various publically listed companies have, from time to time, experienced significant price and volume fluctuations unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Common Shares. In addition, the market price of the Common Shares is likely to be highly volatile. Factors such as SOP 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 Condition

Current global financial conditions have been subject to increased volatility and numerous commercial enterprises have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms acceptable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted. In addition, general economic indicators, including employment levels, announced corporate earnings, economic growth and consumer confidence, have deteriorated. Any or all of these economic factors, as well as other related features, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

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 or other minerals. The price of potash and other minerals fluctuates widely and is affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the

cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market value of potash or other minerals could cause continued development of and commercial production from the Company's properties to be impracticable. Depending on the price of potash and other minerals, cash flow from any potential future mining operations may not be sufficient and the Company could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Potential future production from the Company's mining properties is dependent upon the prices of potash and other minerals (including polyhalite) 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.

Exchange Rate Fluctuations

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

Hedging

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

Technical Information

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

Project Risk

There are many risks associated with the Ochoa Project that were identified in the Technical Report, including: (i) process plant may be more expensive than anticipated as this is the only large scale plant to convert polyhalite into SOP; (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 SOP market 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.

DIVIDENDS

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

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares, of which as at February 28, 2011 there were 107,393,215 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 (1) 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 TSXV 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, 2010.

Month	High ($)	Low ($)	Volume
December 2010	1.45	0.80	11,125,544
November 2010	0.97	0.63	7,956,462
October 2010	0.76	0.41	7,668,652
September 2010	0.55	0.41	3,564,961
August 2010	0.49	0.38	749,465
July 2010	0.48	0.32	453,019
June 2010	0.54	0.38	2,042,423
May 2010	0.61	0.48	3,400,497
April 2010	0.69	0.30	7,913,903
March 2010	0.39	0.29	907,828
February 2010	0.45	0.32	1,635,358
January 2010	0.40	0.31	2,808,742

Prior Sales

The following table contains details of the prior sales of securities by the Company during the the fiscal year ended December 31, 2010:

Date Issued	Number of Securities	Type of Securities	Price Per Security
December 15, 2010	50,000	Common Shares	$0.65[1]
December 1, 2010	312,500	Common Shares	$0.65[1]
December 1, 2010	194,775	Common Shares	$0.40[2]
November 22, 2010	200,000	Options[3]	N/A
November 8, 2010	700,000	Options[4]	N/A
September 20, 2010	272,255	Options[5]	N/A
September 20, 2010	950,000	Options[6]	N/A
September 15, 2010	37,500,000	Common Shares	$0.40
September 15, 2010	18,750,000	2010 Warrants[7]	N/A
August 4, 2010	1,202,245	Options[5]	N/A
April 22, 2010	650,000	Options[8]	N/A

Notes
(1) Issued pursuant to the exercise of Warrants.
(2) Issued pursuant to the exercise of Agent's Unit Options
(3) With an exercise price of $0.80 per Common Share.
(4) With an exercise price of $0.58 per Common Share.
(5) With an exercise price of $0.40 per Common Share.
(6) With an exercise price of $0.50 per Common Share.
(7) With an exercise price of $0.65 per Common Share.
(8) With an exercise price of $0.45 per Common Share.

ESCROWED SHARES

Designation of Class	Number of Securities Held in Escrow or that are subject to Contractual Restriction on Transfer at December 31, 2010	Percentage of Class
Common Shares	3,494,998	3.6%

Computershare Trust Company of Canada acts as the escrow agent. The Common Shares will be released from escrow or become freely trading as follows:

Date	Number of Common Shares
June 16, 2011	530,625
December 16, 2011	702,187
June 16, 2012	702,187
December 16, 2012	1,559,999

DIRECTORS AND OFFICERS

The following table sets forth the name and province and country of residence of each director and executive officer of the Company, as well as such individual's position with the Company, principal occupation within the five preceding years and period of service as a director (if applicable). Each of the

directors of the Company will hold office until the next annual meeting of shareholders and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal.

Name and Province and Country of Residence	Position	Principal Occupation Within Five Preceding Years	Director Since
Sidney Himmel[(1)] Ontario, Canada	Chief Executive Officer, President and Director	President and Chief Executive Officer of the Company (2006 to present) Chief Financial Officer of the Company (2003 to 2006)	2003
George Poling[(1)] British Columbia, Canada	Chairman and Director	Retired (2006 to present) President and Chief Executive Officer of the Company (2003 to 2006) Senior Vice President of Rescan Environmental Services Ltd., environmental consulting firm (1997 to 2007)	2003
Knute H. Lee, Jr. New Mexico, U.S.A.	Director	Independent landman and owner of KHL Inc., an oil and gas company (1985 to present).	2008
Honourable Pierre Pettigrew P.C. Ontario, Canada	Director	Executive Advisor, International at Deloitte & Touche LLP (2006 to present) Minister of the Government of Canada (1996 to 2006).	2009
Anthony Grey[(1)] Australia	Director	Chairman of International Ferro Metals Limited, a ferrochrome mining company (2004 to present)	2009
Ernest Angelo 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
Kevin Strong Manitoba, Canada	Chief Financial Officer and Corporate Secretary	Chief Financial Officer of the Company (2008 to present) Chief Financial Officer of Nordic Oil and Gas Ltd., an oil and gas producer (2008 to 2008) Manager, TSX Venture Exchange (Winnipeg office) (2000 to 2007)	N/A

Notes:
(1) Member of the Audit Committee of the Company.

As of February 28, 2011, an aggregate of 4,043,747 Common Shares (representing approximately 3.8% of all issued and outstanding Common Shares as at such date) are beneficially owned or controlled or directed (directly or indirectly) by all of the directors and executive officers of the Company, as a group.

Corporate Cease Trade Orders

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

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

(b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

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

Bankruptcies and Other Proceeding

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:

(c) 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

(d) 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, other than:

In 1985, Mr. Angelo was serving as a Director of Security National Bank when the bank was taken over by the Federal Deposit Insurance Corporation.

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

Penalties or Sanctions

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

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

(f) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable 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 which are in competition to the interests of the Company. No assurances can be given that opportunities identified by such board members will be provided to the Company. Pursuant to the CBCA, directors who have an interest in a proposed transaction upon which the Board of Directors is voting are required to disclose their interests and refrain from voting on the transaction. See also "Risk Factors – Potential Conflicts of Interest".

AUDIT COMMITTEE

Audit Committee Charter

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

Composition of the Audit Committee

The Company's Audit Committee is comprised of Messrs. Grey and Himmel and Dr. Poling. Each of the members of the Audit Committee is considered to be "financially literate" for the purpose of NI 52-110. Each of the members of the Audit Committee is considered to be "independent" for the purpose of National Instrument 52-110 – *Audit Committees* other than Mr. Himmel (as a result of his role as an executive officer of the Company). The education and current and past experience of each Audit Committee Member that is relevant to the performance of his responsibilities as an Audit committee Member is summarized below:

- Mr. Grey has been the Chairman of International Ferro Metals Limited, a ferrochrome and mining company since 2002 and is also a director of Mega Uranium Ltd., which is a Toronto Stock Exchange ("**TSX**") listed company. Mr. Grey was formerly the Managing Director of Pancontinental Mining Ltd. and served as Chairman of Precious Metals Australia. Mr. Grey graduated with a Bachelor of Arts in History (Hons) and a Juris Doctor from the University of Toronto. Thereafter, he practiced law with a major law firm in Toronto for seven years.

- Dr. Poling has several years experience as a director of public mining companies and is currently the Chair of the Environmental and Safety Committee and a member of the Compensation Committee, a director and Chairman of the Board of BioteQ Environmental Technologies Inc., a TSX listed corporation, since December 2000, and is a director of Quadra Mining Ltd., a TSX listed corporation,from February 2004 until May, 2010, a director of Minterra Resource Corp., a TSX listed and corporation from

1995 to 2009, and the Senior Vice President of Rescan Environmental Services Ltd., a Canadian-based environmental and engineering consulting firm.

- Mr. Himmel is the President and Chief Executive Officer of the Company and was previously its Chief Financial Officer. He is knowledgeable with respect to financial reporting issues with respect to the mining industry. He has over 17 years experience in Canadian capital markets, having worked for Toronto Dominion Securities as Vice President and Director, and Merrill Lynch Canada Ltd. as a Corporate Finance specialist in mining finance. Mr. Himmel holds B.Sc. (Chemistry focus) and B.A. (Business and finance focus) degrees, both from the University of Toronto. He has been a Chartered Accountant since 1981. He is a member of the American Chemical Society and the Institute of Chartered Accountants of Ontario. Mr. Himmel has lectured in accounting and taxation at the University of Toronto and has had articles published in professional journals regarding accounting and taxation.

Exemption

NI 52-110 exempts issuers listed on the TSXV from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of the instrument. As a result, the members of the Audit Committee are not required to be either "independent" or "financially literate" within the meaning of NI 52-110; however, issuers are required to provide, on an annual basis, the disclosure regarding its Audit Committee in its management information circular. All of the members of the Audit Committee, other than Sidney Himmel, were independent and all were financially literate.

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve any engagement of the external auditors for any non-audit services to the Company in accordance with applicable law and policies and procedures to be approved by the board of directors. The engagement of non-audit services will be considered by the Company's board of directors on a case by case basis.

Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2009 and 2010 for audit and non-audit related services:

Type of Work	Year Ended December 31, 2010	Year Ended December 31, 2009
Audit Fees [(1)]	$96,000	$55,000
Audit-related Fees [(2)]	$26,000	$17,000
Tax Advisory Fees [(3)]	$22,000	$16,000
All other Fees	Nil	Nil
Total	$144,000	$88,000

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.

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% profits royalty with respect to the Ochoa Property. The royalties were negotiated as a finder's fee on the acquisition of the permits for the Ochoa Property. Bald Eagle is a private company which is 60% owned by Mr. Sidney Himmel, the President and Chief Executive Officer of the Company.

In addition, certain of the directors and officers of the Company held ICP Common Shares at the time of Reorganization, in connection with which such common shares of ICP were exchanged for Common Shares. See "General Development of the Business – Three Year History – 2009".

LEGAL PROCEEDINGS

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

TRANSFER AGENT AND REGISTRAR

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

AUDITORS

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

MATERIAL CONTRACTS

There are no contracts of the Company, other than contracts entered into in the ordinary course of business and the RCF Agreement (see "General Development of the Business"). 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, 2002 and are still in effect.

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, 2010, whose profession or business gives authority to such report, valuation, statement or opinion:

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

2. The persons or companies that have prepared the Technical Report are William J. Crowl, Donald E. Hulse, Terre A. Lane, and Deepak Malhotra on behalf of Gustarson Associates, LLC (collectively, the "**Technical Report Authors**").

Interests of Experts

Each of the Technical Report 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 11, 2010.

Additional financial information is provided in the Company's Financial Statements and Management's Discussion & Analysis for the financial year ended December 31, 2010.

APPENDIX A
Charter of the Audit Committee of the Board of Directors

Purpose of the Committee

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of the Company is to provide an open avenue of communication between management, the Company's independent auditors and the Board and to assist the Board in its oversight of:

(a) the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;

(b) the Company's compliance with legal and regulatory requirements related to financial reporting; and

(c) the independence and performance of the Company's independent auditors.

The Committee shall also perform any other activities consistent with this Charter, the Company's Bylaws and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles ("GAAP"). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditors' responsibility is to audit the Company's financial statements and provide their opinion, based on their audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with GAAP.

The Committee is responsible for recommending to the Board the independent auditors to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditors. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditors. The independent auditors shall report directly to the Committee.

Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.

2. Review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditors the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

4. Review with management and the independent auditors the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.

6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditors' judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditors without the presence of management.

8. Review with management and the independent auditors significant related party transactions and potential conflicts of interest.

9. Pre-approve all non-audit services to be provided to the Company by the independent auditors.

10. Monitor the independence of the independent auditors by reviewing all relationships between the independent auditors and the Company and all non-audit work performed for the Company by the independent auditors.

11. Establish and review the Company's procedures for the:

    (a) receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and

    (b) confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.

12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.

13. Perform such other functions and exercise such other powers as are prescribed form time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110

of the Canadian Securities Administrators, the Canada Business Corporations Act and the Bylaws of the Company.