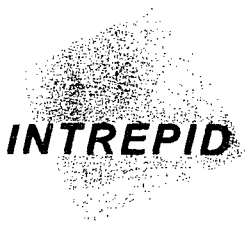

30,000,000 Shares

Intrepid Potash, Inc.

Common Stock

This is an initial public offering of shares of common stock of Intrepid Potash, Inc. The company is a corporation recently formed by Intrepid Mining LLC. All of the 30,000,000 shares of common stock are being sold by the company.

To the extent that the underwriters sell more than 30,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 4,500,000 shares from Intrepid Potash, Inc. at the initial public offering price less the underwriting discount. We intend to use the net proceeds we receive from any shares sold pursuant to the underwriters' option to purchase additional shares to pay a dividend to the current members of Intrepid Mining LLC.

Prior to this offering, there has been no public market for the common stock. The common stock has been approved for listing on the New York Stock Exchange under the symbol "IPI," subject to official notice of issuance.

See "Risk Factors" on page 15 to read about factors you should consider before buying shares of the common stock.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Intrepid Potash, Inc.
Per Share	$ 32.00	$ 1.92	$ 30.08
Total	$960,000,000	$57,600,000	$902,400,000

The underwriters expect to deliver the shares against payment in New York, New York on April 25, 2008.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Goldman, Sachs & Co. **Merrill Lynch & Co.** **Morgan Stanley**

RBC Capital Markets **BMO Capital Markets**

Prospectus dated April 21, 2008

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 14116 Exhibit No. 26
Submitted by:
FASKEN OIL & RANCH, LTD
Hearing Date: June 27, 2008

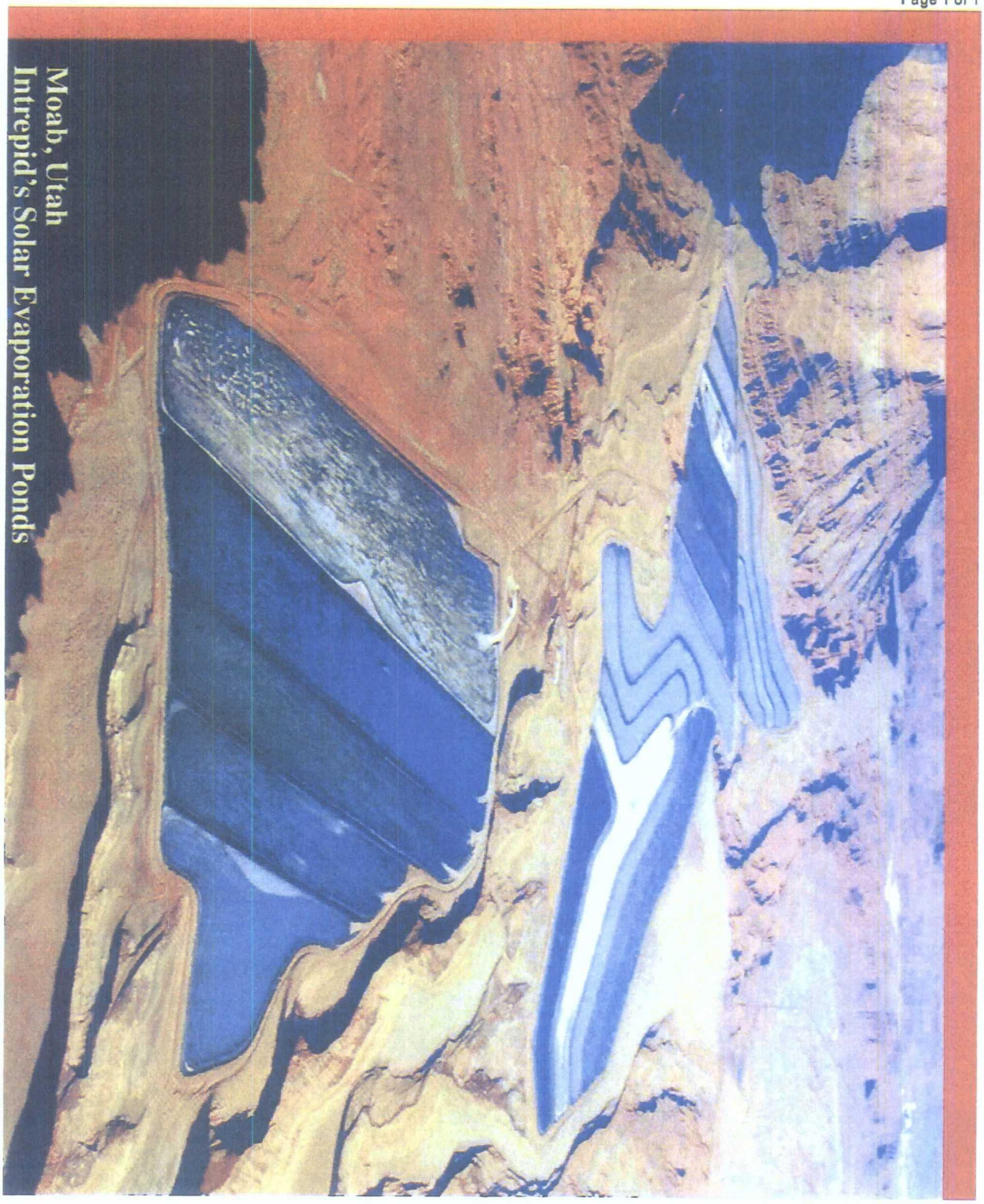
Moab, Utah
Intrepid's Solar Evaporation Ponds

TABLE OF CONTENTS

Prospectus

Through and including May 16, 2008 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

We own, or claim ownership rights to, a variety of trade names, service marks and trademarks for use in our business, including Intrepid Potash, Intrepid Potash (stylized logo) appearing on the cover page of this prospectus, in the U.S. and, where appropriate, in foreign countries. This prospectus also includes product names and other trade names and service marks owned by us and other companies. The trade names and service marks of other companies are the property of those other companies.

Market data and industry statistics used throughout this prospectus are based on independent industry publications and other publicly available information. Although we believe these third-party sources are reliable, you should not place undue reliance on this information.

Actual production, revenue and expenditures with respect to our reserves will likely vary from estimates, and these variations may be material. As a result, you should not place undue reliance on the muriate of potash and langbeinite reserve data included in this prospectus.

PROSPECTUS SUMMARY

The following summary highlights selected information contained in other parts of this prospectus. The summary is qualified in its entirety by the information contained elsewhere in this prospectus. You should read the entire prospectus carefully, especially the matters discussed under "Risk Factors" and the financial statements and related notes included in this prospectus, before deciding to invest in our common stock. We include a glossary of some of the terms used in this prospectus as Appendix A.

References in this prospectus to "Intrepid Potash", "our", "we" or "us" are to Intrepid Potash, Inc. and its consolidated subsidiaries and include Intrepid Mining LLC unless the context otherwise requires. References to "Intrepid Mining" are to Intrepid Mining LLC. References to Intrepid Moab, Intrepid New Mexico and Intrepid Wendover are to Intrepid Potash–Moab, LLC, Intrepid Potash–New Mexico, LLC and Intrepid Potash–Wendover, LLC, respectively, our principal operating subsidiaries. References to "tons" in this prospectus refer to short tons. One short ton equals 2,000 pounds. References to "the current members of Intrepid Mining" or "the original stockholders" are to Harvey Operating and Production Company, Intrepid Production Corporation, and Potash Acquisition, LLC, who, as of the date of this prospectus, collectively own 100% of the membership interests of Intrepid Mining. Unless otherwise indicated, references to "potash" in this prospectus refer to muriate of potash.

Intrepid Potash, Inc.

Overview

We are the largest producer of muriate of potash (MOP, or potassium chloride) in the U.S. and are dedicated to the production and marketing of potash and langbeinite (sulfate of potash magnesia), another mineral containing potassium. Potassium is one of the three primary nutrients essential to plant formation and growth. Since 2004, we have supplied, on average, 1.5% of world potash consumption and 8.5% of U.S. consumption annually, and we have supplied a considerably higher proportion of the potash consumed in the southwestern and western U.S., our core markets. We are one of two exporting producers in the world of langbeinite, a low-chloride fertilizer that is better suited than MOP for chloride-sensitive crops. We also produce salt, magnesium chloride and metal recovery salts from our potash mining processes. We own five active potash production facilities—three in New Mexico and two in Utah—and we have the nameplate capacity to produce 1,200,000 tons of potash and 250,000 tons of langbeinite annually. In 2007, we sold approximately 893,000 tons of potash and approximately 158,300 tons of langbeinite, an increase of 22% and 66%, respectively, over 2006. Our preliminary estimate of production for the first quarter of 2008 is 224,000 tons of potash and 56,000 tons of langbeinite as compared to 218,000 tons and 45,000 tons, respectively, in the first quarter of 2007.

We own two development assets in New Mexico—the HB Mine, which is an idled potash mine that we are in the process of reopening as a solution mine, and the North Mine. Based on our five-year operating plan, we expect that expansion opportunities at our operating facilities and the HB Mine will increase production by an aggregate of over 370,000 tons of potash and langbeinite annually.

Our principal assets include:

- Two conventional, underground potash mines in Carlsbad, New Mexico—the West Mine and the East Mine—and the North Facility compaction plant. The West Mine has the nameplate capacity to produce 510,000 tons of potash annually. Potash from our West Mine is processed at our North Facility compaction plant. The East Mine produces two products, with the nameplate capacity to produce 390,000 tons of potash and 250,000 tons of langbeinite annually. The East Mine mill is a dual potash and langbeinite facility that uses a first-of-its-kind milling process.

- Two potash facilities in Utah—the Moab Mine and the Wendover Facility. The Moab Mine uses solution mining methods to extract potash and has the nameplate capacity to produce 180,000 tons of potash annually. The Wendover Facility collects potash from natural brines and has the nameplate capacity to produce 120,000 tons of potash annually. Both of these facilities use low-cost solar evaporation to recover potash.
- Two development assets in Carlsbad, New Mexico—the HB Mine and the North Mine. The HB Mine is an idled potash mine that we are in the process of reopening as a solution mine. We expect to commence Phase I of the project in 2008, with production beginning in 2009. We believe Phase I, which consists of the flooding of 4,400 of the 21,600 total acres of the mine, has the potential to ultimately add up to 150,000 to 200,000 tons of additional low-cost potash production annually by 2011. The North Mine is another idled underground potash mine that we may choose to reopen in the future and that already has in place mine shafts and much of the transportation and utility infrastructure required for operation.

In 2007, we generated net sales of $192.4 million, EBITDA of $48.5 million and net income of $29.7 million at an average net potash sales price during the period of $194 per ton. We define net sales as gross sales less freight costs, which, in effect, results in all sales being stated net of delivery costs (FOB the mines). The long term trend of increasing potash prices has accelerated recently. For example, our posted price for red granular potash in Carlsbad, New Mexico has increased 132% from $217 per ton on September 30, 2007 to $503 per ton as of April 1, 2008. Actual prices realized in the market vary due to the timing and receipt of orders, among other factors.

During 2007, we sold approximately 96% of our potash and langbeinite volumes in North America, with the remainder being sold outside North America on our behalf by Potash Corporation of Saskatchewan Inc., or PCS. The agricultural market represented approximately 64% of our potash sales in 2007, with sales to industrial and feed markets accounting for 30% and 6% of our potash sales, respectively.

Company History

Intrepid Mining was formed in January 2000 for the purpose of acquiring the Moab Mine from PCS. The Moab Mine was a solution mine which had experienced sustained declining production. Our management team stabilized production volumes at nearly twice the pre-acquisition level by applying horizontal drilling technology that is commonly used in the oil and gas industry but had never before been used to mine potash.

We observed that potash from Moab shared markets with potash produced in Carlsbad, New Mexico and in Wendover, Utah. Accordingly, we formulated a strategy to acquire assets in those areas in order to consolidate marketing efforts and effect operating synergies. We acquired the assets of Mississippi Potash, Inc. and Eddy Potash, Inc. in Carlsbad, New Mexico from Mississippi Chemical Company in February 2004. In April 2004, we acquired the potash assets of Reilly Chemical, Inc. in Wendover, Utah.

Intrepid Potash was formed as a Delaware corporation on November 19, 2007, and, in connection with the completion of this offering, will receive a transfer of all of the nonmonetary assets of Intrepid Mining and will assume (i) all amounts in excess of $18.9 million of Intrepid Mining's liability under its existing senior credit facility and (ii) all other liabilities and obligations of Intrepid Mining, as described in the exchange agreement discussed under "The Formation Transactions" beginning on page 67. Intrepid Mining will repay the $18.9 million that is not assumed by Intrepid Potash from the cash proceeds received from Intrepid Potash pursuant to the terms of the exchange agreement.

Members of our senior management team currently own 80% of Intrepid Mining. After this offering, our senior management team and board of directors will own 59.9% of our common stock (53.9% if the underwriters' option to purchase additional shares is exercised in full).

Industry Overview

Fertilizers serve a fundamental role in global agriculture by providing vital nutrients that help sustain both the yield and the quality of crops. The three primary nutrients required for plant growth are nitrogen, phosphate and potassium (potash), and there are no known substitutes for these nutrients. A proper balance of each of the three nutrients is necessary to maximize their effectiveness. Potash helps regulate plants' physiological functions and improves plant durability, providing crops with protection from drought, disease, parasites and cold weather. Unlike nitrogen and phosphate, potash does not require additional chemical conversion to be used as a plant nutrient.

Fertecon Limited, a fertilizer industry consultant, expects global potash consumption to grow 3.5% annually from 2007 to 2011. This growth is driven primarily by strong global demand for agricultural commodities, which in turn is driven by the demand for food and alternative energy sources. As populations grow, more food is required from decreasing arable land per capita, which requires higher crop yields and, therefore, more plant nutrients. As incomes grow in the developing world, people consume more animal protein, which requires large amounts of grain for feed. In addition, high oil prices and associated energy concerns have recently placed a renewed emphasis on ethanol and bio-diesel production, which currently rely on agricultural products as feedstocks.

Potash is mined either from conventional underground mines or, less frequently, from surface or sub-surface brines. According to the International Fertilizer Industry Association, or IFA, six countries accounted for approximately 87% of the world's aggregate potash production in 2007. During this time period, the top seven potash producers controlled approximately 83% of world production. Five of the top ten producers are further concentrated into two marketing groups, which together controlled approximately 57% of global potash production in 2007.

Virtually all of the world's potash is currently extracted from twenty commercial deposits, and the most recently constructed operating mine in the world was opened in 1987. Barriers to adding new potash production are significant because economically recoverable potash deposits are scarce, deep in the earth and geographically concentrated. A further challenge is that the majority of unexploited mineralized deposits of potash existing outside the Canadian province of Saskatchewan are located in remote and/or politically unstable regions such as the Congo, Thailand and Argentina.

In recent years, consistent growth in global demand coupled with limited increases in global supply have led to significant increases in producer operating rates for potash. We believe the global potash industry has operated at or near the highest achievable production rates during 2007 and 2008 to date. As a result of increasing demand and tight supply, potash prices have increased rapidly.

	Three Months Ended March 31,		Year Ended December 31,				
	2008	2007	2007	2006	2005	2004	2003
Average Midwestern U.S. delivered list prices for granular MOP (per ton)[1]	$502	$214	$257	$205	$210	$159	$121

(1) Average delivery list prices include delivery to the list price location. Source: Green Markets Fertilizer Market Intelligence Weekly.

Our Competitive Strengths

- ***U.S. potash-only producer.*** We are the largest producer of potash in the U.S., the second largest potash-consuming country in the world. We are dedicated to the production and marketing of potash and langbeinite, whereas nearly all of our competitors are meaningfully diversified, primarily into other fertilizer and chemical businesses. As a dedicated potash producer, we believe our financial performance is subject to less volatility than that of other fertilizer companies. Historically, potash prices have been subject to less volatility than prices for other fertilizers and commodity chemicals. In addition, the costs to mine and produce potash are relatively fixed and stable, whereas the costs to produce other fertilizers have significantly greater exposure to volatile raw material costs, such as natural gas used to produce nitrogen and phosphate products.

  After the completion of this offering, we will be one of two publicly-traded potash-only companies producing today, the other being Uralkali, a Russian producer.

  Additionally, as a U.S. producer, we enjoy a significantly lower total tax and royalty burden than our principal competitors, which operate primarily in Saskatchewan, Canada. For example, we currently pay an average royalty rate of approximately 3.7% of our revenue, which compares favorably to our competitors in Canada.

- ***Assets located near our primary customer base.*** Our mines are advantageously located near our largest customers. We believe that our location allows us to realize higher net sales prices than our competitors, who must ship their products across longer distances to consuming markets, which are often export markets. According to state potassium fertilizer sales data collected by the Association of American Plant Food Control Officials, Inc. and our sales data, annual consumption of potassium products in our markets is greater than five times our current annual production. This allows us to target sales to the markets in which we have the greatest transportation advantage, maximizing our net sales per ton. Our access to strategic rail destination points and our location along major agricultural trucking routes support this advantage. In addition, our location in an oil and gas producing region allows us to serve industrial customers, the majority of whom we reach by truck. Our geographic advantage is difficult for competitors to erode, particularly in an environment of historically high and rising transportation costs.

The chart below sets forth what we believe to be our average net sales per ton advantage, which results primarily from our freight cost advantage, over our primary Canadian competitors per product ton of potassium chloride for each of 2007, 2006 and 2005.

	2007	2006	2005
Intrepid Potash net sales per ton advantage[1]	$39	$43	$29

(1) Based on net sales per ton for Agrium, Mosaic and PCS for muriate of potash only. Mosaic's MOP revenues were calculated by subtracting langbeinite-only revenues, assuming $115 net sales per ton for langbeinite (K-Mag®).

- ***Diversification into niche markets.*** We sell to three different markets for potash—the agricultural, industrial and feed markets. During 2007, these markets represented approximately 64%, 30% and 6% of our potash sales, respectively. According to the IFA, 95% of all potash produced is used as a fertilizer. As a result, we believe our sales are diversified across more distinct, unrelated consumer markets than those of many of our competitors, adding stability to our potash revenues. A primary component of the industrial markets we serve is the oil and natural gas services industry, where potash is commonly used in drilling and fracturing oil and natural gas wells. According to SRI Consulting, U.S. industrial

consumption of potash is growing rapidly relative to the agricultural market, with a compound annual growth rate of 5.1% from 1990 to 2005.

We are one of two exporting producers of langbeinite in the world. Both producing facilities are located in Carlsbad, New Mexico. Given the greater scarcity of langbeinite relative to potash and its agronomic suitability for certain soils and crops, there is demand for our langbeinite production outside of our core potash markets. PCS markets our langbeinite production outside North America. This relationship gives us access to PCS' extensive international sales network and informs us about developments in the international market. During 2007, we sold approximately 158,300 tons of langbeinite, representing 15.0% of our total product tons sold during this period.

- ***Significant reserve life and water rights.*** Our potash and langbeinite reserves each have substantial life, with remaining reserve life ranging from 28 to 124 years, based on proven and probable reserves estimated in accordance with Securities and Exchange Commission, or SEC, requirements. This lasting reserve base is the result of our past acquisition and development strategy. In addition to our reserves, we have access to significant mineralized deposits for potential future exploitation and valuable water rights.

- ***Valuable existing facilities and infrastructure.*** Constructing a new potash production facility requires extensive capital investment in mining, milling and infrastructure, which is expensive and requires substantial time to complete. Our five operating facilities and the HB Mine already have significant facilities and infrastructure in place. We have the ability to expand our business using existing installed infrastructure, in less time and with lower expenditures than would be required to construct entirely new mines.

- ***Track record of innovation and modernization.*** Our management team has a history of building successful operations through the acquisition of underutilized assets, followed by creative use of technology to increase productivity and reliability. As an entrepreneurial, potash-only producer, we have devoted considerable management attention to each facility, with a focus on modernization and improving production. We have applied technologies from other industries, including the oil and gas industry, and implemented innovative production processes. From inception to December 31, 2007, we have spent approximately $80 million on capital expenditures at our facilities. We believe these investments have enhanced the reliability and productivity of our operations.

- ***Low-cost solar evaporation operations.*** The Moab Mine and the Wendover Facility, both located in the Utah desert, use solar evaporation to crystallize potash from brines. Solar evaporation is a low-cost and energy-efficient method of producing potash. Our understanding and application of solution mining, combined with our location in regions with favorable climates for evaporation, allow our Utah facilities to enjoy low production costs. We plan to develop the HB Mine using the same solar evaporation and solution mining technology we use at our Moab Mine.

Our Business Strategy

- ***Expand potash production from existing facilities.*** We have expansion opportunities at our operating facilities that we expect will significantly increase production, drive down our unit cost per ton and increase our cash flow. Because of our market share, we believe increases in our production have limited effect on international potash prices, allowing us to enjoy expanding margins on incremental production through full price realization and decreasing production costs per ton. Based on our five-year operating plan, we estimate that these

opportunities will increase annual potash production by an expected aggregate of over 110,000 tons.

- ***Reopen the HB Mine as a solution mine.*** The HB Mine, located in Carlsbad, New Mexico, was formerly operated as a conventional underground mine and was idled in 1996 by its previous owner. We are in the process of reopening the HB Mine as a solution mine, using the same solar evaporation and solution mining technology we currently use at our Moab Mine. We believe the HB Mine is especially suitable for solution mining due to the easily accessible mineral resource and our ability to rely in part on existing equipment and personnel to process potash. We expect production from the HB Mine to begin in 2009 and believe Phase I of the project has the potential to ultimately add up to 150,000 to 200,000 tons of additional potash production annually by 2011. We expect the potash produced from the mine to be our lowest-cost product on a per-ton basis.
- ***Expand langbeinite production and demand.*** We are one of two exporting producers of langbeinite. We mine langbeinite in Carlsbad, New Mexico from the only known reserves of langbeinite in the world. In order to better capitalize on the strong and growing demand for langbeinite, we have initiated two projects that we expect will allow us to increase our annual langbeinite production by an aggregate of approximately 90,000 tons over the next three to four years and lower our production costs per ton.
- ***Increase our profitability.*** We will continue to seek to increase our profitability both by targeting sales to our most profitable markets and reducing per ton operating costs. We plan to execute on additional opportunities to further reduce our fixed and variable operating expenses and pursue various projects designed to increase the reliability of our mining facilities and minimize production downtime.

Summary of Risk Factors

An investment in our common stock involves risks associated with our business, this offering and our corporate structure. The following list of principal risk factors is not exhaustive. Please carefully read the more detailed discussion of these and other risks under "Risk Factors".

- Our potash sales are subject to price and demand volatility resulting from periodic imbalances of supply and demand, which may negatively affect our operating results.
- Mining is a complex and hazardous process which frequently experiences production disruptions, and the nature of our operations may make us more vulnerable to such disruptions than our competitors.
- New product supply can create structural market imbalances, which could negatively affect our operating results and financial performance.
- The grade of ore that we mine may vary from our projections due to the complex geology of potash reserves, which could adversely affect our potash production and our financial results.
- Any decline in U.S. agricultural production or limitations on the use of our products for agricultural purposes could materially adversely affect the market for our products.
- A decline in oil and gas drilling or a reduction in the use of potash in drilling fluids in the Permian Basin or Rocky Mountain regions may increase our operating costs and decrease our average net sales per ton of potash.
- Weakening of the Canadian dollar and Russian ruble against the U.S. dollar could lead to lower domestic potash prices, which would adversely affect our operating results, and fluctuations in these currencies may cause our operating results and our stock price to fluctuate.

Formation Transactions and Organizational Structure

General

Intrepid Potash is a Delaware corporation that was formed on November 19, 2007 and is a wholly-owned subsidiary of Intrepid Mining. In connection with this offering, we will enter into the following transactions, which we refer to in this prospectus as the "formation transactions".

At or before the completion of this offering, Intrepid Potash and Intrepid Mining will enter into an exchange agreement, which will provide for the assignment of all of Intrepid Mining's assets other than cash to Intrepid Potash in exchange for:

- cash in an amount of approximately $757.4 million (approximately 84.4% of the net proceeds from this offering);
- 40,339,000 shares of common stock of Intrepid Potash; and
- the assumption by Intrepid Potash of (i) $82.5 million (based on outstanding amounts as of December 31, 2007) of Intrepid Mining's liability under its existing senior credit facility and (ii) all other liabilities and obligations of Intrepid Mining, as described in the exchange agreement discussed under "The Formation Transactions" beginning on page 67.

The transactions provided for in the exchange agreement and this offering will be consummated simultaneously.

As a part of the formation transactions, we will declare a dividend with respect to our common stock currently issued and outstanding, which we refer to in this prospectus as the "formation distribution". The formation distribution will be paid in 4,500,000 shares of our common stock; provided, however, that for each share of our common stock purchased by the underwriters pursuant to their option to purchase additional shares, the number of shares payable pursuant to the formation distribution will be reduced, one-for-one, and in lieu of such shares, we will pay cash in an amount equal to the net proceeds, after underwriting discounts and commissions, we receive from the exercise of the underwriters' option to purchase additional shares. The formation distribution will be payable to Intrepid Mining, the holder of record of the common stock prior to this offering, upon the earlier of the expiration or the exercise of the option to purchase additional shares.

After the completion of this offering, Intrepid Mining will liquidate and distribute its remaining assets, including the cash and common stock received pursuant to the exchange agreement and the right to receive the formation distribution described above, to the current members of Intrepid Mining.

Organizational Structure After the Formation Transactions

Once this offering and the related formation transactions are completed, assuming the underwriters do not exercise any portion of their option to purchase additional shares, the common stock of Intrepid Potash will be held as follows:

- 40.1% by public stockholders;
- 24.0% by Harvey Operating and Production Company, a Colorado corporation, which we refer to as HOPCO, wholly-owned by Hugh E. Harvey, Jr., our Executive Vice President of Technology and one of our directors;

- 24.0% by Intrepid Production Corporation, a Colorado corporation, which we refer to as IPC, wholly-owned by Robert P. Jornayvaz III, our Chairman of the Board and Chief Executive Officer; and
- 11.9% by Potash Acquisition, LLC, a Delaware limited liability company, which we refer to as PAL, the largest beneficial owner of which is Platte River Ventures I, L.P., a Delaware limited partnership. One of our directors, J. Landis Martin, is the managing member of Platte River Ventures I, L.P.'s general partner, PRV Investors I, LLC, a Delaware limited liability company.

Principal Executive Offices and Internet Address

Our principal executive offices are located at 700 17th Street, Suite 1700, Denver, Colorado 80202 and our telephone number is (303) 296-3006. Our website is located at *www.intrepidpotash.com*. We expect to make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

The Offering

Common stock offered by us.....	30,000,000 shares.
Common stock outstanding after this offering	74,843,124 shares (including 1,000 shares outstanding before the offering, stock grants totaling 3,124 shares to our non-employee directors and 4,500,000 shares that will be sold to the underwriters pursuant to the exercise of their option to purchase additional shares or, to the extent the option to purchase additional shares is not exercised, distributed to the current members of Intrepid Mining pursuant to the formation distribution).(1)
Option to purchase additional shares.....	We have granted the underwriters a 30-day option to purchase up to 4,500,000 additional shares of our common stock at the initial public offering price less underwriting discounts and commissions. To the extent that the underwriters exercise their option to purchase additional shares, all of the net proceeds we receive from the exercise of the option to purchase additional shares will be used to pay the formation distribution to Intrepid Mining. Any amount of the formation distribution that is not paid in cash will be paid to Intrepid Mining in shares of our common stock.

(1) Excludes 472,018 shares of unvested restricted stock that will be granted by Intrepid Potash on or around the completion of this offering.

Use of proceeds	We expect to receive net cash proceeds of approximately $899.4 million from this offering, based on an offering price of $32.00 per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The net proceeds reflect all offering-related expenses except for $1.7 million of expenses which were paid in 2007. We expect to apply the net proceeds from this offering as follows: • approximately $757.4 million (approximately 84.4% of the net proceeds from this offering) will be paid to Intrepid Mining (together with 40,339,000 shares of our common stock) in exchange for all of Intrepid Mining's assets other than cash; • based on outstanding amounts as of December 31, 2007, approximately $82.5 million (approximately 9.2% of the net proceeds from this offering) will be used by us for repayment of debt assumed from Intrepid Mining pursuant to the exchange agreement, leaving us with no outstanding debt. We will assume (i) all amounts in excess of $18.9 million of Intrepid Mining's liability under its existing senior credit facility and (ii) all other liabilities and obligations of Intrepid Mining, as described in the exchange agreement discussed under "The Formation Transactions" beginning on page 67; and • the remainder of the net proceeds, $59.5 million of cash in the December 31, 2007 pro forma combined as adjusted balance sheet, will be used to fund production expansions and other growth opportunities and for general corporate purposes. After the completion of this offering, Intrepid Mining will liquidate and distribute its remaining assets, including the cash and common stock received pursuant to the exchange agreement and the right to receive the formation distribution, to the current members of Intrepid Mining.
Voting rights	One vote per share.
Exchange listing	Our common stock has been approved for listing on the New York Stock Exchange, or NYSE, under the symbol "IPI", subject to official notice of issuance.
Risk factors	See "Risk Factors" beginning on page 15 and other information included in this prospectus for a discussion of factors you should carefully consider before deciding whether to invest in our common stock.

The number of shares of common stock to be outstanding after this offering is 74,843,124. Except as otherwise indicated or required by context, all information in this prospectus:

- excludes 472,018 shares of unvested restricted stock that will be granted by Intrepid Potash on or around the completion of this offering; and
- assumes that the underwriters will not exercise any portion of their option to purchase additional shares (and, therefore, that 4,500,000 shares will be distributed to the current members of Intrepid Mining pursuant to the formation distribution).

Summary Historical and Pro Forma Combined as Adjusted Financial and Operating Data

The following tables show summary historical financial and operating data of Intrepid Mining and pro forma combined as adjusted financial and operating data of Intrepid Mining and Intrepid Potash for the periods and as of the dates indicated. The historical financial statements included in this prospectus reflect the results of operations of Intrepid Mining. The summary historical financial data as of December 31, 2007 and 2006 and for the years ended December 31, 2007, 2006 and 2005 are derived from Intrepid Mining's audited financial statements and related notes included elsewhere in this prospectus. The summary pro forma combined as adjusted financial data for the year ended December 31, 2007 are derived from the unaudited pro forma combined financial statements of Intrepid Mining and Intrepid Potash included elsewhere in this prospectus. The pro forma adjustments have been prepared as if certain transactions to be effected upon completion of this offering had taken place on December 31, 2007, in the case of the pro forma combined as adjusted balance sheet; and as of January 1, 2007, in the case of the pro forma combined as adjusted statements of operations for the year ended December 31, 2007. The transactions reflected in the pro forma adjustments assume that Intrepid Potash will complete its initial public offering of common stock, receive a transfer of all of the nonmonetary assets of Intrepid Mining, and assume (i) all amounts in excess of $18.9 million of Intrepid Mining's liability under its existing senior credit facility and (ii) all other liabilities and obligations of Intrepid Mining in exchange for stock and cash, as described in the exchange agreement discussed under "The Formation Transactions". The pro forma combined as adjusted financial information should not be relied upon as being indicative of Intrepid Potash or Intrepid Mining's results of operations or financial condition had the transactions been completed on January 1, 2007, with respect to the pro forma combined as adjusted statements of operations, or as of December 31, 2007, with respect to the pro forma combined as adjusted balance sheet.

The summary historical and pro forma combined as adjusted financial and operating data should be read in conjunction with the information contained in "Selected Historical and Pro Forma Combined as Adjusted Financial and Operating Data", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes of Intrepid Mining and Intrepid Potash included elsewhere in this prospectus.

	Pro Forma Combined As Adjusted December 31, 2007	Year Ended December 31, 2007	2006	2005
	(unaudited)	(in thousands, except share and per share data)		
Statement of Operations Data:				
Sales	$ 213,459	$213,459	$152,709	$151,280
Less:				
Freight costs	21,095	21,095	12,178	9,519
Warehousing and handling costs	5,479	5,479	3,879	2,759
Cost of goods sold	134,387	134,387	110,995	97,103
Gross margin	52,498	52,498	25,657	41,899
Selling and administrative	23,897	15,997	10,054	7,530
Other operating—net	190	190	(4,386)	329
Operating income	28,411	36,311	19,989	34,040
Interest expense—net	443	9,350	2,907	1,473
Other non-operating	(2,723)	(2,723)	(7,016)	(47)
Income from continuing operations	30,691	$ 29,684	$ 24,098	$ 32,614
Pro forma income tax[1]	12,123			
Pro forma income from continuing operations	$ 18,568			
Pro Forma Share and Per Share Data (unaudited)[2]:				
Pro forma net income per share:				
Basic	$ 0.25			
Diluted	$ 0.25			
Pro forma weighted average shares outstanding:				
Basic	74,899,893			
Diluted	75,315,142			

	Pro Forma Combined As Adjusted December 31, 2007	Year Ended December 31, 2007	2006	2005
	(unaudited)	(in thousands)		
Other Financial Data:				
EBITDA[3]	$ 40,538	$ 48,502	$ 35,033	$ 39,580
Depreciation, depletion, amortization and accretion	9,404	9,468	8,028	5,493
Capital expenditures	(31,168)	(31,168)	(12,391)	(21,733)

(footnotes on page 14)

	Pro Forma Combined As Adjusted December 31, 2007	Year Ended December 31, 2007	2006	2005
	(unaudited)			
Selected Operating Data:				
Sales volume (in thousands of tons):				
Potash	893	893	729	869
Langbeinite	158	158	95	6
Gross sales (in thousands)				
U.S.	$199,017	$199,017	$143,544	$148,646
International	14,442	14,442	9,165	2,634
Total	213,459	213,459	152,709	151,280
Freight costs (in thousands)				
U.S.	18,426	18,426	10,489	8,505
International	2,669	2,669	1,689	1,014
Total	21,095	21,095	12,178	9,519
Net sales[4] (in thousands)				
U.S.	180,591	180,591	133,055	140,141
International	11,773	11,773	7,476	1,620
Total	192,364	192,364	140,531	141,761
Average net selling prices (per ton):				
Potash	$ 194	$ 194	$ 179	$ 162
Langbeinite	119	119	107	111
Warehousing and handling cost (per ton):				
Potash	5	5	5	3
Langbeinite	5	5	5	3
Potash cost of goods sold (per ton):				
Cost of production less inventory adjustments (exclusive of items shown separately below)	130	130	136	109
Depreciation, depletion and amortization	7	7	8	5
Royalties	7	7	6	3
By-product revenues[5]	(9)	(9)	(9)	(7)
Total potash cost of goods sold	135	135	141	110
Average potash gross margin (per ton)	$ 54	$ 54	$ 33	$ 49
Langbeinite cost of goods sold (per ton)	$ 87	$ 87	$ 88	$ 201
Average langbeinite gross margin (loss) (per ton)	$ 27	$ 27	$ 14	$ (93)

	Pro Forma Combined As Adjusted December 31, 2007	As of December 31, 2007	2006	2005
	(unaudited)	(in thousands)		
Selected Balance Sheet Data:				
Cash and cash equivalents	$ 59,530	$ 1,960	$ 286	$ 157
Total current assets	103,296	47,447	50,853	29,124
Total assets	519,435	146,727	129,314	106,506
Total current liabilities	25,316	30,315	24,112	19,061
Total debt	5	101,355	132,189	37,156
Stockholders' equity (deficit)	484,455	10,397	(31,458)	42,485

(footnotes on following page)

(1) A pro forma provision for income taxes at statutory rates has been made in the pro forma financial statements on the assumption that Intrepid Mining was a taxable entity for the respective period presented. As a limited liability company, Intrepid Mining's taxable income was included in its members' income tax returns whereas Intrepid Potash will be subject to income tax as a corporation.

(2) Pro forma net income per share is based on the weighted average number of shares of common stock outstanding after giving effect to the offering, assuming that the offering had occurred as of the beginning of the earliest period presented. Basic shares include the estimated 74,843,124 shares that will be outstanding at the initial public offering, plus the 56,769 weighted average shares that relate to stock awards with a vesting period of less than one year. The adjustment for diluted shares includes the impact of the number of the remaining nonvested shares that are expected to be awarded upon the completion of the initial public offering. The diluted weighted average shares total 75,315,142 shares.

(3) We define EBITDA as income from continuing operations before interest, income taxes, depreciation, depletion, amortization and accretion. EBITDA is used as a supplemental financial measure by our management and by external users of our financial statements to assess:

- the financial performance of our assets without regard to financing methods, capital structure or historical cost basis;
- our operating performance and return on capital as compared to other companies in the fertilizer business, without regard to financing or capital structure; and
- the viability of acquisitions and capital expenditure projects and the overall rates of return on alternative investment opportunities.

The economic substance behind management's use of EBITDA is to measure the ability of our assets to generate cash sufficient to be utilized for capital investment, pay interest costs, support our indebtedness and pay dividends, if any, to our investors.

The GAAP measure most directly comparable to EBITDA is income from continuing operations. Our non-GAAP financial measure of EBITDA should not be considered as an alternative to GAAP income from continuing operations. EBITDA is not a presentation made in accordance with GAAP and has important limitations as an analytical tool. You should not consider EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because EBITDA excludes some, but not all, items that affect income from continuing operations and is defined differently by different companies in our industry, our definition of EBITDA may not be comparable to similarly titled measures of other companies.

Management compensates for the limitations of EBITDA as an analytical tool by reviewing the comparable GAAP measures, understanding the differences between the measures and incorporating this information into management's decision-making processes.

EBITDA is calculated and reconciled to income from continuing operations in the table below:

	Pro Forma Combined As Adjusted December 31, 2007	Year Ended December 31,		
		2007	2006	2005
	(unaudited)	(in thousands)		
Calculation of EBITDA:				
Income from continuing operations	$18,568	$29,684	$24,098	$32,614
Income tax provision	12,123			
Interest—net	443	9,350	2,907	1,473
Depreciation, depletion, amortization and accretion	9,404	9,468	8,028	5,493
EBITDA	$40,538	$48,502	$35,033	$39,580

(4) We define net sales as gross sales less freight, which in effect results in all sales being stated net of delivery costs (FOB the mines).

(5) When by-product inventories are sold, a by-product credit to the cost of goods sold is recognized.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors together with all of the other information included in this prospectus in evaluating an investment in our common stock. If any of the following risks were actually to occur, our business, financial condition or results of operations could be materially and adversely affected. In that case, the trading price of our common stock could decline and you could lose all or part of your investment.

Risks Related to Our Business

Our potash sales are subject to price and demand volatility resulting from periodic imbalances of supply and demand, which may negatively affect our operating results.

Historically, the market for potash has been cyclical, and the prices and demand for potash have fluctuated. Periods of high demand, increasing profits and high capacity utilization tend to lead to new plant investment and increased production. This growth continues until the market is over-saturated, leading to decreased prices and capacity utilization until the cycle repeats. Furthermore, potash producers have, at various times, suspended production in response to delayed purchasing decisions by potash customers in anticipation of lower prices. For example, in 2006, protracted negotiations between China and international producers delayed purchases of potash by the Chinese, which led to a build-up of inventory in North America. In response, suppliers slowed production of potash, notably in Canada and Russia, until the conclusion of negotiations with the Chinese. As a result, the price of potash has been volatile. This volume and price volatility may reduce profit margins and negatively affect our operating results. We sell the majority of our potash into the spot market in the U.S. and have no long-term or material short-term contracts for the sale of potash. In addition, there is no active hedge market for potash as compared to the gold market, for example. As a result, we do not have and cannot obtain protection from this volume and price volatility.

Mining is a complex and hazardous process which frequently experiences production disruptions, and the nature of our operations may make us more vulnerable to such disruptions than our competitors.

The process of mining is complex and equipment- and labor-intensive, and involves risks and hazards including environmental hazards, industrial accidents, labor disputes, unusual or unexpected geological conditions or acts of nature. Production delays can occur due to equipment failures, unforeseen mining problems and other unexpected events. For example, in December 2007, an outage at one of our power provider's transformers caused three days of lost production at our West Mine. In addition, we must transport mined product for long distances to remove it from the mines for processing, which creates a higher probability of accidents. Our facilities and equipment are older than the average North American potash mine and may require more maintenance or be more likely to fail than newer facilities or equipment. Our shafts at our West Mine were constructed in 1931 and require frequent maintenance due to water inflow, wooden structure and salt buildup and are located in an area of known subsidence. Additionally, langbeinite ore is harder and more abrasive than muriate of potash ore and has caused greater wear on our mining and milling equipment at our East Mine, which has increased and may continue to increase the expense and frequency of maintenance and repairs. Operational difficulties can also arise from our milling processes; for example, our East Mine mill experiences build-ups of glaserite, an undesirable by-product of langbeinite production, and we must remove this build-up. The amounts that we are required to spend on maintenance and repairs may be significant and higher than expected, and we may have to divert resources from our planned capital expenditures focused on growth, such as increases in nameplate and effective capacity, for use on capital expenditures to maintain existing effective capacity. Production delays or stoppages will adversely affect our sales and operating results, and higher than expected maintenance and repair expenses may adversely affect our operating results.

New product supply can create structural market imbalances, which could negatively affect our operating results and financial performance.

Potash is a commodity, and the market for potash is highly competitive and affected by global supply and demand. With recent favorable prices for potash products, producers have been, and will likely continue to be, engaged in expansion and development projects to increase production. Many of these projects to increase potash production are speculative. However, if potash production is increased beyond potash demand, the price at which we sell our potash and our sales volume would likely fall, which would materially adversely affect our operating results and financial condition.

The grade of ore that we mine may vary from our projections due to the complex geology of potash reserves, which could adversely affect our potash production and our financial results.

Our potash production is affected by the ore grade, or potassium content of the ore. Our projections of ore grade may vary from time to time, and the amount of potash that we actually produce may vary substantially from our projections. There are numerous uncertainties inherent in estimating ore grade, including many factors beyond our control. Potash ore bodies have complex geology. The occurrence of large, unknown salt deposits, known as salt horsts, in core ore areas located in Carlsbad, New Mexico or Moab, Utah would adversely affect ore grades. An unexpected reduction in the grade of our ore reserves would decrease our potash production because we would need to process more ore to produce the same amount of saleable-grade product. As a result, our expected future cash flows would be materially adversely affected.

Our reserve estimates depend on many assumptions that may be inaccurate, which could materially adversely affect the quantities and value of our reserves.

Our reserve estimates may vary substantially from the actual amounts of muriate of potash and langbeinite we may be able to economically recover from our reserves. There are numerous uncertainties inherent in estimating quantities of reserves, including many factors beyond our control. Estimates of muriate of potash and langbeinite reserves necessarily depend upon a number of variables and assumptions, any one of which, if incorrect, may result in an estimate that varies considerably from actual results. These factors and assumptions relate to:

- future potash prices, operating costs, capital expenditures, royalties, severance and excise taxes and development and reclamation costs;
- future mining technology improvements;
- the effects of regulation by governmental agencies; and
- geologic and mining conditions, which may not be fully identified by available exploration data and may differ from our experiences in areas where we currently mine or operate.

Because reserves are only estimates, they cannot be audited for the purpose of verifying exactness. Instead, reserve information is reviewed by a reserve engineer in sufficient detail to determine if, in the aggregate, the data provided by us are reasonable and sufficient to estimate reserves in conformity with practices and standards generally employed by and within the mining industry and in accordance with SEC requirements.

Our business depends upon skilled and experienced personnel, and employee turnover may have a material adverse effect on our development and operating results.

The success of our business depends upon our ability to attract and retain skilled managers and other personnel. We compete for experienced laborers with other industries, including a copper mine in Moab, Utah, a nuclear waste management facility in southeast New Mexico, and oil fields and other

potash facilities in Carlsbad, New Mexico. A new uranium enrichment facility in Eunice, New Mexico has just begun construction. Employee turnover in Carlsbad has generally been high, and the continued expansion of nuclear facilities in Carlsbad threatens to increase competition for qualified workers. If we are not able to attract and retain the personnel necessary for the development of our business, we may have to raise wages to keep employees or hire less qualified workers, either of which would ultimately result in higher labor costs per ton of potash produced.

Prices of natural gas and other important raw materials and energy used in our businesses are volatile. Changes in the prices of raw materials or energy or disruptions to supply could adversely impact our business and our sales.

Natural gas, electricity, steel, water, chemicals and fuel (diesel and gasoline) are key raw materials used in our production of potash products. Natural gas is a significant energy source used in the solution mining process at the Moab Mine and at the East Mine processing plant. Our sales and profitability from time to time have been and may in the future be impacted by the price and availability of these raw materials and other energy costs. Currently, we have no derivative contracts in place for 2008 with respect to natural gas or other raw materials, although we will continue to evaluate the possibility of entering into such arrangements in the future. A significant increase in the price of natural gas, electricity and fuel that is not recovered through an increase in the price of our potash, or an extended interruption in the supply of natural gas, electricity, water or fuel to our production facilities, could materially adversely affect our business, financial condition or operating results. High natural gas costs also may increase farm input costs, which may cause our potash sales to decline.

The price of natural gas in North America is highly volatile. Since January 2004, natural gas prices according to the El Paso Natural Gas. Co. Permian Basin Index, on which the prices we pay for natural gas are primarily based, have ranged from a high of $10.75 per MMBtu in November 2005 to a low of $3.57 per MMBtu in October 2006. Steel is a commodity that is also subject to volatile pricing. Since January 2004, hot rolled steel prices have ranged from a high of $780 per ton in August 2004 to a low of $360 per ton in January 2004. Our forecasts of capital expenditures are based on assumptions with respect to prices of skilled labor and commodities, including steel and concrete. We cannot predict future commodity prices, and if such prices are higher than expected, we may lose sales to competitors with lower production costs, our profitability could be materially adversely affected and our capital expenditures could increase.

Aggressive pricing strategies by our competitors could materially adversely affect our sales and profitability.

Many of our competitors have significantly larger operations than we do and mine potash from reserves that are thicker, higher-grade and less geologically complex than our reserves. The large size of some of our competitors may give them greater leverage in pricing negotiations with customers and may enable them to negotiate better rates for transportation of products sold. The nature of our competitors' reserves and the economies of scale of their operations may allow them to mine their potash at a lower cost. If one or more of these competitors were to decide for any reason to aggressively lower prices in an attempt to increase their sales, our size and cost structure might not allow us to match that pricing, such that we would likely lose sales and our operating results and profitability would be materially adversely affected.

Any decline in U.S. agricultural production or limitations on the use of our products for agricultural purposes could materially adversely affect the market for our products.

Conditions in the U.S. agricultural industry can significantly impact our operating results. The U.S. agricultural industry can be affected by a number of factors, including weather patterns and field

conditions, current and projected grain inventories and prices, the domestic and international demand for U.S. agricultural products and U.S. and foreign policies regarding trade in agricultural products.

State and federal governmental policies, including farm and ethanol subsidies and commodity support programs, may also directly or indirectly influence the number of acres planted, the mix of crops planted and the use of fertilizers for particular agricultural applications. In addition, several states are currently considering limitations on the use and application of fertilizers due to concerns about the impact of these products on the environment.

A decline in oil and gas drilling or a reduction in the use of potash in drilling fluids in the Permian Basin or Rocky Mountain regions may increase our operating costs and decrease our average net sales per ton of potash.

A significant portion of our sales consists of sales of standard potash for use in oil and gas drilling fluids in the Permian Basin and Rocky Mountain regions. If oil and gas drilling were to decline significantly, we would be required to compact our standard product in order to sell it into the agricultural market, which would increase our production costs. Furthermore, our net sales per ton for these additional agricultural tons would likely be lower than the industrial sales they would replace, as agricultural sales may require transportation to more distant delivery points. Alternative products that have some of the clay-inhibiting properties of potash in oil and gas drilling fluids are commercially available. As the price of potash increases, these alternative products may replace some of our sales of standard potash, which would reduce our industrial sales and result in the same increases in production costs and decreases in net sales per ton.

Some of our competitors have greater capital and human resources than we do, which may place us at a competitive disadvantage and adversely affect our sales and profitability.

We compete with a number of producers in North America and throughout the world. Some of these competitors may have greater total resources than we do. Competition in our product lines is based on a number of considerations, including product performance, transportation costs, brand reputation, price and quality of client service and support. To remain competitive, we need to invest continuously in production infrastructure, marketing and customer relationships. We may have to adjust the prices of some of our products to stay competitive. We may also need to borrow funds and become more highly leveraged. We may not have sufficient resources to continue to make such investments or maintain our competitive position relative to some of our competitors who have greater capital and human resources. To the extent other potash producers enjoy competitive advantages, the price of our products, our sales volumes and our profits could be materially adversely affected.

A shortage of railcars and trucks for carrying our products as well as increased transit time could result in customer dissatisfaction, loss of production or sales and higher transportation or equipment costs.

We rely heavily upon truck and rail transportation to deliver our products to our customers. In addition, the cost of transportation is an important component of the price of our products. Identifying and securing affordable and dependable transportation is important in supplying our customers and, to some extent, in the delivery to us of chemicals and other supplies and equipment for our mining operations. A shortage of railcars for carrying product as well as increased transit time in North America due to congestion in the rail system could prevent us from making timely delivery to our customers or lead to higher transportation costs, either of which could result in customer dissatisfaction or loss of sales. In addition, PCS, which markets our products outside North America, may have difficulty obtaining access to ships for sales of our products overseas. Higher costs for transportation services or an interruption or slowdown in these transport services due to high demand, labor disputes,

adverse weather or other environmental events, or changes to rail systems, would negatively affect our ability to deliver products to our customers, which would harm our performance and operating results.

The seasonal demand for our products and the variations in our cash flows from quarter to quarter may have an adverse effect on our operating results and make the price of our common stock more volatile.

The fertilizer business is seasonal, with operating results that vary from quarter to quarter as a result of crop growing and harvesting seasons and weather conditions, as well as other factors. Over the last three years, we have averaged 28% of our annual potash sales volume during the three-month period from February through April, when the demand for fertilizer typically peaks. We and our customers generally build inventories during low-demand periods of the year in order to ensure timely product availability during peak sales seasons. The seasonality of crop nutrient demand results in our sales volumes and net sales revenue typically being the highest during the North American spring season and our working capital requirements typically being the highest just before the start of the spring season. Our quarterly financial results can vary significantly from one year to the next due to weather-related shifts in planting schedules and purchasing patterns. If seasonal demand exceeds our projections, our customers may acquire products from our competitors, and our profitability could be materially reduced as a result. If seasonal demand is less than we expect, we will be left with excess inventory and higher working capital and liquidity requirements.

We rely on our innovative senior management personnel for the development and execution of our business strategy, and the loss of any member of our senior management team may have a material adverse effect on our growth and operating results.

Our executives have an average of over 25 years of relevant industry experience. Our senior management team has developed and implemented first-of-their-kind processes and other innovative ideas that are largely responsible for the success of our business. The loss of the services of any of our key executives could prevent us from achieving our business strategies or limit our business growth and operating results. We do not currently maintain "key person" life insurance on any of our key executives.

Weakening of the Canadian dollar and Russian ruble against the U.S. dollar could lead to lower domestic potash prices, which would adversely affect our operating results, and fluctuations in these currencies may cause our operating results and our stock price to fluctuate.

The U.S. imports the majority of its potash from Canada and Russia. As the Canadian dollar, or the loonie, and the Russian ruble strengthen in comparison to the U.S. dollar, foreign suppliers realize a smaller margin in their local currencies unless they increase their nominal U.S. dollar prices. In 2007, the loonie and ruble strengthened to an average of $0.93565 and $0.03913, respectively, compared to the U.S. dollar. As of March 31, 2008, the loonie and ruble were trading at $0.9758 and $0.04256, respectively, against the U.S. dollar. The continued strengthening of the loonie and ruble thus tend to support higher U.S. potash prices, as Canadian and Russian potash producers attempt to maintain their margins. However, if the loonie and ruble were to weaken in comparison to the U.S. dollar, foreign competitors may choose to lower prices significantly to increase sales volumes. A decrease in the net realized sales price of our potash would adversely affect our operating results, and the potential for volatility in potash prices may cause our operating results to vary significantly from quarter to quarter, which may create volatility in our stock price.

Existing and further oil and gas development in the "Potash Area" in New Mexico could result in methane gas leaking into our mines that could result in the loss of life and significant property damage, and require indefinite suspension of operations unless extensive modifications were made to the mines.

Our New Mexico operations are primarily on leased federal land administered by the Bureau of Land Management, or BLM, in the 497,000-acre "Potash Area" established by a 1986 order of the U.S. Secretary of the Interior. Under our leases, the BLM retains the right to permit other uses of the land on which our leases are located. The Potash Area also contains significant oil and gas deposits that are below our potash reserves, and approximately 3,000 oil and gas wells have been drilled in the Potash Area. Several oil and gas companies are actively seeking BLM and state permits to drill additional wells in the Potash Area.

Oil and gas drilling near our mines poses risks to our operations. The subsidence of the surface and underlying strata that occurs following completion of mining operations will damage the casing of any oil or gas well located within the subsidence area. That damage may result in methane gas escaping from the well and migrating through surrounding strata into our mines. Methane gas could also leak from a well located outside the subsidence area and migrate into a mine. We test our mines for methane gas daily; however, unlike coal mines which are constructed and equipped to handle the presence of methane gas, our mines are not constructed or equipped to deal with methane gas. Any intrusion of methane gas into our mines could cause an explosion resulting in loss of life and significant property damage and require suspension of all mining operations until the completion of extensive modifications and reequipping of the mine. The costs of modifying our mines and equipment could make it uneconomic to reopen our mines because our liability, casualty and business interruption insurance would not be adequate to cover such catastrophic events.

Existing and further oil and gas development in the Potash Area in New Mexico could prevent us from mining potash reserves or deposits within the necessary safety pillar around oil and gas wells.

The drilling of oil and gas wells in the Potash Area is regulated by the 1986 order of the U.S. Secretary of the Interior as to federal lands (which constitute the vast majority of the Potash Area). Similar State of New Mexico regulations govern state and fee lands in the Potash Area. The Secretary's order and related regulations, with certain exceptions, restrict oil and gas drilling that would result in the undue waste of potash or would constitute a safety hazard to potash miners. Drilling that does not immediately affect our current operations may limit our ability to mine valuable potash reserves or deposits in the future because safety considerations require that mining operations not be conducted close to a well, even if the well is inactive. As a result, we will be unable to mine potash located within the appropriate "safety pillar" around an oil or gas well. We review applications for permits to drill oil and gas wells as they are filed with the BLM and generally protest applications for drilling permits that we believe may impair our ability to mine our potash reserves or deposits. We may not prevail in any such protest or be able to prevent wells from being drilled in the vicinity of our potash reserves or deposits. Our potash reserves or deposits may be significantly impaired if, notwithstanding our protests and appeals, a sufficient number of wells are drilled through or near our potash reserves or deposits. We expect oil and gas companies to continue to seek drilling permits and to contest our efforts to restrict drilling within the Potash Area.

We have recently lobbied extensively to cause a reassessment by the BLM and Department of the Interior of their policies concerning granting of oil and gas drilling permits in the Potash Area in order to protect our existing operations and future potash reserves or deposits from the adverse effects of oil and gas drilling. In July 2007, the Department of the Interior said that it will conduct a new study on the safety of developing oil and gas wells in the Potash Area and that another study had been undertaken to update maps of the potash resource within the Potash Area. The outcome of these

studies will affect the future issuance of drilling permits that could adversely affect our mining operations and the value of our potash reserves or deposits.

Our operations depend on our having received and maintained the required permits and approvals from and lease negotiations with governmental authorities.

We hold numerous governmental, environmental, mining and other permits and approvals authorizing operations at each of our facilities. A decision by a governmental agency to deny or delay issuing a new or renewed permit or approval, or to revoke or substantially modify an existing permit or approval, could prevent or limit our ability to continue operations at the affected facility and have a material adverse effect on our business, financial condition and operating results. Expansion of our existing operations also would require securing the necessary environmental and other permits and approvals, which we may not receive in a timely manner if at all. In addition, the federal government may require an environmental assessment or environmental impact statement as a condition of approving a project or permit, which could result in additional time delays and costs. Furthermore, our mining operations take place on land that is leased from federal and state governmental authorities. Expansion of our existing operations may require securing additional federal and state leases, which we may not obtain in a timely manner, if at all. In addition, our existing leases generally require us to commence mining operations within a specified time frame and to continue mining in order to retain the lease. The loss of a lease could adversely affect our ability to mine the associated reserves. Also, our existing leases require us to make royalty payments based on the revenue generated by the potash we produce from the leased land. The royalty rates are subject to change, which may lead to significant increases, at the time we renew our leases. As of December 31, 2007, approximately 46% of our state and federal lease acres at our New Mexico facilities (including leases at the HB and North Mines) and approximately 15% of our state and federal lease acres at our Utah operations will be up for renewal within the next five years. Increases in royalty rates would reduce our profit margins and, if such increases were significant, would adversely affect our operating results.

Our preliminary plans for reopening the HB Mine and developing additional strategic growth opportunities may require more time and greater capital spending than we expect.

We currently plan to reopen the HB Mine as a solution mine. We commissioned a feasibility study, which was completed in March 2008, for the purpose of publicly reporting the reserves related to this project. Reopening the mine will be subject to significant costs and risks. We will require site approval and various permits from the State of New Mexico and the Bureau of Land Management, which we may be unable to obtain in a timely manner or on reasonable terms, or at all. In addition, oil and gas lessees or other third parties in the region may oppose our permitting process, which may further delay or prevent the reopening of the mine. Even if we obtain all required approvals, it may be several years before the mine produces potash, and construction of the solar ponds and refurbishing of the mine facilities may take longer or cost significantly more than we expect. We may be unable to produce potash economically from the HB Mine if reopened, or our profitability from the project may be lower than we expect.

We are also considering various other potential opportunities for revenue and strategic growth, including potentially reopening the idled North Mine. These potential plans are at an early stage, and we may not actually proceed with any of them. If we do choose to proceed with any such opportunity, the project may not succeed, despite our having made substantial investments; it may cost significantly more than we expect; or we may encounter additional risks which we cannot anticipate at this time.

The market for langbeinite is still developing and could be affected by new market entrants or the introduction of langbeinite alternatives.

Langbeinite, a low-chloride source of potassium, is produced by Intrepid Potash and Mosaic from the only known langbeinite reserves located in the Carlsbad, New Mexico region. The demand for langbeinite has been limited due mostly to its limited supply and availability, and it is difficult to determine how the supply, demand and pricing for langbeinite will develop. Furthermore, additional competition in the market for langbeinite and comparable products exists and may increase in the future. A German company is currently producing a low-chloride fertilizer similar to langbeinite, and Chinese producers are working on a project to synthesize langbeinite from brines, with a goal of producing significant amounts of langbeinite by 2010. We plan to sell a significant amount of langbeinite in China, and these sales may be reduced to the extent China is able to produce its own product internally. Other companies may currently or in the future seek to create and market chemically similar alternatives to langbeinite. The market for langbeinite and our langbeinite sales may be affected by the success of these and other competitive sources for langbeinite, which could materially adversely affect the viability of our langbeinite business and our operating results and financial condition.

As a potash-only producer, we are less diversified than nearly all of our competitors, and a decrease in the demand for potash and langbeinite or increase in potash supply could have a material adverse effect on our financial condition and results of operations.

We are dedicated exclusively to the production and marketing of potash and langbeinite, whereas nearly all of our competitors are diversified, primarily into other nitrogen and phosphate-based fertilizer businesses and other chemical and industrial businesses. As a result of our potash focus and domestic geographic focus, we would likely be impacted more acutely by factors affecting our industry or the regions in which we operate than we would if our business were more diversified and our sales more global. A decrease in the demand for potash and langbeinite could have a material adverse effect on our financial condition and results of operations. Similarly, a large increase in potash supply could also materially impact our financial condition more than our diversified competitors.

Inflows of water into our potash mines from heavy rainfall or groundwater could result in increased costs and production down time and may require us to abandon a mine, either of which could adversely affect our operating results.

Major weather events such as heavy rainfall can result in water inflows into our mines. In October 2006, water inflows from rainfall caused unused utilities in a mine shaft at our West Mine to break loose and block the mine shaft. As a result, we were forced to shut down the West Mine for 54 days to remove the utilities and improve water controls in the shaft. The shutdown significantly lowered our 2006 potash production from the West Mine. Additionally, the presence of water-bearing strata in many underground mines carries the risk of water inflows into the mines. If we experience additional water inflows at our mines in the future, our employees could be injured and our equipment and mine shafts could be seriously damaged. We might be forced to shut down the affected mine temporarily, potentially resulting in significant production delays, and spend substantial funds to repair or replace damaged equipment. Inflows may also destabilize the mine shafts over time, resulting in safety hazards for employees and potentially leading to the permanent abandonment of a mine. We do not carry insurance to cover the risks of water inflows.

Heavy fall precipitation or low evaporation rates at our Moab and Wendover facilities could delay our potash production at those facilities, which could adversely affect our sales and operating results.

Our facilities in Moab and Wendover, Utah use solar evaporation ponds to form potash crystals from brines. This process is limited by rainfall and evaporation rates. Heavy rainfall in September and

for the purpose of acquiring Moab Salt, Inc. from PCS for cash consideration of approximately $3 million, plus the assumption of certain liabilities and closing costs for total consideration of approximately $14.8 million. We renamed the company Intrepid Potash–Moab, LLC.

We observed that potash from Moab shared markets with potash produced in Carlsbad, New Mexico and in Wendover, Utah. Accordingly, we formulated a strategy to acquire assets in those areas in order to consolidate marketing efforts and effect operating synergies.

- On February 29, 2004, Intrepid Mining acquired substantially all of the assets of Mississippi Potash, Inc. and Eddy Potash, Inc. from Mississippi Chemical Company for $36.6 million. These assets included the operating East and West potash mines, the North Facility compaction plant and the idled HB and North Mines, all located near Carlsbad, New Mexico. Mississippi Chemical, which filed for bankruptcy in May 2003, had long since been unable to re-invest in or properly maintain the properties due to cash flow constraints stemming from its then-failing nitrogen fertilizer business.
- Effective April 1, 2004, Intrepid Mining purchased the potash assets of Reilly Chemical, Inc. through its wholly-owned subsidiary, Intrepid Wendover, for $10.7 million. The acquired assets included a natural brine and potash production facility on the Bonneville Salt Flats of Utah. Reilly Chemical operated a diversified business providing specialty chemicals for the agriculture, nutrition, pharmaceutical and medical, personal care, plastics, coatings and industrial markets. We saw the opportunity to use better technology, not employed by Reilly Chemical, to improve production at Wendover.

During 2006, Intrepid Mining sold substantially all of its oil and gas assets. The remaining equity interests in its wholly-owned oil and gas subsidiary, Intrepid Oil & Gas, LLC, were distributed to the members of Intrepid Mining in 2007.

Intrepid Potash was formed as a Delaware corporation on November 19, 2007 and, in connection with the completion of this offering, will receive a transfer of all of the nonmonetary assets of Intrepid Mining and will assume (i) all amounts in excess of $18.9 million of Intrepid Mining's liability under its existing senior credit facility and (ii) all other liabilities and obligations of Intrepid Mining, as described in the exchange agreement discussed under "The Formation Transactions" beginning on page 67. Intrepid Mining will repay the $18.9 million that is not assumed by Intrepid Potash from the cash proceeds received from Intrepid Potash pursuant to the terms of the exchange agreement.

Members of our senior management team currently own 80% of Intrepid Mining. After this offering, our senior management team and board of directors will own 59.9% of our common stock (53.9% if the underwriters' option to purchase additional shares is exercised in full).

Our Key Assets and Facilities

Our potash production comes from five facilities—three in or near Carlsbad, New Mexico and two in Utah, all of which we own and operate. We also own two idled mines in Carlsbad. Our facilities near Carlsbad include the West Mine and East Mine, both of which are conventional underground mines, and the North Facility compaction plant which processes potash from the West Mine. Our facilities in Utah are the Moab Mine, a solution mine located near Moab, and the Wendover Facility, a sub-surface brine facility located near Wendover.

Our facilities have the nameplate capacity to produce approximately 1,200,000 tons of potash and 250,000 tons of langbeinite annually, and the effective capacity to produce approximately 966,000 tons of potash and 210,000 tons of langbeinite annually. Our nameplate capacity is the maximum achievable production our mills can achieve assuming there is enough ore of a specified grade to maximize the processing rate. Our effective capacity is the amount of potash production each of our

facilities can achieve based on the amount and quality of ore that can currently be mined, milled and/or processed, assuming no modifications to the system and a normal amount of scheduled down-time.

Since acquiring our facilities, through December 31, 2007 we have made capital expenditures of approximately $60.3 million at our Carlsbad facilities, $14.1 million at our Moab Mine and $5.3 million at our Wendover Facility. At Carlsbad, our expenditures were intended to restore, modernize and improve the assets, and included a modification to the East Mine surface plant that enabled the plant to profitably process a mixed ore zone, and allowed us to recover langbeinite that was previously discarded as tailings. At our Moab Mine, we have invested in a variety of capital projects, including the use of horizontal drilling at the mine, which significantly increased the amount of reserves. At our Wendover Facility, we have invested funds to complete modernizations and improvements, including planning, drilling and properly finishing a new well using the latest in brine well technology to lengthen well life and create more stable production.

Our production capabilities and capital improvements at our facilities are described in more detail below:

Carlsbad, New Mexico

- Potash ore at our Carlsbad locations is mined from a stacked ore body containing 10 different potash ore zones, six of which contain proven and probable reserves.
- The West Mine has the nameplate capacity to produce 510,000 tons of red potash compactor feed annually, and the effective capacity to produce 440,000 tons of red potash compactor feed annually. Potash produced from our West Mine is shipped to the North Facility for compaction.
- The North Facility receives potash from the West Mine via truck and converts the compactor feed to finished red granular product.
- The East Mine has the nameplate capacity to produce 390,000 tons of white potash and 250,000 tons of langbeinite annually, and the effective capacity to produce 340,000 tons of white potash and 210,000 tons of langbeinite annually.

Moab, Utah

- Potash ore at Moab is mined from two ore zones: the original mine workings in Potash 5 that were converted to a solution mine and the new horizontal caverns in Potash 9.
- The Moab Mine has the nameplate capacity to produce 180,000 tons of potash annually, and the effective capacity to produce 93,000 tons of potash annually.

Wendover, Utah

- Potash at Wendover is produced primarily from sub-surface brines containing salt, potash and magnesium chloride that are collected in ditches from the shallow aquifers of the Bonneville Salt Flats.
- The Wendover Facility has the nameplate capacity to produce 120,000 tons of potash annually, and the effective capacity to produce 93,000 tons of potash annually.

Our Development Assets

We also own two idled mines in or near Carlsbad—the HB Mine and a mine at the North Facility which we refer to as the North Mine.

HB Mine

- The HB Mine is an idled potash mine that we are in the process of reopening as a solution mine. We currently plan to commence Phase I of this project in 2008, with production expected to begin in 2009. Assuming a continuation of favorable market conditions and receipt of all necessary permits and approvals, we believe Phase I of the HB Mine project has the potential to ultimately add up to 150,000 to 200,000 tons of additional low-cost potash production annually by 2011. We expect the HB Mine to be one of the lower-cost potash mines in North America.
- We are currently considering the scope and timeline for a proposed Phase II of this project, which we believe would further increase potash production at the HB Mine.

North Mine

- The North Mine operated from 1957 to 1984 when it was idled mainly due to low potash prices and outdated, inefficient mineral processing facilities. Although most of the unused mining and processing equipment has been removed, the mine shafts remain open. Part of the North Mine surface plant is still active as this is where we granulate, store and ship potash produced at the West Mine. We may choose to reopen the North Mine in the future, although no feasibility study for the project is currently contemplated due to management's focus on the HB Mine and other projects at our operating facilities. Two operable mine shafts and much of the transportation and utility infrastructure required to operate the mine, including mine permits, rail access, storage facilities, water rights, utilities and leases covering potash deposits, are already in place.
- At the time of the purchase, potash prices were much lower and the North Mine was not expected to reopen, which resulted in no value being allocated to the mineral properties at the idle North Mine.

Our By-Product Production

During the extraction of potash, we also recover marketable salt and magnesium chloride. We also produce metal recovery salt, which is potash mixed with salt in customer-requested ratios, at our Wendover Facility. We account for the revenue generated from sales of these minerals as a reduction in the cost of goods sold of our primary potash product. During 2007, we sold a total of 320,000 tons of by-products from our Moab Mine and Wendover Facility, which reduced our operating costs by $7.5 million in the aggregate.

Summary of Our Reserves

The estimates of our proven and probable reserves as of December 13, 2007 and (as to the HB Mine only) March 11, 2008, were prepared by us and were reviewed and independently determined by Agapito Associates, Inc. based on mine plans and other data furnished by us. The following table summarizes our proven and probable reserves, estimated as required by the SEC.

Our Proven and Probable Reserves (000's of product tons)(1)

Product/Operations	Date Mine Opened(2)	Current Extraction Method	Minimum Remaining Life (years)(3)	Proven Reserves KCl(4)	Proven Ore Grade(5) (% KCl or % Lang)	Probable Reserves KCl(6)	Probable Ore Grade(5) (% KCl or % Lang)
Muriate of Potash							
Carlsbad West	1931	Underground	122	29,609	23.7	21,528	21.7
Carlsbad East	1965	Underground	42	6,148	19.0	6,511	17.8
HB Mine(7)	2009	Solution	28	4,791	34.6	208	32.2
Moab	1965	Solution	124	3,810	41.9	7,180	41.5
Wendover(8,9)	1932	Lake Brine Evaporation	30	—	—	2,806	1.2
Total Muriate of Potash				44,358	25.8	38,233	23.3
Sulfate of Potash Magnesia							
Carlsbad East	1965	Underground	43	16,158	35.2	19,562	35.0
Total Sulfate of Potash Magnesia				16,158	35.2	19,562	35.0

(1) The determination of estimated reserves is based on an independent review and analysis of our mine plans, geologic, financial and other data and Agapito's familiarity with the Intrepid mines. Because reserves are only estimates, they cannot be audited for the purpose of verifying exactness. Instead, reserve information is reviewed in sufficient detail to determine if, in the aggregate, the data provided by us is reasonable and sufficient to estimate reserves in conformity with practices and standards generally employed by and within the mining industry and that are consistent with the requirements of U.S. securities laws. One ton red muriate of potash = 0.95 ton KCl; one ton white muriate of potash = 0.98 ton KCl; one ton sulfate of potash magnesia = 0.95 ton langbeinite.

(2) These mines, excluding the Carlsbad HB Mine, have been operating in a substantially continuous manner since the dates set forth in this table. The Carlsbad HB Mine was originally opened in 1934 and operated continuously as an underground mine until 1996. The Carlsbad HB Mine is planned to begin production in 2009 as a solution mine.

(3) Minimum remaining lives at the Carlsbad West, Carlsbad HB and Moab Mines are based on reserve tons divided by annual effective product capacity (with corrections for purity; see note (1)). Carlsbad East minimum remaining life is based on three phases, with various plant capacities: first, combined potash and langbeinite production; second, langbeinite only; and third, potash only. Wendover minimum remaining life is based on a projected average plant production of 63,000 potash tons which is estimated as 55,000 and 8,000 potash tons per year for the shallow and deep aquifers, respectively.

(4) Proven reserves mean tonnages computed from projection of data using the inverse distance squared method taking into account mining dilution and recovery losses, metallurgical recovery factors, sales prices and operating costs from potash ore zone measurements as observed and recorded either in drill holes using cores, electric logs, or other geophysical devices or in mine workings. This classification has the highest degree of geologic assurance. The sites for measurement are so closely spaced and the geologic character so well defined that the thickness, areal extent, size, shape and depth of the potash ore zone are well-established. The maximum acceptable distance for projection from ore zone data points varies with the geologic nature of the ore zone being studied.

(5) Ore grade expressed as expected mill head feed grade to account for minimum mining height for the Carlsbad East and West Mines. The ore grade for the Wendover Facility is the brine KCl concentration by weight. The ore grade for the Moab and Carlsbad HB Mines is the in-place KCl grade.

(6) Probable reserves means tonnages computed by projection of data using the inverse distance squared method taking into account mining dilution and recovery losses, metallurgical recovery factors, sales prices and operating costs from available ore zone measurements as observed either in drill holes using cores, electric logs or other geophysical devices or in mine workings for a distance beyond potash classified as proven reserves. This classification has a moderate degree of geological assurance.

(7) The Carlsbad HB Mine reserves are based on planned flooding of old workings and recovery of potash from the residual pillars only with the brine extracted using submersible pumps. Reserves are based on thicknesses, grades and mine maps provided by Intrepid. Capital costs to establish economic viability for the Carlsbad HB Mine reserves are based on in-house estimates independently verified by a third party. Operating costs to establish economic viability were based on operating costs for the Moab Mine with operating costs scaled by magnitude of production.

(8) For the shallow aquifer there are no proven reserves because the shallow aquifer represents an unconventional resource and the estimating method was based on brine concentration, porosity, and aquifer thickness from historical reports. The brine concentrations have been confirmed recently but neither the aquifer thickness nor the porosity has been verified. Probable reserves for the shallow brine at the Wendover Facility have been calculated from KCl contained in the shallow

aquifer with an estimated porosity of 0.45 and thickness of 18 ft over the reserve area (78.8 square miles). The distance for projection of probable reserves is a radius of three-quarters of a mile from points of measurement of brine concentration. The ore grade (KCl) is the percentage by weight of KCl in the brine.

(9) Proven reserves have not been estimated due to the uncertainty of the hydrogeology of the deep aquifer. Probable reserves for the deep-brine aquifer at the Wendover Facility have been estimated based on historical draw-down and KCl brine concentrations. The ore grade (KCl) is the percentage by weight of KCl in the brine.

The following table summarizes production of our primary products at each of our facilities for each of the years ended December 31, 2007, 2006 and 2005.

Production of Our Primary Products (000's of product tons)

One product ton of potash equals approximately 0.61 tons of K_2O

	Year Ended December 31,								
	2007			2006(1)			2005(2)		
Primary Product	Ore Production	Mill Feed Grade	Finished Product	Ore Production	Mill Feed Grade	Finished Product	Ore Production	Mill Feed Grade	Finished Product
Muriate of Potash									
Carlsbad West	2,519	13.4%	409	2,013	12.7%	305	2,544	12.9%	398
Carlsbad East(3)	2,259	11.4%	288	2,000	12.5%	260	2,266	12.4%	343
Moab	396	14.4%	77	535	14.4%	103	500	14.8%	94
Wendover	461	16.9%	103	378	17.5%	57	339	17.3%	62
	5,635		877	4,926		725	5,649		897
Langbeinite									
Carlsbad East(3)	2,259	4.8%	177	2,000	5.6%	156	2,266	3.2%	15
Total Primary Products	7,894		1,054	6,926		881	7,915		912

(1) 2006 production at our Carlsbad facilities was curtailed by a number of non-recurring events, including the commissioning of the dual potash and langbeinite facility at the East Mine and shutdowns at the West Mine to remove unused utilities that were affecting production.

(2) 2005 production at our East Mine was curtailed by the commissioning of the langbeinite plant in October 2005.

(3) Muriate of potash and langbeinite at our East Mine are processed from the same ore feed.

The following table summarizes production of by-products at each of our facilities for each of the years ended December 31, 2007, 2006 and 2005.

Production of Our By-Products (000's of tons)

	Year Ended December 31,		
	2007	2006	2005
By-Product	Finished Product	Finished Product	Finished Product
Salt			
Moab	109	130	100
Wendover	29	30	36
	138	160	136
Magnesium Chloride			
Wendover	163	155	117
	163	155	117
Metal Recovery Salts			
Wendover	19	13	23
	19	13	23
Total By-Products	320	328	276

Our Competitive Strengths

We believe the following core strengths will allow us to consistently increase stockholder value:

- ***U.S. potash-only producer.*** We are the largest producer of potash in the U.S., the second largest potash-consuming country in the world. We are dedicated solely to the production and marketing of potash-related products. After the completion of this offering, we will be one of two publicly-traded potash-only companies producing today, the other being Uralkali, a Russian producer.
  - As a U.S. producer that sells approximately 97% of its potash volume into the historically stable domestic market, we have limited exposure to sovereign and geopolitical risks faced by existing producers that are based in unstable political regions and/or primarily serve emerging economies. For example, during 2006 and the first half of 2007, Uralkali reported that 78% and 84%, respectively, of its revenues were attributed to sales to developing economies such as China, India and Brazil. Uralkali is incorporated in the Russian Federation and sells its products primarily through BPC, which is incorporated in Belarus.
  - We have followed a potash-only strategy by acquiring potash assets in New Mexico and Utah in order to consolidate marketing efforts and effect operating synergies. As a dedicated potash producer, we believe our financial performance is subject to less volatility than that of other fertilizer companies because potash prices have been subject to less volatility than prices for other fertilizers and commodity chemicals. In addition, the costs to mine and produce potash are relatively fixed and stable, whereas the costs to produce other fertilizers have significantly greater exposure to volatile raw material costs, such as natural gas used to produce ammonia. Our other competitors are meaningfully diversified into the nitrogen and phosphate-based fertilizer businesses and/or other chemical and industrial businesses. See "Potash Industry Overview".
  - As a U.S. producer, we are not subject to the significant Canadian resource and capital taxes imposed on our primary competitors, which are located in Saskatchewan, Canada. See "—Royalties and Other Taxes".
- ***Assets located near our primary customer base.*** Our mines are advantageously located near our largest consumers: agricultural areas west of the Mississippi River, oil and gas exploration areas in the Rocky Mountains and the Permian Basin and feedlots in Texas and other southwestern and western states. We believe that our location allows us to realize higher net sales prices than our competitors, who must ship their products across longer distances to consuming markets, which are often export markets. Also, because annual consumption of potash in our markets (3.5 million K_2O tons) is greater than five times our current annual production (0.6 million K_2O tons)[1], we can target sales to the markets in which we have the greatest transportation logistical advantage, maximizing our net sales per ton. Our logistical advantage consists of access to strategic rail destination points and proximity to major trucking routes. By participating in our local truck market, we can cost-efficiently reach regional customers that lack rail access and act as a regional warehouse for customers that value just-in-time delivery. Because we are located on major agricultural truck routes, we can take advantage of back-haul opportunities to agricultural markets. After truckers bring agricultural products into our region, they often use their empty trailers to back haul our potash back into those agricultural areas, which is more cost-effective than rail transportation. In addition, our location in an oil and gas producing region allows us to serve industrial customers, the majority of whom we reach via the truck market. This geographic advantage is difficult for competitors to erode, particularly in an environment of historically high and rising transportation costs.

(1) The following states are included in this calculation: AZ, AR, CA, CO, ID, IL, IA, KS, LA, MS, MO, NE, NV, NM, OK, OR, TX, UT, WA and WY.

The chart below sets forth what we believe to be our average net sales per ton advantage, which results primarily from our freight cost advantage, over our primary Canadian competitors per product ton of potassium chloride for each of 2007, 2006 and 2005.

	2007	2006	2005
Intrepid Potash net sales per ton advantage[1]	$39	$43	$29

(1) Based on net sales per ton for Agrium Inc., The Mosaic Company and PCS for muriate of potash only. Mosaic's MOP revenues were calculated by subtracting langbeinite-only revenues, assuming $115 net sales per ton for langbeinite (K-Mag®).

- ***Diversification into niche markets.*** We sell to three different markets for potash—the agricultural, industrial and feed markets. During 2007, these markets represented approximately 64%, 30% and 6% of our potash sales, respectively. According to the IFA, 95% of all potash produced is used as a fertilizer. North American agricultural markets primarily consume granular potash, whereas the industrial and feed markets primarily consume standard potash. Our facilities were designed to produce either of these products, and we are able to easily switch production between them, giving us the flexibility to adjust our product mix to market conditions. As a result, we believe our sales are diversified across more distinct, unrelated consumer markets than those of many of our competitors, adding stability to our potash revenues. A primary component of the industrial markets we serve is the oil and natural gas services industry, where potash is commonly used in drilling and fracturing oil and natural gas wells. According to SRI Consulting, U.S. industrial consumption of potash is growing rapidly relative to the agricultural market, with a compound annual growth rate of 5.1% from 1990 to 2005.

  We are one of two exporting producers of langbeinite in the world. Both producing facilities are located in Carlsbad, New Mexico. Given the greater scarcity of langbeinite relative to potash and its agronomic suitability for certain soils and crops, there is demand for our langbeinite production outside of our core potash markets. PCS markets our langbeinite production outside North America. This relationship gives us access to PCS' extensive international sales network and informs us about developments in the international market. During 2007, we sold approximately 158,300 tons of langbeinite, representing 15% of our total product tons sold during this period.

- ***Significant reserve life and water rights.*** Our potash and langbeinite reserves each have substantial life, with remaining reserve life ranging from 28 to 124 years, based on proven and probable reserves estimated in accordance with SEC requirements. This lasting reserve base is the result of our past acquisition and development strategy. In addition to our reserves, we have access to significant mineralized deposits for potential future exploitation. We also own valuable water rights at each of our facilities, including well fields in Carlsbad, New Mexico, which we believe are sufficient for our current production and currently planned future projects, including the proposed reopening of the HB Mine. Because available water rights are limited in Carlsbad, New Mexico and Moab, Utah, obtaining a package of water rights equivalent to our current rights or sufficient to operate a new mine would be extremely difficult.

- ***Valuable existing facilities and infrastructure.*** Constructing a new potash production facility requires extensive capital investment in mining, milling and infrastructure, which is expensive and requires substantial time to complete. Our five operating facilities and two development assets already have significant facilities and infrastructure in place—including assets capable of mining and milling potash ore, and access to transportation channels by road and rail. We have the ability to expand our business using existing installed infrastructure, in less time and with lower expenditures than would be required to construct entirely new mines.

- ***Track record of innovation and modernization.*** Our management team has a history of building successful operations through the acquisition of underutilized assets, followed by

creative use of technology to increase productivity and reliability. Each of our facilities represented only a small portion of its prior owner's business at the time we acquired it. As an entrepreneurial, potash-only producer, we have devoted considerable management attention to each facility, with a focus on modernization and improving production. We have applied technologies from other industries, including the oil and gas industry, and implemented innovative production processes. We have invested approximately $80 million in capital improvements since acquisition through December 31, 2007 at our operating facilities, and we plan to continue making capital investments in our mines. See "—Our Capital Program" below for descriptions of many of these projects.

- ***Low-cost solar evaporation operations.*** The Moab Mine and the Wendover Facility use solar evaporation to crystallize potash from brines. These facilities annually account for approximately 20% of our total potash production. Solar evaporation is a low-cost and energy-efficient method of producing potash. Our understanding and application of solution mining, combined with our location in regions with favorable climates for evaporation, allow our Utah facilities to achieve low production costs. We intend to leverage this technology and experience in constructing the HB Mine solution mine in Carlsbad, New Mexico, where evaporation rates are comparable to those in Moab, Utah and there is adequate land available to build solar ponds.

Our Strategy

We intend to increase production and profitability through the execution of the following strategies, which were developed as part of our five-year operating plan:

- ***Expand potash production from existing facilities.*** We have expansion opportunities at our operating facilities to significantly increase production. We expect that expansion and improvement opportunities at our current mines will drive down our unit cost per ton and increase our cash flow. We estimate that these opportunities will require a $27 to $32 million investment over the next five years and will increase annual potash production by an expected aggregate of over 110,000 tons over the next five to seven years. Because of our market share, we believe increases in our effective capacity have limited effect on international potash prices. We believe we can, therefore, enjoy expanding margins on incremental production through full price realization and decreasing production costs per ton. Below we have identified our most significant opportunities at our operating facilities and the expected production increases from those opportunities:
  - West Mine: Increase average potash production by approximately 15%, or 60,000 tons annually, by improving the ore storage and skip loading systems and by adding a tailings regrind circuit;
  - East Mine: Increase average potash production by approximately 11%, or 34,000 tons annually, by adding a fifth operating production crew in the mine and by improving brine recovery with new thickeners;
  - Moab Mine: Increase average potash production by approximately 11%, or 10,000 tons annually, by adding additional horizontal cavern systems; and
  - Wendover Facility: Increase average potash production by approximately 10%, or 6,000 tons annually, by adding additional deep brine wells.
- ***Reopen the HB Mine as a solution mine.*** The HB Mine, located in Carlsbad, New Mexico, was formerly operated by Mississippi Chemical Company as a conventional underground mine. It ceased operating in 1996 and has remained idle since that time. We are in the process of reopening the HB Mine as a solution mine, which we believe is especially suitable technology for this project due to the easily accessible mineral resource and our ability to rely in part on

existing equipment and personnel at our Carlsbad facilities to process potash. We have invested approximately $1.5 million toward this project through December 31, 2007, and have included additional capital expenditures of $20 to $25 million in our 2008 budget. We believe that capital investments to reopen the mine, which we anticipate will require total expenditures of $78 to $88 million for Phase I of the project, will be lower than would be required to build an entirely new mine. We expect that the HB Mine will be among the lower-cost potash mines in North America and that potash produced from the mine will be our lowest-cost product on a per-ton basis. The idled mine contains hundreds of high-grade ore pillars that were left behind by the prior operators as roof support. These pillars have been crushed over time, exposing potash. We plan to flood the mine, similar to the original solution mine in Moab, which will dissolve the remaining potash resource in the mine. We then plan to build solar ponds similar to those in Moab, in which we will evaporate the potash-rich brines from the mine. The resulting potash will be harvested and processed at the West Mine processing plant, which will allow us to avoid new fixed costs.

For the past two years, we have been discussing the project and permitting matters with State of New Mexico officials. We have also drilled six groundwater monitoring wells, presented a preliminary solar evaporation pond design to State of New Mexico officials, studied the geology of the mineralized deposits and completed an underground pilot test. We filed our combined discharge and underground injection control permit application for the solution mine at the HB Mine with the State of New Mexico on March 10, 2008, and we plan to file timely applications for additional permits and approvals with the State of New Mexico and the Bureau of Land Management, including well permits and approval of a mine reclamation plan. Following certain public comment periods, we expect to receive all permits and approvals required to commence construction by the end of 2008, and to receive all permits and approvals required for operation of the project and commence production from the HB Mine in 2009. Assuming a continuation of favorable market conditions, we expect production from the HB Mine to begin in 2009 and believe Phase I of the project, which consists of the flooding of 4,400 of the 21,600 total acres of the mine, has the potential to ultimately add up to 150,000 to 200,000 tons of additional low-cost potash production annually by 2011. We are currently considering the scope and timeline for a proposed Phase II of this project, which we believe would further increase potash production at the HB Mine.

- ***Expand langbeinite production and demand.*** We are one of two exporting producers of langbeinite. We mine langbeinite in Carlsbad, New Mexico from the only known reserves of langbeinite in the world. Langbeinite production at the East Mine began in August 2005 and steadily increased to 177,000 tons for 2007. We initially entered the langbeinite market on a limited basis, in order to be able to test the level of market demand. Through our marketing efforts in North America and our relationship with PCS, which markets our langbeinite outside North America, global market demand for langbeinite has increased, and customer relationships have been built that we believe will allow us to sell additional tons into the marketplace.

  In order to better capitalize on the strong and growing demand for langbeinite, we have initiated an estimated $10 to $15 million project that we expect will allow us to increase our annual langbeinite production by approximately 45%, or 80,000 tons, over the next three to four years. By using a more efficient processing method, we expect this additional production to lower our production costs per ton. We have also added a fifth operating production crew in the mine, which we believe will further increase our langbeinite production by approximately 6%, or 10,000 tons. We have also expanded our support systems for our langbeinite business by hiring an agronomist to educate growers about the benefits of langbeinite and by establishing a network of warehouses throughout North America for langbeinite distribution. We believe that with additional marketing, the size of the langbeinite market could be further increased in the future.

- ***Increase our profitability.*** We will continue to seek to increase our profitability by targeting sales to more profitable markets, by reducing per ton costs and by optimizing reliability of production. We plan to continue to pursue sales in regional markets located near our facilities, where our transportation cost advantage allows us to obtain higher net sales per ton than our competitors. From inception to December 31, 2007, we have spent approximately $80 million on capital improvements at our facilities. We believe these investments have enhanced the reliability and productivity of our operations. These investments have begun to produce positive results. In addition, we see further opportunities to reduce our fixed and variable operating expenses through additional strategic investments. We plan to implement projects that reduce energy consumption and water consumption. We also plan to implement projects to reduce costs through automation, improved processing technology and other measures. Two examples of completed cost reduction projects include the installation of a high-efficiency boiler at the East Mine and the replacement of a diesel fuel dryer with a propane dryer at the Wendover Facility. We plan to pursue various projects designed to increase the reliability of our mining facilities and minimize production downtime. For example, we plan to add more intermediate storage facilities at the West Mine and overhaul our belt systems at the East Mine. We expect these projects to result in more stable production rates and a more predictable income stream.

Our Products

Muriate of potash is the primary potash mineral, both in our business and in the potash industry generally. Secondary potash minerals include sulfate of potash magnesia, or langbeinite, which we produce, and potassium sulfate and potassium nitrate, which we do not currently produce.

Muriate of Potash

Muriate of potash, which we generally refer to as potash in this prospectus, is the most common commercial form of potassium chloride (KCl). Muriate of potash is the most abundant, least expensive source of potassium on a delivered K_2O basis and is the preferred source of potassium for fertilizer use, currently accounting for approximately 95% of total potassium fertilizer use. Because the amount of potassium contained in potash varies, the industry has established a common standard of measurement by defining a product's potassium content in terms of equivalent percentages of potassium oxide (K_2O). Commercial grades for fertilizer use are usually 95% to 98% potassium chloride, containing about 60% to 62% K_2O. According to the IFA, approximately 95% of muriate of potash produced is used as a fertilizer, with the remaining 5% being used in the oil and gas drilling industry and other industrial applications. Potassium chloride is the primary raw material used to produce industrial potassium hydroxide and its derivative salts, the most commercially important of which are potassium carbonate, potassium chromate, potassium permanganate and the potassium phosphates. It is also used as an intermediate in chemical synthesis routes to potassium sulfate and potassium nitrate. Potash is either red or white in appearance, depending on how it was produced.

We sell potash in various grades, colors and sizes typical to the industry. A description of typical potash characteristics follows:

- *Grade.* Potash is typically refined to either a 60% K_2O content or a 62% K_2O content, produced using either flotation or crystallization, respectively. The highest grade product is often used in industrial applications, for animal feed and for soluble fertilizer applications. The products are, however, interchangeable in most applications. Higher-grade potash typically sells for a slight premium.
- *Color.* Potash mined conventionally will often have a red or pink color due to the presence of trace amounts of iron. Potash refined from brines or from crystallization is typically white in appearance. The color of potash has no physical significance, though red-tinted potash is

Appendix A

GLOSSARY OF TERMS

Brownfield: A brownfield mine is a project which is constructed on previously developed land. An example of a brownfield project is our planned addition of new horizontal caverns at our Moab Mine.

Effective Capacity: As estimated by Intrepid Potash, the amount of potash production a facility can achieve based on the amount and quality of ore that can currently be mined, milled and/or processed assuming no modifications to the system and a normal amount of scheduled down-time.

Greenfield: A greenfield mine is a project constructed on previously undeveloped land. An example of a greenfield mine is Rio Tinto's proposed potash mine in the Rio Colorado region of Argentina.

Imperial Ton: A long ton or gross ton, a measurement of mass equal to 2,240 pounds.

Magnesium Chloride ($MgCl_2$): An effective de-icing and de-dusting agent that is sold primarily into the Mountain West and Pacific Northwest regions.

Metal Recovery Salt: Potash combined with salt in various ratios chemically enhances the recovery of aluminum in aluminum recycling processing facilities.

MMBtu: Million British Thermal Units.

Nameplate Capacity: Typically the maximum achievable production the potash mill can achieve assuming there is enough ore of a specified grade to maximize the processing rate. Nameplate capacities have not typically been adjusted over time in the potash industry for the depletion of ore resulting in lower ore grades to mills, losses in productivity that can result as facilities mature, or adverse events that materially reduce the amount of feed available to the mill.

PCS: Potash Corporation of Saskatchewan Inc. and its subsidiaries, including PCS Sales (USA), Inc., with whom Intrepid Potash has entered into an exclusive marketing agreement, and PCS Phosphate Company, Inc., from whom Intrepid Potash acquired Moab Salt, Inc.

Potash: A generic term for potassium salts (primarily potassium chloride, but also sulfate of potash magnesia or langbeinite, potassium nitrate and potassium sulfate) used predominantly and widely as a fertilizer in agricultural markets worldwide. Potash also has numerous industrial uses, including oil and gas drilling and stimulation fluids. Potash ore is commonly called sylvite. Unless otherwise indicated, references to "potash" in this prospectus refer to muriate of potash.

Potassium Chloride (KCl—muriate of potash or MOP): The most abundant, least expensive source of potassium on a delivered K_2O basis and the preferred source of potassium for fertilizer use, currently accounting for approximately 95% of total fertilizer use of K_2O. Commercial grades for fertilizer use are typically 95-98% potassium chloride, containing about 60-62% K_2O. Potassium chloride is the primary raw material used to produce industrial potassium hydroxide and its derivative salts, the most commercially important of which are potassium carbonate, potassium chromate, potassium permanganate and the potassium phosphates. It is also used as an intermediate in chemical synthesis routes to potassium sulfate and potassium nitrate. Muriate of potash is either red or white in appearance, depending on how it is produced.

Potassium Nitrate (KNO_3—niter, saltpeter, nitrate of potash or sal prunella): A white crystalline salt. In the U.S., its use is limited but it is used as a nonchloride source of potash and nitrate nitrogen. The nutrient content of commercial, fertilizer-grade material is about 13-14% nitrogen and 44% K_2O. Although potassium nitrate does exist as such in nature, there are no known large deposits of concentrated potassium nitrate-containing minerals. Recovery of naturally occurring materials has been primarily from the crude sodium nitrate (caliche) beds in Chile.

Potassium Sulfate (K_2SO_4—sulfate of potash or SOP): A crystalline salt that is derived directly from brines or synthesized from other potassium salts and minerals. Commercial grades for fertilizer use are usually 93-95% potassium sulfate, containing 50-51% K_2O. Potassium sulfate accounts for 1-2% of total potash fertilizer use.

Probable (Indicated) Reserves: Reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance of probable (indicated) reserves, although lower than that for proven (measured) reserves, is high enough to assume geological continuity between points of observation.

Proven (Measured) Reserves: Reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling, and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that the size, shape, depth and mineral content of the reserves are well established.

Reserve: That part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.

Salt (NaCl—sodium chloride): The salt industry is a commodity business with a heavy emphasis on price competition, which results in market boundaries being defined by delivered costs.

Sulfate of Potash Magnesia ($K_2Mg_2(SO_4)_3$—langbeinite or potassium magnesium sulfate): A double salt containing potassium and magnesium sulfates. In the U.S., sulfate of potash magnesia, produced by refining langbeinite ore, accounts for approximately 3% of potash fertilizer. Commercial products typically contain 22% K_2O, 11% magnesium and 22% sulfur. In Europe, a variety of these mixed salts is made from different ores, in grades ranging from 12% to 42% K_2O, 2% to 5% magnesium and 3% to 7% sulfur. Langbeinite is marketed for sale as a low-chloride potassium, magnesium and sulfur-bearing fertilizer primarily for use in citrus, vegetable, sugarcane and palm applications and as an animal feed supplement.

Tailings: Salt and insoluble minerals that remain after potash is removed from ore during processing, typically disposed of in a tailings pile.

Ton: A short ton, a measurement of mass equal to 2,000 pounds. References to "tons" in this prospectus refer to short tons.

Tonne: A metric ton, a measurement of mass equal to 1,000 kilograms or 2,204.6 pounds.


INTREPID POTASH