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.

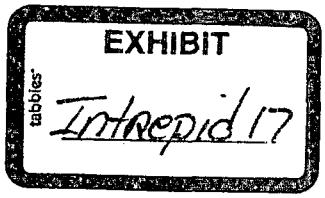
Overview

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.

BUSINESS

Our Company

Intrepid Potash is the largest producer of muriate of potash (MOP or potassium chloride) in the U.S. and is dedicated to the production and marketing of potash and langbeinite, 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 (sulfate of potash magnesia), a low-chloride fertilizer that is better suited than MOP for chloride-sensitive crops such as leafy vegetables, citrus, tobacco and palm trees.

We own five active potash production facilities—three in New Mexico and two in Utah. At each of these facilities, we have incorporated innovative mining techniques to extend reserve life and increase annual production and have modernized the plants in order to lower operating risks and production costs. Today 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, generating net sales of $192.4 million, EBITDA of $48.5 million and net income of $29.7 million. During this period, 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. 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.

Based on our five-year operating plan, we expect expansion opportunities at each of our operating facilities will increase annual production by an aggregate of over 110,000 tons of potash and 90,000 tons of langbeinite, respectively. We also own two attractive 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. We currently plan to commence Phase I of the HB Mine 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, 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. At our existing production facilities we also produce salt, magnesium chloride and metal recovery salts from our potash mining processes.

For more information on our organizational structure, please see "The Formation Transactions" beginning on page 67.

Our History

Our management team formed Intrepid Oil & Gas, LLC on August 30, 1996, for the purpose of acquiring oil and gas leases near Moab, Utah. While mapping the area for potential oil and gas resources, we learned about the substantial local potash deposits and discovered that the only operating potash mine in the area, which was then in decline, was scheduled to close. We determined that the decline in production in Moab could be reversed by applying horizontal drilling technology, commonly used in the oil and gas industry, to create potash solution mining caverns. This represented a new approach to potash mining. Our management team formed Intrepid Mining on January 26, 2000,

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.