

Intrepid Potash, Inc.  
Form S-1/A  
April 07, 2008  
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As filed with the Securities and Exchange Commission on April 7, 2008

Registration No. 333-148215

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

**AMENDMENT NO. 3**

**TO**

**FORM S-1**

REGISTRATION STATEMENT

*UNDER*

*THE SECURITIES ACT OF 1933*

**INTREPID POTASH, INC.**

(Exact name of registrant as specified in its charter)

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<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>1400</b> (Primary Standard Industrial Classification Code Number) 700 17 <sup>th</sup> Street, Suite 1700	<b>26-1501877</b> (I.R.S. Employer Identification Number)
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Denver, CO 80202

(303) 296-3006

(Address, including zip code and telephone number, including  
area code, of registrant's principal executive offices)

**Robert P. Jornayvaz III**

**Chairman of the Board and Chief Executive Officer**

**Intrepid Potash, Inc.**

700 17<sup>th</sup> Street, Suite 1700

Denver, CO 80202

(303) 296-3006

(Name, address, including zip code and telephone number, including area code, of agent for service)

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**Approximate date of commencement of proposed sale to the public:**

**As soon as practicable after this registration statement becomes effective.**

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If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

### CALCULATION OF REGISTRATION FEE

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered<sup>(1)(2)</sup></b>	<b>Proposed Maximum Offering Price Per Share<sup>(3)</sup></b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee</b>
Common stock, par value \$0.001 per share	27,600,000	\$26.00	\$717,600,000	\$28,202 <sup>(4)</sup>

(1) Estimated pursuant to Rule 457(a).

(2) Including shares of common stock which the underwriters have an option to purchase.

(3) Anticipated to be between \$24.00 and \$26.00 per share.

(4) Includes \$3,070 previously paid.

**The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated April 7, 2008

24,000,000 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 24,000,000 shares of common stock are being sold by the company.

To the extent that the underwriters sell more than 24,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 3,600,000 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. It is currently estimated that the initial public offering price per share will be between \$24.00 and \$26.00. Intrepid Potash, Inc. has applied to list the common stock on the New York Stock Exchange under the symbol IPI .

**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	\$	\$	\$
Total	\$	\$	\$
The underwriters expect to deliver the shares against payment in New York, New York on _____, 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**

Prospectus dated \_\_\_\_\_, 2008

**BMO Capital Markets**

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**Through and including \_\_\_\_\_, 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.

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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.



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**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.

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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.

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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 67.9% of our common stock (63.1% 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		Year Ended December 31,				
	March 31, 2008	March 31, 2007	2007	2006	2005	2004	2003
Average Midwestern U.S. delivered list prices for granular MOP (per ton) <sup>(1)</sup>	\$ 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.

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***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 <sup>(1)</sup>	\$ 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

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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

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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.

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**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 \$419.8 million (approximately 75.0% of the net proceeds from this offering);

47,239,000 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 3,600,000 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:

32.1% by public stockholders;

27.2% 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;



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27.2% 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

13.5% 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](http://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	24,000,000 shares.
Common stock outstanding after this offering	74,846,000 shares (including 1,000 shares outstanding before the offering, stock grants totaling 6,000 shares to our non-employee directors (estimated using the midpoint of the price range set forth on the cover page of this prospectus) and 3,600,000 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 3,600,000 additional shares of our common stock at the initial public offering price less underwriting discounts and commissions. The option may be exercised only to cover options to purchase additional shares of common stock. 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 607,500 shares of unvested restricted stock that will be granted by Intrepid Potash on or around the completion of this offering.

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Use of proceeds

We expect to receive net proceeds of approximately \$559.8 million from this offering, assuming an offering price of \$25.00 per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We expect to apply the net proceeds from this offering as follows:

approximately \$419.8 million (approximately 75.0% of the net proceeds from this offering) will be paid to Intrepid Mining (together with 47,239,000 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 14.7% 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, \$59.2 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. (The \$59.2 million is adjusted for \$1.7 million of transaction fees paid in 2007.)

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.

A \$1.00 increase (decrease) in the assumed initial public offering price per share would increase (decrease) net proceeds to us from this offering by approximately \$22.6 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and would increase (decrease) the amount of net proceeds payable to Intrepid Mining pursuant to the exchange agreement by an equal amount. Assuming that the underwriters exercise their option to purchase additional shares in full, a \$1.00 increase (decrease) in the assumed initial public offering price would increase (decrease) net proceeds to us from the exercise of the option to purchase additional shares by approximately

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\$3.4 million and would increase (decrease) the cash payable to Intrepid Mining pursuant to the formation distribution by an equal amount.

Voting rights One vote per share.

Exchange listing We have applied to list our common stock on the New York Stock Exchange, or NYSE, under the symbol IPI .

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 74,846,000. Except as otherwise indicated or required by context, all information in this prospectus:

excludes 607,500 shares of unvested restricted stock that will be granted by Intrepid Potash on or around the completion of this offering;

assumes that the underwriters will not exercise any portion of their option to purchase additional shares (and, therefore, that 3,600,000 shares will be distributed to the current members of Intrepid Mining pursuant to the formation distribution); and

assumes that the initial offering price is \$25.00 per share, the midpoint of the range set forth on the cover page of this prospectus.

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**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.

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	Year Ended December 31,			
	Pro Forma Combined As Adjusted December 31, 2007 (unaudited)	2007	2006	2005
	(in thousands, except share and per share data)			
<b>Statement of Operations Data:</b>				
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	24,155	15,997	10,054	7,530
Other operating net	190			