AGRIUM INC.

ANNUAL INFORMATION FORM

Year Ended December 31, 2001

April 30, 2002

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Forward looking statements

Except for statements of historical fact, the statements in, or incorporated by reference, in this Annual Information Form constitute forward-looking statements under applicable securities legislation. These forward-looking statements include, but are not limited to, references to future capital expenditures (including the amount and nature thereof), business strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of Agrium's business and operations, plans and references to the future results of Agrium. These forward-looking statements are based on certain assumptions and analyses made by Agrium in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. However, whether actual results and developments will conform with the expectations and predictions of Agrium is subject to a number of risks and uncertainties, including, but not limited to: general economic, market and business conditions, which will, among other things, impact demand for Agrium's products; industry capacity; weather conditions; seasonality; the ability of Agrium to implement its business strategy; changes in, or the failure to comply with, government regulations (especially safety and environmental laws and regulations); fluctuations in commodity, feedstock and fertilizer prices or other input costs; results of Agrium's risk mitigation strategies, including gas or energy hedging programs and insurance coverage; uncertainty as to the feedstock reserves owned or under contract or otherwise available to Agrium; feedstock price increases that cannot be recovered through fertilizer price increases; fluctuations in foreign currency exchange rates; the ability of Agrium to deliver fertilizer to markets; competitive actions by other companies, including increased competition from other fertilizer producers; the integrity and reliability of Agrium's capital assets; Agrium's level of capital expenditures; the ability and willingness of parties with whom Agrium has material relationships to perform their obligations to Agrium including but not limited to key customers, suppliers, personnel and counterparties to financial instruments; the ability of Agrium to integrate any assets it may acquire or the performance of those assets; the opportunities (or lack thereof) that may be presented to and pursued by Agrium and the companies, partnerships or joint ventures in which Agrium has equity investments; labour unrest; conditions in, and policies relating to, the agriculture industry; risks associated with investments and operations in foreign jurisdictions and any future international expansion, including those relating to economic, political and regulatory policies of local governments and laws and policies of Argentina, the United States and Canada; government restrictions on currency transfer and requirements regarding currency repatriation; the risks attendant with mining operations; the potential impact of increased competition in the markets Agrium operates within; and other factors, many of which are beyond the control of Agrium and the companies, partnerships or joint ventures in which Agrium has equity investments. Consequently, all of the forward-looking statements made in or incorporated by reference in this Annual Information Form are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Agrium will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Agrium. Agrium does not undertake any obligation to update forward-looking

statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statements.

Interpretation

In this annual information form, unless the context otherwise indicates, "Agrium" refers Agrium Inc., its subsidiaries and any partnership of which Agrium and its subsidiaries are the partners to, and "Corporation" refers to the corporate entity, Agrium Inc. References to "dollars", "$", and "US$" are to United States dollars, and references to "C$" are to Canadian dollars. The exchange rate between the Canadian dollar and the United States dollar used in this annual information form varies depending on the date and context of the information contained herein.

Summary of Principal Fertilizer Products

Product	Nutrient Grade[(1)] N-P-K-S	Description[(2)]
Ammonia	82-0-0-0	Anhydrous ammonia (NH_3) containing 82.3% nitrogen, transported and stored as a low-boiling liquid, injected in the soil as a gas.
Ammonium nitrate	34-0-0-0	Dry granules or prills produced by reacting nitric acid with ammonia. Typically 0.21 tonnes of ammonia are used to produce one tonne of ammonium nitrate.
Ammonium phosphate	18-46-0-0 16-48-0-0	Dry granules containing di-ammonium phosphate, commonly referred to as DAP.
	12-51-0-0 11-52-0-0	Dry granules containing mono-ammonium phosphate, commonly referred to as MAP.
Ammonium sulphate	21-0-0-24	Dry crystals or granules produced by crystallization of by-product ammonium sulphate solutions or by reacting ammonia with sulphuric acid.
Ammonium phosphate sulphate	16-20-0-14	Dry granules containing ammonium sulphate and ammonium phosphate, commonly referred to as APS.
Merchant grade acid	0-52-0-0	Clarified and evaporated phosphoric acid, commonly referred to as MGA, used to produce ammonium polyphosphate solution.
Potash	0-0-60-0	Dry granules or crystals containing potassium chloride (KCl); principal size grades are granular, coarse and standard.
Super phosphoric acid	0-70-0-0	Clarified and evaporated phosphoric acid, commonly referred to as SPA, used to produce ammonium polyphosphate solution.
UAN	32-0-0-0	Urea ammonium nitrate solution produced by combining urea 28-0-0-0 with ammonium nitrate and water.
Urea	46-0-0-0	Dry granules or prills formed by reacting ammonia with carbon dioxide at high pressure. Typically 0.575 tonnes of ammonia are used to produce one tonne of urea.

(1) Nutrient Grade: The nutrient content of fertilizers is normally expressed in the form of N-P-K-S where N is the % of elemental nitrogen; P is the % of phosphorous expressed as equivalent P_2O_5; K is the % of potassium expressed as equivalent K_2O; and S is the % of sulphur.

(2) See glossary of technical terms on page 21.

ITEM 1: INCORPORATION

1.1 Incorporation

Agrium Inc. was incorporated by Articles of Incorporation under the Canada Business Corporations Act on December 21, 1992. The Corporation's head office and principal place of business is located at 13131 Lake Fraser Drive S.E., Calgary, Alberta, T2J 7E8.

1.2 Principal Subsidiaries, Associated Companies and Partnerships

	Jurisdiction of Incorporation or Organization	Ownership
Agrium Partnership	Alberta	100%
Agrium U.S. Inc.	Colorado	100%
Agrium Nitrogen Company	Colorado	100%
Crop Production Services, Inc.	Delaware	100%
Western Farm Service, Inc.	Delaware	100%
Agroservicios Pampeanos S.A.	Argentina	100%
Nu-West Industries, Inc.	Delaware	100%
Viridian Inc.	Canada	100%
Viridian Fertilizers Limited	Canada	100%
Profertil S.A.	Argentina	50%
Canpotex Limited	Canada	33 1/3%

ITEM 2: GENERAL DEVELOPMENT OF BUSINESS

2.1 History

Agrium was formed to facilitate the reorganization of the fertilizer division of Cominco Ltd. and the acquisition of the fertilizer assets of Alberta Energy Company Ltd. in 1993.

From 1993 to 1996, Agrium expanded its fertilizer activities by acquiring Crop Production Services, Inc. ("CPS") and Western Farm Service, Inc. ("WFS"), both of which serve the U.S. retail agricultural industry in the northwest, northeast, midwest and California markets. Agrium also acquired Nu-West Industries, Inc. ("Nu-West"), which produces phosphate-based fertilizer products from a plant located in Idaho.

In late 1995, Agrium began establishing retail sales outlets in the major agricultural areas of Argentina, which offer fertilizer, agricultural chemicals and related services. Agrium and Repsol-YPF S.A. (a subsidiary of Repsol S.A.) ("YPF") each have a 50% interest in a company, Profertil S.A. ("Profertil"), which has constructed a world-scale ammonia and urea production facility in Argentina. The ammonia facility commenced production in late 2000, and the urea facility in early 2001. The facility achieved commercial production levels in 2001 and on November 30, 2001 Profertil SA obtained the release of completion guarantees on the facility resulting in the long term project financing becoming non-recourse to the Corporation.

In December 1996, Agrium merged with Viridian, which operated nitrogen and phosphate-based fertilizer plants at Fort Saskatchewan and Redwater, Alberta. In late 1997, Agrium acquired a phosphate rock mine located close to its phosphate producing plant in Idaho. In 1998, Agrium commenced development of a phosphate rock mine and mill in Kapuskasing, Ontario which commenced operation in 1999. Full production levels were achieved in the second half of 2001.

In September 2000, Agrium acquired from Union Oil Company of California ("Unocal") ammonia and urea production facilities in Alaska and certain nitrogen based production and distribution assets in Washington, Oregon and California (the "Unocal Fertilizer Assets"). The consideration paid by Agrium to Unocal was approximately $321 million, including working capital and was subject to certain adjustments. In addition, Agrium granted to Unocal a right to receive an "Earn-out" payment pursuant to which Unocal is entitled to receive, for each of the six years following the closing of the transaction, a payment equal to 35% of the amount by which certain industry recognized

commodity price indices for ammonia and urea exceed certain forecasted prices for such commodities based on production capacity volumes of the Alaska production facilities acquired from Unocal. (see ***3.2.2.4 Discussions with Unocal***) Concurrent with the purchase from Unocal, Agrium sold certain storage and distribution assets purchased from Unocal for proceeds of approximately $16 million.

ITEM 3: NARRATIVE DESCRIPTION OF BUSINESS

3.1 The Fertilizer Industry

3.1.1 Overview

Nitrogen, phosphorous, potassium and sulphur are the four major nutrients essential to the growth of all plants. The growing of crops depletes the soil of these essential nutrients. The application of fertilizer replaces depleted nutrients and balances their proportions to optimize the economic yield of crops under cultivation. Farmers determine the types, quantities and proportions of fertilizer to apply depending on the crop, soil and weather conditions, regional farming practices and fertilizer and crop prices.

There are four primary forms of nitrogen fertilizer - ammonia, urea, ammonium nitrate and nitrogen solutions. The basic building block of each form is ammonia which is manufactured by heating natural gas to high temperatures and reacting the resulting hydrogen with nitrogen.

The following table summarizes certain statistics for the North American nitrogen, phosphate and potash industries for the last five years:

		Years ended December 31				
		2001	2000	1999	1998	1997
		(millions of tonnes except operating rates and price data)				
Nitrogen	Capacity [1][2]	17	16	18	18	17
	Production [1][2]	12	14	15	16	16
	Operating rate (%)	72	88	87	91	97
	Net imports [3]	5	4	4	4	3
	Net exports [3]	2	3	3	3	3
	Ammonia Price (US$) [4]	200	186	120	133	190
	Urea Price (US$) [4]	142	152	100	125	151
Potash	Capacity [5]	22	23	22	22	24
	Production [5]	15	17	15	17	17
	Operating rate (%)	66	73	67	75	72
	Price (US$) [6]	130	130	129	123	123
Phosphate	Capacity [1][2]	12	12	12	12	12
	Production [1][2]	9	10	11	11	11
	Operating rate (%)	80	84	93	96	97
	Price (US$) [4]	158	163	189	206	206

1. As provided in The Fertilizer Institute's ("TFI") semi-annual production survey report.
2. Million tonnes of nutrient (N, P_2O_5).
3. Million tonnes of nitrogen (N). Data provided by the US Department of Commerce ("USDC") through Blue Johnson & Associates.
4. Average price per tonne FOB New Orleans for domestic delivery by pipeline or barge as compiled by Blue Johnson & Associates.
5. Million tonnes of KCL assuming a 60.5% K_2O equivalent.
6. Average price per tonne FOB Vancouver, British Columbia, average of standard and premium grade potassium chloride as compiled by Blue Johnson & Associates.

3.1.2 Demand

Markets for fertilizer products in North and South America are seasonal with sales volumes typically highest in the spring with a secondary peak in the Fall. Fertilizer production facilities operate throughout the year. Through Fall and winter, fertilizer producers are required to build up inventories in advance of the spring planting season.

In the long term, world fertilizer demand is driven primarily by population growth and by rising living standards that increase both the quantity of food consumed per capita and the quality (protein content) of food consumed. Production of higher protein foods such as meat and dairy products require larger amounts of grain and hence more fertilizer.

In the medium-term, growth and profitability in the fertilizer industry are more influenced by world economic growth rates and factors creating temporary imbalances in supply and demand. These factors include weather patterns, the level of world grain stocks relative to consumption (the "stocks-to-use ratio"), new production capacity, energy prices, and temporary disruptions in fertilizer trade from government intervention such as changes in the buying patterns of China or India.

Current agricultural demand depends on factors such as total planted acreage, crop mix, input application rates and farm income. These factors are affected by current and projected grain and oilseed prices and inventories, government agricultural policies (including subsidy and acreage set-aside programs), improvements in production methods and application efficiency. Extreme weather conditions can have an effect on fertilizer consumption in a specific geographic area, but Agrium's broad geographic production and distribution capability helps to mitigate the potential impact of such variations in consumption.

In recent years, fertilizer demand in North America has been relatively stable and has been primarily satisfied by domestic production. World fertilizer consumption is forecast by the International Fertilizer Association ("IFA") to grow at a rate of 2.6% to 3.9% per annum through the year 2005 using 2000 as the base year. Most of the future increases in fertilizer demand are expected to be generated by less developed countries, particularly countries in Southeast Asia and South America, where the agricultural industry does not yet use fertilizer in sufficient amounts to optimize production and where growth rates of population and gross domestic product are expected to continue to increase.

In certain agricultural markets, local and federal laws have sought to restrict the amount of ground-water contamination and nutrient run-off into rivers and oceans which may affect the demand for fertilizer in those markets. This legislation is usually enacted in areas where nutrient additions exceed nutrient loss from crop removal and where soil leaching conditions prevail. In Western Canada and the Western United States, these conditions typically do not exist because nutrient loss from crop removal exceeds nutrient additions and soil and environmental conditions result in low leaching potential.

Ammonia, urea and ammonium nitrate have a wide variety of non-agricultural uses. Ammonia is used in the manufacture of synthetic fibers, as a bleaching agent, as an effluent treatment agent for the pulp and paper industry, and as a refrigerant. Urea is sold to industrial customers to be used in the manufacture of adhesives, resins and as an animal feed ingredient.

Competition in agricultural input markets takes place largely on the basis of reliability of supply, price, delivery time and quality of service. Feedstock availability to production facilities and the cost and efficiency of production, transportation and storage facilities are also important competitive factors. Government intervention in international trade can also distort the competitive environment.

3.1.3 Supply

According to data compiled by the TFI and the International Fertilizer Development Center ("IFDC"), the North American nitrogen industry has operated at an average rate of approximately 87% of capacity between the periods 1997 to 2001. This percentage has declined in the past two years as a result of high North American natural gas prices in late 2000 and early 2001. Natural gas is the primary raw material used in the production of nitrogen fertilizers and the high input costs resulted in as much as 50% of North American nitrogen production being shut down periodically in both 2000 and 2001 as it was no longer economic for many facilities to produce at these gas prices. The overall average North American nitrogen-operating rate was 72% for 2001. This reduction in supply resulted in a tightening of the balance of supply and demand. Approximately 9% of North American consumed nitrogen is exported in the form of phosphate fertilizers. Such production is balanced by imports of ammonia, urea and nitrogen

solutions. Potential suppliers of nitrogen fertilizers to North America are located in the Caribbean, the Middle East, West Africa, the former Soviet Union countries ("FSU") and South America. The supply of nitrogen fertilizer from imports may be limited by political or economic events as well as feedstock and transportation costs.

The major world sources of potash production are Canada, the FSU, Germany and the Middle East. Canpotex Limited ("Canpotex"), jointly owned by three Saskatchewan potash producers including Agrium, markets Saskatchewan produced potash outside of North America. According to the IFA, North America is a significant net exporter of potash, and in 2001, approximately 39% of North American potash production was sold offshore.

According to the IFA, North America is a large net exporter of processed phosphate fertilizers. The principal areas of phosphate fertilizer production in North America are Florida, Louisiana, North Carolina, Idaho, Utah, Wyoming and Alberta.

Competitors in the North American nitrogen and phosphate fertilizer markets include other North American and offshore producers. Sales are made through independent retailers, resellers, farmer co-operatives affiliated dealer organizations and brokers. Some North American producers are subsidiaries or divisions of energy or chemical companies while others are owned by farmer co-operatives. Agrium's principal potash competitors include two producers in Saskatchewan, small producers elsewhere in North America and a consortium of potash producers from the FSU.

3.1.4 Pricing

The price of fertilizers sold into the agricultural market is generally determined by negotiation at the time of sale depending on supply and demand for each nutrient and for the particular forms of product. Prices vary from region to region based largely on transportation costs. Prices in regional areas are also affected by localized conditions such as weather and the level of product inventories in the region available for delivery during the application period. Most of the products produced by Agrium are sold as fertilizers in the agricultural market, although some of the production is sold into the industrial market. Industrial sales are priced under one year or longer term contracts where pricing may be fixed, related to the benchmark price plus transportation costs or related to gas costs.

3.2 Agrium

3.2.1 General

Agrium is the largest North American producer of nitrogen-based fertilizers and is a major producer of potash and phosphate-based fertilizers. Agrium is also a leader in the wholesale marketing and distribution of fertilizers and related products to the North American agricultural industry, and is also a significant retailer of fertilizers, chemical and related products in the North American market through its 225 retail farm centres.

Agrium produces a full range of fertilizers. Nitrogen-based fertilizers are produced in Alberta, Canada at four plants located at Carseland, Fort Saskatchewan, Joffre and Redwater. Sulphur and phosphate-based fertilizers are also produced at the Redwater plant which utilizes phosphate ore from Agrium's phosphate mine located at Kapuskasing, Ontario. Additionally, Agrium owns and operates a potash mine and production facility at Vanscoy, Saskatchewan. In the United States, Agrium owns and operates nitrogen-based fertilizer production plants at Beatrice, Nebraska, Borger, Texas, Kenai, Alaska, Kennewick, Washington and West Sacramento, California and a phosphate-based fertilizer production facility near Soda Springs, Idaho. Agrium is also a 50% participant in the Profertil joint venture that owns and operates a world scale nitrogen-based fertilizer plant in Bahia Blanca, Argentina.

Agrium has an extensive storage and wholesale distribution network serving Western Canada, the Pacific Northwest, California, the Midwest Cornbelt and the Great Plains regions of the United States. It operates retail farm centres principally in the Western and Midwestern United States and in Argentina.

The head office and principal place of business and registered office of the Corporation are located at 13131 Lake Fraser Drive, S.E., Calgary, Alberta, T2J 7E8.

In the past, Agrium has benefited from relatively low costs of natural gas, the primary raw material used in the production of fertilizers, as natural gas prices in Alberta have traditionally been below US prices. In the second half of 2000, the natural gas price increased significantly and the differential between the Alberta and US prices narrowed due to increased pipeline take away capacity in Western Canada. The North American benchmark price for natural gas, the New York Mercantile Exchange (NYMEX) three-day average, increased from an average of $2.27 per MMBtu

in 1999 to $3.91 per MMBtu in 2000, to $4.38 per MMBtu in 2001. For Agrium, this increase was somewhat mitigated due to a portion of its North American requirements for 2000 and 2001 gas being hedged below these market prices. The effect of the increase is discussed in the Management's Discussion and Analysis. Average natural gas market prices in 2002 are expected to be lower than 2001 but the overall decrease for Agrium will be offset by hedging positions which are above recent market prices.

Agrium has two phosphate rock mines, which supply plants at Redwater, Alberta and Conda, Idaho. These mines have, or are expected to, result in significant raw material cost savings and enhanced security of supply. Agrium also regularly upgrades and maintains its production facilities to enhance efficiency and maintain low operating costs.

Agrium's North America Retail Division is one of the largest and most geographically diverse farm retailers in the United States. With 225 retail facilities in the United States as of December 31, 2001, Agrium provides fertilizers, crop protection products, seeds and services to growers in 22 states, principally in the US Northwest, Northeast, Midwest and California. Agrium also owns and operates 18 retail farm centres in Argentina.

3.2.2 Recent Developments

The following recent developments, have been updated as of April 30, 2002:

3.2.2.1 Argentina

On January 6, 2002, the Government of Argentina (the "Government") passed legislation eliminating the fixed one Peso to one dollar exchange rate and creating a dual exchange rate system with a "commercial Peso" to be used for trade and government-related transactions and a "free floating Peso" to be used for all other transactions. The commercial Peso is exchangeable at a fixed rate of 1.40 Pesos for one U.S. dollar. The Government also passed legislation referred to as the "contract index law", which converts all U.S. dollar denominated debt amounts, including working capital items, at a rate of one Peso for one U.S. dollar. The legislation mandated conversion at a below market rate, which effectively resulted in an expropriation of a portion of the value of U.S. dollar based assets.

Prior to January 6, 2002, Agrium conducted its business in Argentina principally on a U.S. dollar basis to protect it from the potential of a Peso currency devaluation. Agrium's contracts provided that any settlement in Pesos was the amount required to equal the U.S. dollar value at the date of settlement. The only significant currency exposure Agrium had in Argentina was through Value Added Tax ("VAT") and income tax payments to the Government, which were necessarily Peso based transactions.

Further decrees since January 6, 2002, have negatively affected the financial results of Agroservicios Pampeanos S.A. ("ASP") and Profertil S.A. ("Profertil"). ASP is a wholly-owned subsidiary and Profertil is 50 percent owned by Agrium and 50 percent owned by Repsol-YPF S.A.

Profertil S.A. is primarily influenced by international markets and has built and financed the construction of the plant using U.S. dollar based contracts with Argentine companies. The U.S. dollar is Profertil's functional currency with the result being that gains and losses on Peso denominated assets and liabilities are reflected in its earnings. ASP operates in the domestic agricultural environment and uses the Peso as its functional currency and gains and losses on the translation of its financial statements into U.S. dollars are reflected in the cumulative translation account.

On March 4, 2002, the Government announced the imposition of temporary new taxes on exports. At April 30, 2002, the government export tax on primary agricultural products was 20% and on secondary agricultural products was 5%, which includes manufactured product such as fertilizer. It is unclear if these rates will prevail and may be subject to further change. Given the timing of the announcement, no assurance can be given at this time as to the extent of any effect of these new taxes on the Argentina farm economy or on ASP or Profertil.

3.2.2.2 Profertil

Current economic uncertainty makes it unclear as to whether Argentinean farmers will have the liquidity to fund crop inputs without financing from retail chains. Given that retail chains are unlikely to accept extended Argentina Peso exposure through the growing season, there is a risk of a significant decline in fertilizer use in Argentina in the near term. Therefore, Profertil may increase its percentage of export sales in 2002.

Exports by Profertil can be made on a U.S. dollar basis and the proceeds can be deposited in Profertil's U.S. dollar account in the United States. With the exception of funds held abroad to meet foreign debt payments, Profertil is required to bring U.S. dollars back to Argentina within 120 days (in the case of fertilizers) and convert them to Pesos at the market rate.

3.2.2.3 ASP

Until economic circumstances allow ASP to operate without exposing itself to unacceptable currency risk, limited business activity will take place. Given the critical importance of agriculture to the Argentine economy and to its export earnings, the Corporation believes that the Government should be motivated to provide economic clarity to ensure the viability of the agricultural chain.

ASP's exposure is largely working capital, and therefore is proportionally much more exposed to currency fluctuations than Profertil. ASP operates in the domestic agricultural environment and uses the Peso as its functional currency and gains and losses on the translation of its financial statements into U.S. dollars are reflected in the cumulative translation account. While this will reduce 2002 income volatility, the profitability of ASP will depend on whether economic stability is established in time to allow for normal fertilizer application in the Fall growing season.

3.2.2.4 Discussions with Unocal

Agrium and Union Oil Company of California ("Unocal") have been in discussions with respect to several disputed matters arising from a purchase and sale agreement entered into between Agrium and Unocal in September 2000 in respect of the Unocal Fertilizer Assets, including Unocal's gas supply and deliverability obligations to the Kenai facilities under the reserves dedicated natural gas supply contract, and payment calculations of the Earn-out and certain environmental matters. To facilitate these negotiations, the parties entered into an agreement pursuant to which they agreed not to commence litigation with respect to matters in dispute until after June 10, 2002. If the disputed matters are not resolved by that date, this agreement may be extended or litigation may be commenced.

Unocal's natural gas supply obligations to Agrium at Kenai were intended to be fulfilled from a number of sources, including Unocal's proven and probable reserves dedicated under the gas supply contract, as well as anticipated reserve growth. Unocal advised Agrium that it experienced downward revisions in its reserves, which also reduced its reserve growth estimates. Unocal informed Agrium that Unocal's most recent reserve estimates indicate that Unocal may be able to supply approximately 80% of the Kenai facilities' gas requirements in 2004 declining to approximately 50% of its requirements in 2006. These estimates do not include possible gas reserves that may arise from exploration and development of other gas resources pursuant to the Kenai gas contract. Agrium commenced an audit of Unocal's most recent reserve estimates in April 2002.

Agrium and Unocal are in discussions with respect to this possible shortfall in dedicated reserves. Unocal has other possible reserves in the area that are not dedicated under the gas contract that could supply the Kenai facilities. In addition, Agrium is in discussions with other gas producers in the Cook Inlet area of Alaska to supply a portion of Agrium's gas requirements at the Kenai facilities. While Agrium believes that gas supply arrangements with other entities in the area can provide a more secure and diversified gas supply at acceptable prices, no assurance can be given that such arrangements can be implemented. See "Risk Factors - Dependence on Natural Gas".

Agrium and Unocal are in disagreement on the application of the reference commodity price adjuster in the calculation of the Earn-out payment. Agrium has accrued for the Earn-out in its December 31, 2001 financial statements based upon its interpretation of the calculation thereof. Agrium has also set off this amount against other amounts owing to Agrium by Unocal including environmental payments and other claims under the purchase and sale agreement and the gas supply contract.

3.2.2.5 Insurance

Insurance markets have been adversely affected by the September 11, 2001 attacks. The Corporation has renewed its property insurance program, which results in higher deductible amounts, higher premiums, reduced coverage and exclusions for losses resulting from terrorist acts. The Corporation believes that, given current market conditions, its renewed insurance will provide it with adequate coverage.

3.2.3 *Production Facilities*

Agrium produces fertilizer at the following plants and facilities. All facilities are owned by Agrium except that potash and phosphate reserves are located, in part, on leased lands and the Profertil facility in which Agrium has a 50% share.

Production Plants		Product	Production Capacity	
			Gross [1]	Net [1]
			(tonnes per year)	
Nitrogen				
Canada	Redwater, Alberta	Ammonia	960,000	250,000
		Urea		720,000
		Ammonium Nitrate		215,000
		Ammonium Sulphate		300,000
		Nitrogen Solutions		180,000
	Carseland, Alberta	Ammonia	535,000	110,000
		Urea		750,000
	Joffre, Alberta	Ammonia		480,000
	Fort Saskatchewan, Alberta	Ammonia	465,000	220,000
		Urea		430,000
	Other Alberta Plants	Nitrogen Solutions		120,000
United States	Kenai, Alaska	Ammonia	1,250,000	670,000
		Urea		1,000,000
	Borger, Texas	Ammonia[2]	490,000	343,000
		Urea		99,000
	Beatrice, Nebraska	Ammonium Nitrate		190,000
	Kennewick, Washington	Ammonium Nitrate		225,000
		Nitrogen Solutions and Other Products		320,000
	West Sacramento, California	Nitrogen Solutions and Other Products		185,000
Argentina	Profertil, Bahia Blanca [3]	Ammonia	355,000	35,000
		Urea		550,000
Total				7,392,000
Phosphate				
Canada	Redwater, Alberta	Mono-Ammonium Phosphate(P_2O_5 Equivalent)[4]		345,000
United States	Conda, Idaho	Phosphates (P_2O_5 Equivalent)		366,000
Total P_2O_5 Equivalent				711,000
Potash				
Canada	Vanscoy, Saskatchewan	Potash (KCL)		1,790,000

(1) "Gross" means total plant ammonia production capacity. "Net" means gross production capacity less ammonia used in upgrading to other products.
(2) The net ammonia production capacity for Borger is based on the assumption that the Beatrice ammonium nitrate plant operates at full capacity using ammonia from the Borger plant.
(3) Production capacity shown represents Agrium's 50% share only.
(4) 680,000 tonnes per year of MAP.

3.2.4 Production Volumes

		Years ended December 31				
		2001	2000	1999	1998	1997
		(thousands of tonnes except grade)				
Nitrogen	Ammonia					
	Redwater I	67	168	167	221	238
	Redwater II	654	603	660	663	698
	Carseland	420	501	462	520	513
	Joffre	324	444	412	350	380
	Fort Saskatchewan	286	462	457	360	453
	Kenai [1]	1,178	210	-	-	-
	Borger	333	465	490	454	441
	Total	3,262	2,853	2,648	2,568	2,723
	Used in urea and nitrate production [2]	(1,593)	(1,383)	(1,387)	(1,452)	(1,412)
	Net available for sale	1,669	1,470	1,261	1,116	1,311
	Urea					
	Redwater	580	603	619	648	710
	Carseland	528	738	673	763	709
	Fort Saskatchewan	173	433	430	325	381
	Kenai [1]	878	119	-	-	-
	Borger	87	100	99	95	92
	Total	2,246	1,993	1,821	1,831	1,892
	Ammonium Nitrate					
	Redwater	140	125	133	126	210
	Homestead	135	114	142	161	161
	Kennewick [1]	736	285	-	-	-
	West Sacramento [1]	101	27	-	-	-
	Total	1,112	551	275	287	371
	Nitrogen Solutions and Other Products					
	Redwater	88	125	131	140	147
	Standard & Granum	41	87	65	77	-
	Kennewick [1]	179	59	-	-	-
	West Sacramento [1]	147	49	-	-	-
	Total	455	320	196	217	147
	Total Nitrogen	5,482	4,334	3,553	3,451	3,721
Ammonium Sulphate and other	Redwater	286	270	299	245	247

Phosphate	Redwater					
	MAP[3]	531	493	534	702	690
	Conda					
	SPA[4]	111	95	133	143	131
	MGA[4]	8	6	9	8	8
	MAP[3]	179	222	252	215	198
	APS (16-20-0)[3]	61	47	58	56	73
	DAP[3]	-	14	30	26	26
	Total Phosphate	890	877	1,016	1,150	1,126
Potash	Premium	1,058	1,045	1,049	1,231	1,155
	Standard	362	471	438	350	327
	Total Potash	1,420	1,516	1,487	1,581	1,482

(1) Includes production from date of acquisition (October 1, 2000) only. West Sacramento includes the Fresno nitrate facility.
(2) Ammonia is a feedstock for urea, ammonium sulphate and ammonium nitrate production.
(3) Cargo weight.
(4) P_2O_5 equivalent.

3.2.5 Raw Materials

Natural gas is the primary raw material used in the production of nitrogen-based fertilizer and accounts for the majority of cost in the production of ammonia. Total annual natural gas consumption by Agrium's North and South American fertilizer operations is approximately 149 billion cubic feet. The ammonia operations are well located with respect to gas supplies and deliverability.

Agrium's natural gas requirements for its nitrogen facilities in Kenai Alaska and the Profertil facility in Argentina are supplied under, fixed base-price contracts subject to adjustments. The Kenai gas contract is a reserve-based contract which is subject to risks relating to exploration, development and production of the reserves. (see ***3.2.2.4 Discussions with Unocal***) The remainder of Agrium's natural gas requirements are purchased from a number of suppliers under contracts that contain mostly one year terms, with some longer term contracts in place with its major suppliers. Natural gas prices under these contracts are generally market indexed with hedging employed to reduce the impact of the volatility of gas prices. Small amounts of spot market gas are used to meet peak requirements. At Joffre, Alberta, hydrogen and nitrogen feedstocks, which are by-products recovered from nearby petrochemical plants, are purchased under cost-based supply agreements that expire in 2015.

Phosphate rock, sulphuric acid, ammonia and sulphur are the principal raw materials and account for the major cost elements in the manufacture of phosphate.

The Kapuskasing phosphate rock mine and mill came on stream in 1999 and is expected to provide a long-term supply of the phosphate rock required by the Redwater plant resulting in significant raw material costs savings, relative to other sources of supply.

Phosphate rock for the Conda, Idaho plant is supplied by a nearby mine which was acquired by Agrium in late 1997. It is expected that this mine will continue to satisfy the plant's phosphate rock requirements for approximately 9 more years based on current capacity. In addition, Agrium currently has access to additional reserves of phosphate rock, which are located on lands leased primarily from federal and state governments under long-term leases.

3.2.6 Transportation, Storage and Distribution

A significant portion of delivered costs of fertilizer products to certain customers is attributable to transportation. Agrium has entered into various rail, pipeline and other transportation agreements to provide reliable and competitive transportation services. Agrium leases or owns a fleet of rail tank and hopper cars, some of which are specially designed to transport fertilizer products. This fleet is supplemented by railroad-supplied cars as needed to meet peak season transportation requirements. Agrium owns atmospheric and pressurized anhydrous ammonia storage facilities at locations in Western Canada, the Pacific Northwest, California, the Midwest Cornbelt and the Great Plains regions of the United States. These facilities, when combined with Agrium's the dry storage capacity throughout its market areas and at its production facilities, provide a network of field and production site storage capacity sufficient to meets its requirements.

3.2.7 North America Wholesale ("NAW") Sales

Agrium sells fertilizers from its NAW operations in North America and internationally. North American regions include Western Canada, the Midwestern United States and the Western United States, and international sales include China and Korea. Agrium has an extensive distribution network throughout North America. In 2001, approximately 33% of Agrium's potash production was sold outside North America through Canpotex.

Canpotex serves as the unified marketing operation for potash production outside of Canada and the United States for all Saskatchewan potash production. In 2001, Canpotex marketed approximately 4.9 million tonnes of potash estimated to be approximately 19% of world potash sales. In general, Canpotex sales are allocated among the three producers based on production capacity in Saskatchewan. In 2001, Agrium's potash sales through Canpotex were approximately $40 million or approximately 9% of Canpotex sales for the year. Agrium's current entitlement is 9% of Canpotex sales based on current sales and expected capacity of the other two members.

3.2.7.1 NAW Sales Volume

The following table summarizes Agrium's NAW sales volumes in tonnes for the periods indicated:

			Years ended December 31				
			2001	2000	1999	1998	1997
			(thousands of tonnes)				
Sales [1]	Nitrogen [2]	Canada	1,229	1,750	1,461	1,939	1,722
		United States	2,066	1,995	1,727	1,676	1,683
		Offshore [3]	1,355	481	291	37	225
		Total	4,650	4,226	3,479	3,652	3,630
	Phosphate [4]	Canada	506	620	673	693	758
		United States	364	289	410	369	371
		Offshore	-	-	-	-	6
		Total	870	909	1,083	1,062	1,135
	Potash (KCl)	Canada	112	118	153	255	161
		United States	775	824	783	814	908
		Offshore	470	556	497	435	415
		Total	1,357	1,498	1,433	1,504	1,484
	Sulphate and other	Canada	226	247	299	232	182
		United States	132	114	65	73	141
		Offshore	69	65	37	12	39
		Total	428	426	401	317	362
Total Sales			7,304	7,059	6,396	6,535	6,611

(1) Includes intercompany sales which are eliminated in Agrium's consolidated financial statements; includes both produced products as well as purchased from other producers for resale. Excludes all retail sales and South America Sales.
(2) Includes nitrogen solutions stated on a cargo weight basis.
(3) Includes sales from the Kenai Alaska facility acquired October 1, 2000.
(4) P_2O_5 equivalent for SPA and MGA; cargo weight for the remaining phosphate products.
(5) In the above table, certain prior year data has been reclassified to conform with current presentation.

3.2.7.2 NAW Net Sales Revenue

The following table summarizes Agrium's NAW net sales revenues for the periods indicated:

	Years ended December 31 [1][2]				
	2001	2000	1999	1998	1997
	(millions of dollars)				
Nitrogen	$ 777	$ 637	$ 422	$ 501	$ 633
Phosphate	179	196	255	262	279
Potash	138	151	145	160	140
Other	66	61	65	70	72
Total	$ 1,160	$ 1,045	$ 887	$ 993	$ 1,124

(1) In the table, certain prior year financial data has been reclassified to conform with current presentation.
(2) Includes intercompany sales which are eliminated in the consolidated financial statements of Agrium. Figures exclude all retail and South American sales and are net of distribution costs.

3.2.8 North America Retail ("NAR") Sales and Service

Agrium conducts its retail sales and services operations in the United States through two wholly-owned subsidiaries, Crop Production Services Inc. ("CPS") and Western Farm Service Inc ("WFS"). These subsidiaries provide a full range of agricultural inputs including fertilizers, chemicals, seed, custom application and agronomic consulting through approximately 225 owned and operated farm centres throughout the U.S. agricultural areas in the northwest, northeast, midwest and California.

The following table summarizes Agrium's NAR net sales revenues for the periods indicated:

	Years ended December 31 [1]				
	2001	2000	1999	1998	1997
Fertilizers	$ 386	$ 352	$ 357	$ 377	$ 410
Chemicals	336	358	345	361	351
Other products and services	109	105	92	83	69
Total	$ 831	$ 815	$ 794	$ 821	$ 830

(1) In the table, certain prior year financial data has been reclassified to conform with current presentation.

3.2.9 South America Retail ("SAR")

Agrium conducts retail operations in Argentina through its wholly-owned subsidiary, Agroservicios Pampeanos S.A., which owns and operates approximately 18 centres. The following table summarizes Agrium's SAR net sales revenues for the periods indicated:

	Years ended December 31				
	2001	2000	1999	1998	1997
Fertilizers	$ 57	$ 47	$ 46	$ 33	$ 33
Other products and services	26	22	14	17	3
Total	$ 83	$ 69	$ 60	$ 50	$ 36

3.2.10 South America Wholesale (SAW)

Agrium conducts its SAW operations in South America through its 50% interest in Profertil S.A. Prior to September 30, 1999 wholesale activity consisted only of distribution of imported product and was conducted through a wholly owned subsidiary.

The following table summarizes SAW net revenues for the periods indicated.

	Years ended December 31 [1]				
	2001	2000	1999	1998	1997
Nitrogen	$ 68	$ -	$ -	$ -	$ -
Other products and services	3	12	34	-	-
Total	$ 71	$ 12	$ 34	$ -	$ -

(1) Effective September 30 1999, wholesales operations were sold to Profertil S.A in order to consolidate all wholesale activity under Profertil. For 2000 and 2001 net sales represents only Agrium's 50% share of Profertil.

3.3 Risk Factors

The following are certain risk factors relating to the business of the Corporation.

3.3.1 Seasonality and Volatility

The agricultural products business is seasonal and is based upon the planting, growing and harvesting cycles. Fertilizer inventories must be accumulated in the months prior to the spring and Fall planting seasons, requiring

significant storage capacity. Inventory accumulations are financed by short-term borrowings, which are retired with the proceeds of the sales of such inventory.

The agricultural products business can also be volatile as a result of a number of other factors, the most important of which are weather patterns and field conditions (particularly during periods of traditionally high fertilizer consumption), quantities of fertilizers imported to and exported from North America and projected grain inventories and prices, which are heavily influenced by North American exports and world-wide grain markets. Canadian and United States governmental policies may directly or indirectly influence the amount of crops planted and crop prices. For example, in the United States, the Federal Agriculture Improvement and Reform Act of 1996 put an end to acreage reduction and production control measures, allowing farmers more flexibility in planting. These factors, along with variables that are outside of Agrium's control, including the production capacity of competitors, can cause the price of fertilizers to fluctuate unpredictably.

3.3.2 Dependence on Natural Gas

Natural gas is the principal raw material used to produce nitrogen-based fertilizers. The cost of natural gas, including transportation and forward pricing activities, comprised approximately 80% of the total direct manufacturing costs associated with Agrium's production of nitrogen-based fertilizers in 2001. Agrium's natural gas requirements are purchased from a number of suppliers under contracts that contain mostly one year terms with some longer term contracts in place with its major suppliers. Natural gas prices under these contracts are fixed or market indexed with hedging employed to reduce the impact of volatility of gas price. There can be no assurance that increased manufacturing costs resulting from increased natural gas prices can be recovered in sale price increases to Agrium's customers. A significant increase in the price of natural gas that is not hedged and could not be recovered through an increase in nitrogen-based fertilizer prices could have a material adverse effect on Agrium.

With respect to Unocal's gas supply and deliverability obligations to Agrium's Kenai facilities, if Unocal is unable to supply natural gas to Agrium from the dedicated reserves under the natural gas supply contract between Agrium and Unocal, Agrium may have to purchase natural gas from other suppliers in the Cook Inlet area of Alaska to supply the facility. There can be no assurance that natural gas purchased from suppliers other than Unocal, or Unocal under a renegotiated natural gas supply agreement, would be available to Agrium at a price less than or equal to the price for natural gas under the current contract with Unocal. See "Recent Developments – Discussions with Unocal."

3.3.3 Competition

The market for Agrium's nitrogen, phosphate and potash fertilizers is highly competitive. Agrium's competitors include other large integrated fertilizer producers, cooperatives, divisions of agribusiness companies, regional distributors and independent dealers.

Nitrogen-based fertilizer is a global commodity, and customers, including end-users, dealers and other fertilizer producers and distributors, base their purchasing decisions principally on the delivered price and availability of the product. The relative cost of, and availability of transportation for, raw materials and finished products to manufacturing facilities are also important competitive factors. Agrium competes with a number of producers in North America and other countries, including state-owned and government-subsidized entities.

Competition in the phosphate and potash fertilizers market is based largely on price, reliability and deliverability. The relative cost and availability of mines and the efficiency of production facilities are also important competitive factors. Domestic competitors for phosphate and potash include a number of large producers. In addition, the production and trade of phosphate and potash have become increasingly global and a number of foreign competitors produce phosphate and potash primarily for the export market.

3.3.4 Environmental Regulation

Agrium is subject to numerous environmental laws and regulations in the United States, Canada and internationally that regulate certain activities and operations of Agrium and impose liability for the cleanup of environmental contamination. Applicable environmental legislation regulates health, safety, environment and land use. Permits, authorizations or licenses are generally required for the development and operation of facilities. Environmental legislation also provides for standards, restrictions and prohibitions on the handling of certain types of substances

and for releases, spills or emissions into the environment of substances. In addition, legislation may require an assessment of the environmental impact of a facility prior to the development of a facility and may also require that certain facility sites be abandoned and reclaimed to the satisfaction of regulatory authorities. A breach of such legislation may result in possible suspension or revocation of necessary licenses, permits or authorizations, civil liability and the imposition of fines and penalties. Agrium has incurred and will continue to incur capital expenditures and operating costs due to these laws and regulations. Agrium cannot predict the operational or financial impact of new or amended laws or regulations, in particular, increasingly stringent regulations that might restrict the use of fertilizers in the future.

Agrium is in the process of cleaning up historic contamination at various properties including mining operations of predecessor corporations. A liability reserve fund in the aggregate amount of approximately U.S.$90 million as of December 31, 2001 has been recorded to provide for estimated remedial and reclamation costs. Agrium believes that it has undertaken and continues to pursue all appropriate investigative and remedial actions at these sites and sets aside appropriate reserve funds to finance these cleanup activities. However, there can be no assurance that material costs or liabilities in excess of the liability reserve fund will not be incurred in connection with such cleanup activities or related proceedings, claims or compliance requests in the future for currently unknown environmental liabilities.

3.3.5 International Operations

Agrium's foreign operations and investments and any future international expansion by Agrium are subject to numerous risks, including fluctuations in foreign currency, exchange rates and controls, expropriation and other economic, political and regulatory policies of local governments. In particular, the Government of Argentina recently devalued the Argentina Peso and forced the conversion of all U.S. dollar bank deposits and U.S. dollar denominated contracts into Pesos. The Government also imposed restrictions on the ability of companies to transfer and retain cash outside of Argentina in excess of their debt obligations. Agrium's operations in Argentina have been negatively affected by both foreign exchange and expropriation losses.

The Corporation is examining adjustments to the business practices of Profertil and ASP, to the extent permitted by law, in an attempt to minimize the adverse effect of the new Argentine legislation. No assurance can be given that the Argentine Peso will not decline further against the U.S. dollar or that additional losses will not occur as a result of the existing or future legislation. As the Peso weakens additional losses relating primarily to long-term value added tax would be incurred in 2002. Economic and financial uncertainty could continue to have an adverse effect on Agrium's operations in Argentina.

3.3.6 Trade Regulation

Agrium is subject to the trade laws and policies of the United States and other countries in which it sells its products, including anti-dumping regulations. There have been a number of anti-dumping proceedings in the United States and Mexico to which various importers of fertilizer products, including Agrium, have been subject. None of the proceedings has resulted in an adverse determination against Agrium. While Agrium believes that its products are sold at fair prices, there can be no assurance that it will not be the subject of anti-dumping proceedings in the future. If Agrium is named in any such proceedings, any adverse determination could have a material adverse effect on its results of operations.

3.3.7 Damage to Facilities; Natural Hazards

Agrium's business is generally subject to a number of risks and hazards, including environmental hazards, industrial accidents, labor disputes, unusual or unexpected weather conditions, changes in the regulatory environment and natural phenomena such as floods and earthquakes. Such occurrences could result in significant interruption of operations, damage to, or destruction of production facilities, personal injury or death, environmental damage, delays in production, monetary losses and possible legal liability. Agrium maintains insurance against risks that are typical in the industry (including business interruption insurance), but such insurance may not provide adequate coverage in certain unforeseen circumstances. However, insurance against certain risks (including certain liabilities for environmental pollution, earthquakes and terrorist acts) is not generally available to companies within the industry and, if available, may not be available at acceptable premiums. Although Agrium maintains liability insurance in an amount which it considers adequate, liabilities might exceed policy limits or Agrium might elect not to insure itself

against such liabilities due to high premium costs or other reasons, in which event Agrium could incur significant costs that could have a material adverse effect upon results of operations.

3.4 Employees

As of December 31, 2001 Agrium employed 4,988 people – 3,298 in the United States 1,404 in Canada and 286 in Argentina. In total, 2,230 people are employed in NAW, 2,206 in NAR, 289 in South America and 263 in Corporate Administration.

Hourly employees at the following plants are represented by labor unions with the contract expiration date for each plant shown in parenthesis: Fort Saskatchewan, Alberta (March 31, 2002); Kenai, Alaska (April 1, 2005); Vanscoy, Saskatchewan (April 30, 2003); Beatrice, Nebraska (November 17, 2003). The Fort Saskatchewan agreement has been extended by mutual agreement and the parties are continuing to negotiate for a new agreement.

Management believes that its relations with both its unionized and non-unionized employees are good.

ITEM 4: SELECTED CONSOLIDATED FINANCIAL AND OPERATING INFORMATION

The selected financial information set forth below has been derived from, and should be read in conjunction with Agrium's consolidated financial statements.

	Year ended December 31 [1]				
	2001	2000	1999	1998	1997
	(millions of dollars except per share amounts)				
Operating Results:					
Net sales	$ 2,063	$ 1,873	$ 1,716	$ 1,805	$ 1,938
Net earnings (loss)	$ (45)	$ 82	$ 62	$ 119	$ 182
Basic earnings (loss) per share (in dollars)	$ (0.49)	$ 0.65	$ 0.47	$ 0.94	$ 1.41
Average outstanding basic common shares (in millions)	115	112	113	120	129
Diluted earnings (loss) per share (in dollars)[2]	$ (0.49)	$ 0.62	$ 0.46	$ 0.87	$ 1.40
Average outstanding diluted common shares (in millions)	115	132	133	136	129

	As at December 31[1] (millions of dollars)				
Consolidated Balance Sheet Data:	2001	2000	1999	1998	1997
Total assets	$ 2,374	$ 2,371	$ 1,959	$ 1,783	$ 1,661
Long-term debt	$ 762	$ 507	$ 497	$ 482	$ 483

(1) In the table, certain prior year financial data has been reclassified to conform with current presentation.

(2) In 2001, the Corporation retroactively adopted the Canadian Institute of Chartered Accountants section 3500 Earnings per share with restatement of all previous periods. This resulted in a change from fully diluted earnings per share to diluted earnings per share.

4.1 Dividends and Securities Charges

The Corporation's present intention is to pay regular dividends on its common shares. A semi-annual cash dividend of US$0.055 per share has been paid since January 1997. The declaration, amount and date of payment of dividends will be decided by the Board of Directors from time to time and will be subject to earnings and financial requirements, and other conditions prevailing at that time.

The Corporation has the option to defer payment of securities charges on its 8% and 6% junior subordinated debentures for up to 20 consecutive periods, subject to certain restrictions. Its present intention is to pay these securities charges when they are due and payable. Since issuing the subordinated debentures, all charges have been paid when due.

ITEM 5: MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of results for the 3-year period ended December 31, 2001 as included in Agrium's Annual Report for the year ended December 31, 2001 is hereby incorporated by reference.

ITEM 6: MARKET FOR SECURITIES

The Common Shares of the Corporation are listed for quotation and trading on the Toronto Stock Exchange and the New York Stock Exchange under the symbol: "AGU". The Corporation's $175 million principal amount of 8% junior subordinated debentures are listed on the New York Stock Exchange under the symbol: "AGU Pr".

ITEM 7: DIRECTORS AND OFFICERS

Information is given below with respect to each of the current Directors, including all current positions held with Agrium, present principal occupation and principal occupations during the last five years. The term of office of each Director expires at the end of the 2002 Annual Meeting.

Name and Municipality of Residence	Year first became Director of the Corporation	Present principal occupation or employment
Frank W. Proto, Chairman[2][4] Regina, Saskatchewan	1993	Retired President and Chief Executive Officer of Wascana Energy Inc. (a oil and gas exploration and production company).
Carroll G. Brunthaver[1][4] Memphis, Tennessee	1998*	Retired President, Sparks Companies, Inc. (agricultural research and consulting company).
Neil Carragher[1][2] Toronto, Ontario	1996	President, The Corporate Partnership Ltd. (a mergers and acquisitions company).
Ralph S. Cunningham [2][4] Montgomery, Texas	1996	Retired President and Chief Executive Officer of CITGO Petroleum Corporation.
D. Grant Devine[3][4] Regina, Saskatchewan	1993	Farm and Ranch Consultant and Former Premier of Saskatchewan.
Susan A. Henry Ithaca, New York	2001	Ronald P. Lynch Dean, College of Agriculture and Life Sciences and Professor, Cornell University.
Frank W. King[3][4] Calgary, Alberta	1996	President and Chief Executive Officer, Metropolitan Investment Corporation (a private venture capital and management company).
G. Woody MacLaren [1][2] London, England	1993	Chairman, Macluan Capital Corporation (private international investment company).
Harry G. Schaefer[1][3] Calgary, Alberta	1998	Retired Chairman of the Board of TransAlta Utilities Corporation and Crestar Energy Inc.
T. Don Stacy[2][3] Houston, Texas	1995	Retired Chairman and President of Amoco Eurasia Petroleum Company and President of Amoco Canada Petroleum Company.

Name and Municipality of Residence	Year first became Director of the Corporation	Present principal occupation or employment
Thomas M. Taylor[2][3] Fort Worth, Texas	1998	General Partner of TMT Partners LP (an investment consulting firm).
John M. Van Brunt Calgary, Alberta	1993	President and Chief Executive Officer, Agrium Inc.

(1) Member of the Audit Committee.
(2) Member of the Human Resources & Compensation Committee.
(3) Member of Corporate Governance & Nominating Committee.
(4) Member of the Environment, Health & Safety Committee.
* Dr. Brunthaver previously served as a director of Agrium from March, 1995 to December, 1996. Dr. Brunthaver will retire from the Board effective May 8, 2002.

All directors have held the office and principal occupation identified above for not less than five years except as follows: prior to December, 1997, Mr. Proto was President and Chief Executive Officer of Wascana Energy Inc. (a natural resource company); prior to August, 1997, Dr. Stacy was President of Amoco Eurasia Petroleum Company (a natural resource company); and prior to July 2000, Dr. Henry was Dean of Science at Carnegie Mellon University.

Officers

Name and Municipality of Residence	Position with the Corporation and Principal Occupation
Frank W. Proto, Regina, Saskatchewan	Chairman of the Board of Directors
John M. Van Brunt Calgary, Alberta	President and Chief Executive Officer
Garnet K. Amundson (1) Calgary, Alberta	Vice President and Controller
Dorothy E.A. Bower Calgary, Alberta	Vice President, Strategic Development and Planning
Patrick J. Freeman Calgary, Alberta	Vice President and Treasurer
Richard L. Gearheard Aurora, Colorado	Senior Vice President, North American Retail
James M. Grossett (2) Calgary, Alberta	Vice President, Human Resources
William C. McClung Calgary, Alberta	Vice President, Operations
Leslie A. O'Donoghue, Calgary, Alberta	Vice President, General Counsel and Corporate Secretary
Christopher W. Tworek Calgary, Alberta	Vice President, Supply Management
Robert J. Rennie Lethbridge, Alberta	Vice President, South America
Bruce G. Waterman Calgary, Alberta	Senior Vice President, Finance and Chief Financial Officer
Michael M. Wilson Bragg Creek, Alberta	Executive Vice President and Chief Operating Officer
John D. Yokley Calgary, Alberta	Senior Vice President, Marketing & Distribution

(1) Mr. Amundson joined the Corporation as Vice President and Controller as at April 22, 2002, replacing Mr. Ian C. Hornby-Smith who resigned from that position as an officer of the Corporation as at that date and who will be retiring from the Corporation in May, 2002.

(2) Mr. Grossett joined the Corporation as Vice President, Human Resources as at April 22, 2002 replacing Mr. Michael J. Klein who resigned from that position as an officer of the Corporation as at that date and who will be retiring from the Corporation in June, 2002.

All of the officers have held the office and principal occupation identified above or a substantially similar position for not less than five years with the exception of Mr. Proto who was President and Chief Executive Officer of Wascana Energy Inc. (a natural resource company) from January 1994 to December, 1997; Mr. Amundson, who prior to April, 2002 was Director, Finance Integration at Burlington Resources Canada Ltd. (a natural resource company), and prior to January, 2002 was Controller of Canadian Hunter Exploration Ltd. (a natural resource company); and prior to September, 2001 was Manager, International Accounting at Talisman Energy Inc. (a natural resource company), and prior to April, 2000 was Manager, Canadian Operations Accounting at Talisman Energy Inc.; Mr. Grossett, who prior to April, 2002 was Senior Vice President, Human Resources at Molson Inc. (a brewing and beverage company), and prior to April, 1999 was Senior Vice President, Human Resources of Coca-Cola Beverages Ltd.; Mr. McClung, who prior to September, 1999 was General Manager, Potash operations of Agrium; Ms. O'Donoghue who prior to October, 1999 was a partner at the law firm of Blake Cassels & Graydon; Mr. Tworek, who prior to July, 1999 was Vice President, Transportation and Logistics of Agrium; Dr. Rennie, who prior to October, 1998 was Vice President, New Products of Agrium; Mr. Waterman who prior to April, 2000 was Vice-President Finance and Chief Financial Officer of Talisman Energy Inc. (a natural resource company); Mr. Wilson who prior to August 2000 was Executive Vice President Methanex Corporation (a chemical company).; Mr. Yokley, who prior to July, 1999 was Vice President, Marketing of Agrium and prior to January, 1997 was Regional Manager, Great Plains Region of Agrium.

Directors and officers as a group beneficially own, directly or indirectly, or exercise control or direction over approximately 480,000 common shares or 0.4% of the common shares outstanding, as at April 30 , 2002.

ITEM 8: ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interest of insiders in material transactions, where applicable, is provided in Agrium's management proxy circular for its most recent annual meeting of shareholders that involved the election of directors, and additional financial information as provided in Agrium's consolidated financial statements for its most recently completed financial year.

The Corporation will provide to any person, upon request made to the Corporate Secretary of Agrium Inc., 13131 Lake Fraser Drive S.E., Calgary, Alberta, T2J 7E8:

(a) When securities of the Corporation are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed and respecting a distribution of its securities;

  (i) one copy of this annual information form, together with one copy of any document, or the pertinent pages of any document, incorporated by reference herein;

  (ii) one copy of the consolidated financial statements of the Corporation for its most recently completed financial year, together with the accompanying report of its auditor, and one copy of any interim financial statements of the Corporation subsequent to the financial statements for its most recently completed financial year;

  (iii) one copy of the management proxy circular of the Corporation with respect to its most recent annual meeting of shareholders that involved the election of directors; and

  (iv) one copy of any documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under items (i) to (iii) above; or

(b) at any time, one copy of any other documents referred to in items (a) (i), (ii) and (iii) above.

Glossary of Technical terms

CO_2 Carbon Dioxide.

GJ Gigajoule is a unit of energy approximately equal to 0.948 million BTU (British Thermal Units). Natural gas contains approximately 1.055 GJ per thousand cubic feet.

KCL Potassium chloride, the most common form of potash fertilizer.

K_2O K_2O is the industry standard reference for grades of potash fertilizer. Grades are normally expressed as % of equivalent K_2O.

P_2O_5 P_2O_5 is the industry standard reference for grades of phosphorus in phosphate fertilizers.

prill A dry form of ammonium nitrate and urea fertilizers formed by spraying and solidifying droplets of molten nitrate or urea in a stream of air.

ton 2,000 pounds. Also referred to as a "short ton".

tonne 2,205 pounds or 1,000 kilograms. Also referred to as a "metric tonne".