IC POTASH CORP

Q3

Condensed Consolidated Interim Financial Statements

for the nine months ended September 30, 2017

(Unaudited – Expressed in US dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

IC POTASH CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in US Dollars)

	September 30, 2017	December 31, 2016
ASSETS		
Current		
Cash	$ 322,928	$ 3,114,540
Investments (note 4)	40,064	-
Receivables	13,924	14,386
Prepaid expenses	125,679	104,631
	502,595	3,233,557
Property, plant and equipment (note 5)	1,197	19,775,768
Deposits	9,045	76,170
Investment in associate (note 3)	1	-
	$ 512,838	$ 23,085,495
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (note 6,13)	$ 166,265	$ 854,662
Decommissioning liabilities (note 8)	-	700,000
Employment liability (note 7)	354,567	521,338
Warrant liability (note 11)	12,314	569,152
	533,146	2,645,152
Non-current		
Convertible preferred shares - Series A (note 9)	-	12,693,478
Convertible preferred shares - Series B (note 9)	-	5,172,951
Decommissioning liabilities (note 8)	-	54,077
Secured notes (note 10)	-	2,530,821
	533,146	23,096,479
Shareholders' equity (deficiency)		
Share capital (note 9)	96,442,832	95,442,483
Reserves (note 9)	9,671,557	9,434,365
Currency translation adjustment reserve	(1,610,057)	(9,273,273)
Deficit	(104,524,640)	(95,614,559)
	(20,308)	(10,984)
	$ 512,838	$ 23,085,495

Nature of operations and going concern (note 1)
Investment in associate (note 3)
Commitments (note 15)
Subsequent event (note 20)

On behalf of the Board:

"Mehdi Azodi" **Director** *"John Stubbs"* **Director**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

IC POTASH CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in US Dollars)

	Three Month Period Ended September 30, 2017	Three Month Period Ended September 30, 2016	Nine Month Period Ended September 30, 2017	Nine Month Period Ended September 30, 2016
EXPENSES				
Administration (note 13)	$ 22,381	$ 59,527	$ 124,654	$ 172,230
Business and market development	58,445	79,945	379,946	87,965
Consulting fees (note 13)	25,143	121,150	166,966	340,250
Depreciation	207	8,221	5,138	24,660
Fundraising activities	109,355	17,183	361,640	169,863
Foreign exchange (gain) loss	(13,220)	938	(28,024)	55,628
Investor relations	22,548	64,589	189,846	77,584
Professional fees	143,905	51,416	271,091	127,781
Regulatory fees	8,944	9,674	49,389	42,994
Rent and storage	20,413	14,469	47,285	43,335
Royalties and property leases	-	3,000	-	260,139
Share-based compensation (note 11,13)	-	33,161	246,988	268,001
Travel	23,220	21,848	102,339	37,452
Wages and benefits (note 13)	135,451	224,467	508,672	779,280
Operating loss	(556,792)	(709,588)	(2,425,930)	(2,487,162)
Interest income	747	553	2,912	586
Unrealized investment gain (loss) (note 4)	(13,012)	-	-	-
Warrant Derivatives gain (loss) (note 11)	126,855	(498,272)	724,210	(547,938)
Finance costs (note 12)	-	(621,178)	(661,313)	(1,691,697)
Gain (loss) on deconsolidation of ICP(USA) (note 3)	-	-	1,113,256	-
Deconsolidation adjustment (note 3)	-	-	(7,663,216)	-
Loss on asset disposal	-	-	-	(226)
Loss for the period	(442,202)	(1,828,485)	(8,910,081)	(4,726,437)
Other Comprehensive Income				
Deconsolidation adjustment (note 3)	-	-	7,663,216	-
Comprehensive loss for the period	$ (442,202)	$ (1,828,485)	$ (1,246,865)	$ (4,726,437)
Basic and diluted loss per common share	$ (0.002)	$ (0.010)	$ (0.006)	$ (0.026)
Weighted average number of common shares outstanding basic and diluted	237,152,275	191,373,545	224,395,333	181,854,043

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

IC POTASH CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in US Dollars)

	Nine Month Period Ended September 30, 2017	Nine Month Period Ended September 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (8,910,081)	$ (4,726,437)
Items not affecting cash:		
Accretion	4,653	6,983
Broker warrants	-	-
Depreciation	5,138	24,660
Derivative (gain) loss	(724,210)	547,938
Loss on asset disposal	-	226
Interest expense on convertible preferred shares	564,935	1,423,434
Interest expense on secured notes	91,725	261,280
Share-based compensation	246,988	268,001
Gain on deconsolidation of ICP(USA)	(1,113,254)	-
Deconsolidation adjustment	7,663,216	-
Unrealized foreign exchange gain	(8,844)	(15,034)
Changes in non-cash working capital items:		
Increase in receivables	(9,929)	(5,182)
(Increase) decrease in prepaid expenses	(21,048)	4,374
Increase (decrease) in accounts payable and accrued liabilities	345,495	3,229
Decrease in employment liability	(166,771)	(291,292)
Net cash used in operating activities	(2,031,987)	(2,497,820)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment expenditures	(1,045,211)	(1,598,182)
Deposit	(9,045)	4,127
Investments	(37,566)	-
Cash removed on deconsolidation	(832,072)	-
Net cash used in investing activities	(1,923,894)	(1,594,055)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	1,139,776	648,002
Proceeds from warrants exercise	60,684	-
Common shares issuance costs	(37,994)	(47,632)
Proceeds from issuance of convertible debenture	-	2,500,000
Proceeds from issuance of secured notes	-	2,500,000
Secured notes issuance costs	-	(338,090)
Net cash provided by financing activities	1,162,466	5,262,280
Change in cash for the period	(2,793,415)	1,170,405
Effect of foreign exchange rate changes on cash	1,803	14,199
Cash, beginning of period	3,114,540	741,338
Cash, end of period	$ 322,928	$ 1,925,942

Supplemental disclosure with respect to cash flows (note 14)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

IC POTASH CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited - Expressed in US Dollars)

	Share Capital					
	Number of Shares	Amount	Reserves	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balances as at December 31, 2015	172,874,654	$94,044,519	$9,099,058	$ (9,273,273)	$ (49,204,702)	$44,665,602
Units issued for cash	18,498,891	648,002	-	-	-	648,002
Warrant liability	-	(246,198)	-	-	-	(246,198)
Share issuance costs	-	(61,308)	-	-	-	(61,308)
Share-based compensation	-	-	268,001	-	-	268,001
Grant of broker warrants	-	-	13,676	-	-	13,676
Loss and comprehensive loss	-	-	-	-	(4,726,437)	(4,726,437)
Balances as at September 30, 2016	191,373,545	94,385,015	9,380,735	(9,273,273)	(53,931,139)	40,561,338
Balance as at December 31, 2016	212,823,545	$95,442,483	$9,434,365	$ (9,273,273)	$ (95,614,559)	$ (10,984)
Units issued for cash	23,312,141	1,139,776	-	-	-	1,139,776
Warrant exercised	200,000	18,507	-	-	-	18,507
Warrant liability	-	(171,913)	-	-	-	(171,913)
Broker warrant exercised	816,589	51,973	-	-	-	51,973
Reserves broker warrants	-	-	(9,796)	-	-	(9,796)
Share issuance costs	-	(37,994)	-	-	-	(37,994)
Share-based compensation	-	-	246,988	-	-	246,988
Loss and comprehensive loss	-	-	-	7,663,216	(8,910,081)	(1,246,865)
Balances as at September 30, 2017	237,152,275	$96,442,832	$9,671,557	$ (1,610,057)	$(104,524,640)	$ (20,308)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

IC Potash Corp. ("IC Potash" or the "Company") was incorporated under the Canada Business Corporations Act on November 8, 2002. The Company's registered office is 82 Richmond Street East, Toronto, ON M5C 1P1. The Condensed Consolidated Interim Financial Statements ("Interim Financial Statements") are comprised of the Company and its subsidiaries. To date, the Company has not earned operating revenue.

The Company's continuation as a going concern is dependent on cash flow from its investments, and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. There can be no assurances that management's plans for the Company will be successful. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These Interim Financial Statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than in the normal course of business and at amounts different from those reflected in these Interim Financial Statements.

The Company is currently exploring alternatives to obtain financing. Such alternatives may involve debt, equity or alternative financing structures and may occur at the public company or subsidiary level.

2. SIGNIFICANT ACCOUNTING POLICIES

a) **Statement of compliance:**

These Interim Financial Statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Interim Financial Statements were authorized by the audit committee and board of directors of the Company on November 2, 2017.

b) **Basis of presentation:**

These Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these Interim Financial Statements are in accordance with IFRS and have not been audited nor reviewed by the auditor.

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These Interim Financial Statements do not include all of the information required for annual financial statements.

The significant accounting policies for the interim period are consistent with those disclosed in the audited annual financial statements for the year-ended December 31, 2016. These Interim Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the year-ended December 31, 2016.

c) **Financial Instruments**

Investments in common shares of public companies are treated as Held For Trading ("HFT") and valued at Fair Value Through Profit and Loss ("FVTPL") and measured at fair value based on published market prices with unrealized gains and losses recognized through profit or loss.

(Unaudited - Expressed in US Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

c) **Financial Instruments** (cont'd…)

Common shares of private companies are treated as Available For Sale ("AFS"). The Company has investments in unlisted shares that are not traded in an active market, do not have regular operating cash flows, and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period, with losses recognized in other comprehensive income and loss, except for losses in value that are considered other than temporary which are recognized in profit or loss.

d) **New standards, amendments and interpretations:**

Effective January 1, 2018

IFRS 9 - Financial Instruments: Classification and Measurement. IFRS 9 is a new standard that will replace IAS 39. The IASB has tentatively decided to require an entity to apply IFRS 9 for annual periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 introduces new requirements for the classification and measurement of financial instruments as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value and a debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows in the form of principal and interest otherwise it is at fair value through profit or loss ("FVTPL"). Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2018, and has not yet considered the potential impact of the adoption of IFRS 9.

IFRS 15 - Revenue from Contracts with Customers. IFRS 15 establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2018, and has not yet considered the potential impact of the adoption of IFRS 15.

Effective January 1, 2019

IFRS 16 – Leases. IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2019, and has not yet considered the potential impact of the adoption of IFRS 16.

e) **Basis of consolidation:**

The Interim Financial Statements of the Company include the following subsidiaries:

Name of subsidiary	Place of incorporation	Percentage ownership
Intercontinental Potash Corp.	*Canada*	100%
Trigon Exploration Utah Inc.	*USA*	100%
ICP Organics Corp.	*Canada*	100%

The Company consolidates the subsidiaries on the basis that it controls these subsidiaries when the Company possesses power over an investee, has exposure to variable returns from the investee, and has the ability to use its power over the investee to affect its returns. The Company deconsolidated the operations of Intercontinental Potash Corp. (USA) ("ICP(USA)") in quarter 1 of 2017 (note 3). All intercompany transactions and balances are eliminated on consolidation.

(Unaudited - Expressed in US Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

f) **Significant accounting estimates and judgments:**

The preparation of these Interim Financial Statements require management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates. Estimates are reviewed on an on-going basis. Revisions to estimates are recognized in the period in which they are revised and in future periods affected. The most significant estimates relate to investments, warrants, and share-based compensation.

3. INVESTMENT IN ASSOCIATE

On March 16, 2017, the Company determined it no longer has the power to govern the financial and operating policies of its subsidiary ICP(USA). As a result, the Company ceased to consolidate the assets, liabilities and results of operations of ICP(USA) on that date and began recognizing its investment retained in ICP(USA) as an investment in an associated company accounted for under the equity method. The net assets and liabilities that are deconsolidated on loss of control of ICP(USA), based on March 16, 2017 balances, are:

Current assets	$	842,462
Non-current assets		20,890,813
Current liabilities		(1,733,891)
Non-current liabilities		(21,112,639)
Net liabilities of former subsidiary		(1,113,255)
Investment in associate		1
Gain on deconsolidation	$	1,113,256

In addition to the above gain on deconsolidation, the Company is required, under IFRS 10, to account for amounts recognized in accumulated other comprehensive loss in relation to the subsidiary. The Company reclassified $7,663,216 (Dec 31, 2016 - $nil) from accumulated other comprehensive income relates to the cumulative translation amount and recorded a loss through profit or loss.

As at September 30, 2017, the associated company's aggregate assets, aggregate liabilities and net losses from the period of loss of control are as follow:

	ICP(USA)
Current assets	357,379
Non-current assets	22,341,995
Current liabilities	(1,146,134)
Non-current liabilities	(23,536,776)
Net loss for period after deconsolidation	(2,632,699)
The Company's ownshership percentage	81.4%
The Company's share of loss for the period	$ Nil

As at September 30, 2017, the Company's investment in ICP(USA) was $1. The Company's unrecognized equity loss of $1,401,143 included an unrecognized share of the losses of ICP(USA) since deconsolidation totaling $2,186,109 less a dilution gain of $784,966. The dilution gain arose from ICP(USA) issuing additional shares and accordingly decreasing the Company's ownership interest from 93.4% to 81.4%. The Company has a minority position on the board of its associated company ICP(USA) and does not control operation decisions. The Company's judgment is that it has significant influence, but not control and therefore equity accounting is appropriate.

(Unaudited - Expressed in US Dollars)

4. INVESTMENTS

The Company made an investment in a private company and purchased units of a Canadian publicly traded company that included common shares listed on TSX Venture Exchange (TSX-V) and warrants, for a total cost of $37,566 (CAD$50,000).

As at September 30, 2017, value of the investments was $40,064. During the nine-month period ended September 30, 2017, the Company recorded unrealized investment gain of $nil and foreign currency adjustment of $2,498.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

Cost		Development Project - Ochoa Property		Furniture and fixtures		Computer equipment		Other equipment		Vehicles		Total
As at December 31, 2015	$	56,122,518	$	6,841	$	110,871	$	32,190	$	103,394	$	56,375,814
Additions		4,036,729		-		1,954		-		-		4,038,683
Disposals		-		-		(7,381)		-		-		(7,381)
As at December 31, 2016		60,159,247		6,841		105,444		32,190		103,394		60,407,116
Additions		1,038,906		-		6,304		-		-		1,045,210
Deconsolidation (note 3)		(61,198,153)		(6,841)		(108,033)		(32,190)		(103,394)		(61,448,611)
As at September 30, 2017	$	0	$	0	$	3,715	$	0	$	0	$	3,715
Depreciation and impairment												
As at December 31, 2015	$	-	$	2,808	$	72,621	$	22,169	$	81,151	$	178,749
Additions		-		1,585		19,770		2,833		9,133		33,321
Disposals		-		-		(6,969)		-		-		(6,969)
Impairment		40,426,247		-		-		-		-		40,426,247
As at December 31, 2016		40,426,247		4,393		85,422		25,002		90,284		40,631,348
Additions		-		264		3,069		473		1,332		5,138
Deconsolidation (note 3)		(40,426,247)		(4,657)		(85,973)		(25,475)		(91,616)		(40,633,968)
As at September 30, 2017	$	-	$	-	$	2,518	$	-	$	-	$	2,518
Net book value:												
As at December 31, 2016	$	19,733,000	$	2,448	$	20,022	$	7,188	$	13,110	$	19,775,768
As at September 30, 2017	$	0	$	0	$	1,197	$	0	$	0	$	1,197

(Unaudited - Expressed in US Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2017		December 31, 2016	
Trade payables	$	84,117	$	395,366
Accrued liabilities		76,041		442,650
Other		6,107		16,646
Total	$	166,265	$	854,662

7. EMPLOYMENT LIABILITY

In July 2015, the Company signed a Termination and Settlement Agreement that included a severance payment to be paid to the former President and Chief Executive Officer:

The full amount of the severance of $1,603,910 (CAD$2,100,000) was expensed during the year ended December 31, 2015 (note 13). As at September 30, 2017, the balance of employment liability is $354,567 (2016 - $648,014) (CAD$442,500; 2016 - CAD$850,000).

8. DECOMMISSIONING LIABILITIES

	September 30, 2017		December 31, 2016	
Current reclamation liability				
Balance beginning of year	$	700,000	$	-
Change in estimate		-		700,000
Deconsolidation (note 3)		(700,000)		-
Balance for current liability		-		700,000
Long-term reclamation obligation				
Balance beginning of year		54,077		186,207
Change in estimate		-		(134,705)
Accretion expense		4,653		2,575
Deconsolidation (note 3)		(58,730)		-
Balance for long-term liability		-		54,077
Balance end of the period for decomissioning liability	$	-	$	754,077

9. SHARE CAPITAL AND RESERVES

Common shares

Authorized: The Company is authorized to issue an unlimited number of common shares without par value.

Refer to the Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency) for a summary of changes in share capital and reserves for the period ended September 30, 2017. Reserves relate to stock options and warrants that have been issued by the Company (note 11).

9. SHARE CAPITAL AND RESERVES (cont'd…)

During the nine-month period ended September 30, 2017, the Company issued the following common shares:

- On January 24, 2017, the Company issued 200,000 shares at CAD$0.08 for gross proceeds of CAD$16,000 pursuant to the exercise of warrants (note 11).
- On March 1, 2017, the Company issued 6,573,333 units pursuant to a non-brokered offering at CAD$0.105 per unit for gross proceeds of CAD$690,200. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company for CAD$0.16 per share until March 1, 2018, provided that if, at any time after the date which is four months and one day following the closing date, the volume weighted average price of the common shares is equal to or exceeds CAD$0.21 for 18 consecutive trading days, the Company may accelerate the expiry date of the warrants, in which event the warrants will expire upon the date (the "Accelerated Expiry Date") which is 30 days following of a press release by the Company announcing the Accelerated Expiry Date. The Company paid finder's fees to certain qualified eligible persons assisting the Company in the offering in the aggregate amount of CAD$504.
- On April 5, 2017, the Company issued 31,500 shares at CAD$0.065 for gross proceeds of CAD$2,048 pursuant to the exercise of broker warrants (note 11).
- On May 3, 2017, the Company issued 785,089 shares at CAD$0.065 for gross proceeds of CAD$51,031 pursuant to the exercise of broker warrants (note 11).
- On June 27 and June 28, 2017, the Company issued an aggregate of 16,738,808 units pursuant to a non-brokered offering at CAD$0.05 per unit for gross proceeds of CAD$836,940. Each unit consists of one common share of the Company and one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company for CAD$0.08 per share until June 28, 2018, provided that if, at any time after the date which is four months and one day following the closing date, the volume weighted average price of the common shares is equal to or exceeds CAD$0.18 for 20 consecutive trading days, the Company may accelerate the expiry date of the warrants, in which event the warrants will expire upon the date (the "Accelerated Expiry Date") which is 30 days following of a press release by the Company announcing the Accelerated Expiry Date. The Company paid finder's fees to certain qualified eligible persons assisting the Company in the offering in the aggregate amount of CAD$14,000 and issued 280,000 broker warrants entitling the broker to acquire one Common Share for a period of 12 months at an exercise price equal to CAD$0.06.

During the nine-month period ended September 30, 2016 the Company issued the following common shares:

- On May 20, 2016, the Company issued 18,498,891 units pursuant to a non-brokered offering, made of 17,998,891 units at CAD$0.045 and 500,000 units at CAD$0.05 per unit (issued to a Director of the Company) for gross proceeds of CAD$834,950. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company for CAD$0.08 per share until May 20, 2017, provided that if, at any time after the date which is four months and one day following the Closing Date, the volume weighted average price of the common shares is equal to or exceeds CAD$0.18 for 20 consecutive trading days, the Company may accelerate the expiry date of the warrants, in which event the warrants will expire upon the date (the "Accelerated Expiry Date") which is 30 days following of a press release by the Company announcing the Accelerated Expiry Date. The Company paid finder's fees to certain qualified eligible persons assisting the Company in the offering in the aggregate amount of CAD$38,496 (equal to 7% if the gross proceeds raised by such finders). The Company also issued an aggregate of 855,478 broker warrants to qualified eligible persons (equal to 7% of the aggregate number of units sold by such finders), each such broker warrant entitling the holder to acquire one common share for a period of 12 months at an exercise price equal to CAD$0.065.

(Unaudited - Expressed in US Dollars)

9. SHARE CAPITAL AND RESERVES (cont'd…)

Convertible preferred shares

Authorized: ICP(USA) is authorized to issue:

- 500,000 Series A Preferred Shares for $10,000,000
- 250,000 Series B Preferred Shares for $5,000,000
- 1,750,000 Series C Preferred Shares for $35,000,000

In 2016, ICP(USA) issued 250,000 convertible Series B Preferred Shares for gross proceed of $5,000,000 to Cartesian Capital Group, LLC ("Cartesian"). Under the terms of the Securities Purchase Agreement signed on February 29, 2016, Cartesian is entitled to appoint two members (non-majority) to the board of directors of ICP(USA). The Series B Preferred Shares bear a 12% dividend rate and mature on February 28, 2018, at which point they can be redeemed by the holder for the purchase price plus accrued dividends or converted into an additional non-diluted 21.1% interest of the common shares of ICP(USA).

On November 25, 2014, ICP(USA) issued 500,000 convertible Series A Preferred Shares at a purchase price of $10,000,000 to Cartesian. The Series A Preferred Shares accrue dividends at a rate of 12% per year and were to mature on November 25, 2016, at which time they can be redeemed by the holder for the purchase price plus accrued dividends or converted into a non-diluted 7.8% interest of the common shares of ICP(USA). The terms of the Series A Preferred Shares were amended in February 2016 to extend the maturity date of the Series A Preferred Shares from November 25, 2016 to February 28, 2018 and to increase the dividend rate from 12% to 15% effective on February 29, 2016.

Since the Preferred Shares contain a contractual obligation whereby ICP(USA) can be required to repay the Preferred Share proceeds, they were considered a financial liability. In addition, the conversion features were considered embedded derivatives.

The Series A Preferred Shares were accounted for using the effective interest rate method. The effective interest rate of the Series A Preferred Share debt was 19% (2016 - 19%).

The Series B Preferred Shares were accounted for using the effective interest rate method. The effective interest rate of the Series B Preferred Share debt was 12% (2016 – 12%).

Upon initial recognition, the fair value of the embedded derivatives were determined to be immaterial using the Black-Scholes pricing model. The embedded derivatives are revalued at each reporting period. Due to the deconsolidation of ICP(USA) (note 3) the Company no longer has embedded derivatives associated with preferred shares. At December 31, 2016, the embedded derivatives were determined to be immaterial using the following Black-Scholes pricing model weighted average assumptions:

	December 31, 2016
Share price	$0.06
Exercise price	$0.33
Risk-free interest rate	0.85%
Expected life	1.16 years
Expected volatility	105.48%

(Unaudited - Expressed in US Dollars)

9. SHARE CAPITAL AND RESERVES (cont'd…)

Convertible preferred shares (cont'd…)

The embedded derivatives were a level three financial liability.

	Series A	Series B	Total
Balance as at December 31, 2015	$ 10,718,590	$ -	$ 10,718,590
Amount at date of issue	-	5,000,000	$ 5,000,000
Amortization of issuance costs	321,795	-	321,795
Accrued dividends payable	1,653,093	172,951	1,826,044
Balance as at December 31, 2016	12,693,478	5,172,951	17,866,429
Amortization of issuance costs	51,774	-	51,774
Accrued dividends payable	389,873	123,288	513,161
Deconsolidation on March 16, 2017 (note 3)	(13,135,125)	(5,296,239)	(18,431,364)
Balance as at September 30, 2017	$ -	$ -	$ -

10. SECURED NOTES

Pursuant to the terms of the Securities Purchase Agreement signed on February 29, 2016 (the "SPA") between ICP(USA), Cartesian, and two entities controlled by Cartesian, Cartesian agreed to make an aggregate investment of up to $45 million in ICP(USA). In 2016, Cartesian financed $5 million in new convertible Series B Preferred Shares of ICP(USA) (note 9) and $2.5 million in senior Secured Notes issued by ICP(USA). The SPA expired during 2016.

Under the terms of the SPA, ICP(USA) completed a draw of $2.5 million in 2016 through the issuance of Secured Notes. The Secured Notes bear interest at 11% per annum and have an effective interest rate of 19%.

The Secured Notes are secured by a first priority security interest in all of the assets of ICP(USA), including ICP(USA)'s interest and rights in the Ochoa Project.

Cartesian has certain protective provisions and contractual rights to, among other things, appoint 2 of the 5 directors of ICP(USA) and co-approve a third board member, participate in future financings on an anti-dilutive basis, and approve certain subsequent debt and equity financings and certain other activities of ICP(USA).

The outstanding principal balance of the Secured Notes, together with any accrued and unpaid interest and all other unpaid obligations, is due on February 28, 2018. All or any part of the outstanding balance of the Secured Notes may be prepaid at any time without penalty with prior written notice. Upon the occurrence of certain standard events of "default", all amounts then remaining unpaid on the Secured Notes may be declared to be immediately due and payable.

(Unaudited - Expressed in US Dollars)

10. SECURED NOTES (cont'd…)

Balance as at December 31, 2015	$	-
Secured notes		2,500,000
Issuance costs		(342,786)
Amortization of issuance costs		143,689
Accrued interest		229,918
Balance as at December 31, 2016		2,530,821
Amortization of issuance costs		35,218
Accrued interest		56,507
Deconsolidation on March 16, 2017 (note 3)		(2,622,546)
Balance as at September 30, 2017	$	-

11. STOCK OPTIONS AND WARRANTS

Stock options

The Company has an incentive stock option plan (the "Plan") whereby the Company may grant stock options to eligible employees, officers, directors and consultants at an exercise price to be determined by the board of directors, provided the exercise price is not lower than the market value at time of issue less any discount allowed by the stock exchange upon which the common shares are listed. The Plan provides for the issuance of up to 10% of the Company's issued common shares as at the date of grant with each stock option having a maximum term of ten years. The board of directors has the exclusive power over the granting of options and their vesting and cancellation provisions.

As at September 30, 2017, the Company had stock options outstanding, enabling the holders to acquire the following number of common shares:

Number of Options	Exercise Price (CAD)	Average Contractual Life Remaining (years)	Expiry Date
100,000	$ 0.08	0.28	January 12, 2018
250,000	0.08	1.78	July 12, 2019
250,000	0.12	2.12	November 14, 2019
500,000	0.10	2.15	November 24, 2019
2,150,000	0.10	2.38	February 14, 2020
200,000	0.10	2.42	March 1, 2020
9,650,000	0.08	3.68	June 6, 2021
300,000	0.08	3.78	July 12, 2021
200,000	0.09	3.93	September 2, 2021
3,900,000	0.10	4.38	February 14, 2022
17,500,000			

(Unaudited - Expressed in US Dollars)

11. STOCK OPTIONS AND WARRANTS (cont'd…)

Stock options (cont'd…)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price (CAD)
Outstanding at December 31, 2015	7,389,245	$ 0.63
Cancelled/expired	(7,359,245)	0.63
Granted	11,750,000	0.08
Outstanding December 31, 2016	11,780,000	0.08
Cancelled/expired	(530,000)	0.12
Granted	6,250,000	0.10
Outstanding September 30, 2017	17,500,000	$ 0.09
Number of options exercisable at September 30, 2017	17,500,000	$ 0.09

During the nine-month period ended September 30, 2017 the Company granted 6,250,000 (2016 – 11,000,000) stock options to consultants, officers, employees and directors of the Company. All options vested at the grant date.

The fair value of the options granted, as determined by the Black-Scholes option pricing model, was $246,988 (2016 - $268,001) or $0.04 per option (2016 - $0.02).

Share-based compensation recognized during the period was $246,988 (2016 - $268,001).

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended September 30, 2017:

	Period ended September 30, 2017	Period ended September 30, 2016
Risk-free interest rate	1.07%	0.65%
Expected life of options	3.57 years	4.12 years
Annualized volatility	66.92%	62.02%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

(Unaudited - Expressed in US Dollars)

11. STOCK OPTIONS AND WARRANTS (cont'd...)

Warrants

As at September 30, 2017, the Company had warrants outstanding, enabling the holders to acquire the following number of common shares:

Number of Warrants	Exercise Price (CAD)	Average Contractual Life Remaining	Expiry Date	
13,298,891	$ 0.08	0.05 years	October 20, 2017	*
16,950,000	0.11	0.21 years	December 14, 2017	
3,286,666	0.16	0.42 years	March 1, 2018	
12,360,000	0.08	0.74 years	June 27, 2018	
4,378,808	0.08	0.74 years	June 28, 2018	
50,274,365				

* expired unexercised subsequent to September 30, 2017.

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price (CAD)
Outstanding as at December 31, 2015	10,000,000	$	0.35
Issued on May 20, 2016	18,498,891		0.08
Issued on December 14, 2016	16,950,000		0.11
Exercised	(4,500,000)		0.08
Expired	(240,000)		0.35
Amended exercise price (old price)	(9,760,000)		0.35
Amended exercise price (new price)	9,760,000		0.11
Outstanding as at December 31, 2016	40,708,891		0.10
Issued on March 1, 2017 (note 9)	3,286,666		0.16
Issued on June 27, 2017 (note 9)	12,360,000		0.08
Issued on June 28, 2017 (note 9)	4,378,808		0.08
Exercised	(200,000)		0.08
Expired	(10,260,000)		0.11
Amended expiry date (old date)	(13,298,891)		0.08
Amended expiry date (new date)	13,298,891		0.08
Outstanding September 30, 2017	50,274,365	$	0.10
Number of warrants exercisable as at September 30, 2017	50,274,365	$	0.10

The warrants are considered a derivative liability since the obligation to issue shares is not fixed in the Company's functional currency. The derivative warrant liability is measured at fair value at issue with subsequent changes recognized in the statement of loss and comprehensive loss. The estimated fair value is determined using the Black-Scholes model based on significant assumptions including volatility, dividend yield, risk-free interest rate and expected term.

(Unaudited - Expressed in US Dollars)

11. STOCK OPTIONS AND WARRANTS (cont'd...)

Warrants (cont'd...)

	Number of warrants	Warrant liability (USD)
Balance, January 1, 2016	10,000,000	$ 4,088
Warrants issued on May 20, 2016	18,498,891	246,198
Warrants issued on December 14, 2016	16,950,000	320,016
Exercised	(4,500,000)	(188,865)
Expired	(240,000)	-
Change in fair value	-	187,715
Balance, December 31, 2016	40,708,891	569,152
Warrants issued on March 1, 2017	3,286,666	54,918
Warrants issued on June 27, 2017	12,360,000	82,323
Warrants issued on June 28, 2017	4,378,808	36,473
Exercised	(200,000)	(6,342)
Expired	(10,260,000)	-
Change in fair value	-	(724,210)
Balance, September 30, 2017	50,274,365	$ 12,314

The following weighted average assumptions were used for the Black-Scholes valuation of the derivative warrant liabilities for the period ended September 30:

	September 30 2017	September 30 2016
Risk free rate	1.51%	0.51%
Expected term of liability	0.36 years	0.37 years
Annualized volatility	118.80%	103.32%
Dividend rate	0.00%	0.00%

Broker warrants

During nine-month period ended September 30, 2017, the Company issued 280,000 (2016 - 855,478) broker warrants entitling the holder to acquire one common share for a period of 12 months at an exercise price equal to CAD$0.06 (2016 - CAD$0.065).

As at September 30, 2017, the Company had broker warrants outstanding, enabling the holders to acquire the following number of common shares:

Number of Warrants	Exercise Price (CAD)	Average Contractual Life Remaining	Expiry Date
1,071,000	$ 0.11	0.21 years	December 14, 2017
280,000	$ 0.06	0.74 years	June 27, 2018
1,351,000		0.32 years	

(Unaudited - Expressed in US Dollars)

11. STOCK OPTIONS AND WARRANTS (cont'd...)

Broker warrants (cont'd...)

Broker warrants transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price (CAD)
Outstanding as at December 31, 2015	-	$ -
Issued May 20, 2016	855,478	0.065
Issued December 14, 2016	1,071,000	0.110
Outstanding as at December 31, 2016	1,926,478	$ 0.090
Issued June 27, 2017	280,000	0.060
Exercised	(816,589)	0.065
Expired	(38,889)	0.065
Outstanding as at September 30, 2017	1,351,000	$ 0.100

The fair value of the broker warrants granted, as determined by the Black-Scholes option pricing model, was $2,752 (2016 - $13,676) or $0.01 per broker warrant (2016 - $0.02)

The following weighted-average assumptions were used for the Black-Scholes valuation of broker warrants granted during the nine-month period ended September 30:

	September 30 2017	September 30 2016
Risk free rate	0.97%	0.62%
Expected life of broker warrants	1 years	1 years
Annualized volatility	81.78%	81.07%
Dividend rate	0.00%	0.00%

(Unaudited - Expressed in US Dollars)

12. FINANCE COSTS

During the period ended September 30, 2017, the Company incurred the following finance expenses:

	September 30 2017	September 30 2016
Amortization of issuance costs - preferred shares Series A (note 9) (*)	$ 51,774	$ 258,284
Accrued dividends payable on preferred shares Series A (note 9) (*)	389,873	1,100,218
Amortization of issuance costs - secured notes (note 10) (*)	35,218	100,488
Accrued interests on the secured notes (note 10) (*)	56,507	160,792
Accrued dividends payable on preferred shares Series B (note 9) (*)	123,288	64,932
Accretion on decommissioning liabilities (note 8) (*)	4,653	6,983
	$ 661,313	$ 1,691,697

(*) Expensed until date of deconsolidation (note 3)

13. RELATED PARTY TRANSACTIONS AND BALANCES

The accounts payable and accrued liabilities of the Company include the following amounts due to related parties:

	September 30, 2017	September 30, 2016
Key management personnel	$ 26,014	$ 20,274
	$ 26,014	$ 20,274

The prepaid account of the Company includes the following amounts due from related parties:

	September 30, 2017	September 30, 2016
Key management personnel	$ 39,554	$ nil
	$ 39,554	$ nil

(Unaudited - Expressed in US Dollars)

13. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel compensation (consisting of senior officers and directors of the Company):

	Nine months ended	
	September 30, 2017	September 30, 2016
Short-term benefits *	$ 274,863	$ 527,916
Consulting fees	87,500	-
Directors' fees **	52,585	64,938
Share-based compensation	171,626	238,529
Total remuneration	$ 586,574	$ 831,383

* Amounts are included within wages and benefits on the statement of loss and comprehensive loss.
** Amounts are included within administration on the statement of loss and comprehensive loss.

In July 2015, the Company signed a Termination Settlement Agreement, subsequently amended, with the former President and CEO of the Company, as described in Note 7.

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Supplemental disclosure with respect to cash flows	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Development project costs included in accounts payable	$ -	$ 698,111
Warrant liability issued in the period	$ 54,918	$ 246,198
Broker warrants issued as finders' fees	$ -	$ 13,676
Reversal of warrant liability upon exercise	$ 6,342	$ -

15. COMMITMENTS

The commitments of ICP(USA) are no longer reflected in the notes to these Financial Statements (note 3).

16. SEGMENTED INFORMATION

The property, plant and equipment of ICP(USA) is no longer recorded in the consolidated statements of financial position of the Company (note 3). The Company had one reportable business segment being the development of mineral property assets. Geographical information is as follows:

Property, plant, and equipment	Canada	USA	Total
December 31, 2016	$ 1,794	$ 19,773,974	$ 19,775,768
September 30, 2017	$ 1,197	$ -	$ 1,197

17. MANAGEMENT OF CAPITAL

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to pursue the development of its mineral property assets and to invest to earn a risk-appropriate return for shareholders. The Company does not have any externally imposed capital requirements to which it is subject. The capital of the Company consists of items in shareholders’ equity (deficiency). The Company had no bank indebtedness at September 30, 2017. The Board of Directors do not establish quantitative return on capital criteria for management, but rather rely on the expertise of the Company's management to sustain future development of the business.

The Company manages the capital structure and makes adjustments to it in light of changes in available funds, economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, borrow money, or dispose of assets to adjust the amount of cash.

The Company’s investment policy is to invest its excess cash in demand investment instruments in high credit quality financial institutions to provide liquidity over the expected time of expenditures from continuing operations. The Company may also invest some of its excess cash in the common shares of private and public companies.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

IFRS 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company’s financial instruments include cash, investments, receivables, accounts payable and accrued liabilities, employment liability and warrant liability.

Financial instruments

Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy. Investments in public companies are measured at level one while investments in private companies are measured at level three. The warrant liability and embedded derivative are categorized as level three. The carrying value of receivables, accounts payable and accrued liabilities and employment liability approximate fair value because of the short-term nature of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash is held at reputable financial institutions, from which management believes the risk of loss to be remote. Receivables consist primarily of amounts due from government agencies.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial instruments (cont'd...)

Liquidity risk

As at September 30, 2017, the Company had a cash balance of $322,928 to settle current liabilities of $533,146. The Company is subject to significant liquidity risk.

Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest some of excess cash in investment-grade highly liquid demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as cash deposits are payable on demand and the Company currently does not carry interest bearing debt at floating rates.

Foreign currency risk

The Company's functional currency is the US dollar; however, there are transactions in Canadian dollars. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility in these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. A 10% change in the foreign exchange rate would have had an approximate $20,000 impact on foreign exchange gain or loss.

Equity Price risk

The Company holds investments in private and public traded equity securities. Market prices for equity securities are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value.

19. LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended September 30, 2017, was based on the loss attributable to common shareholders of $1,246,865 (2016 – $4,726,437) and the weighted average number of common shares outstanding of 224,395,333 (2016 – 181,854,043). The diluted loss per share did not include the effect of share purchase options or warrants as they are anti-dilutive.

20. SUBSEQUENT EVENT

At the special shareholder meeting on October 12, 2017 (the "Meeting"), shareholders of the Company approved the special resolution authorizing the transfer all of its common shares of Intercontinental Potash Corp. (USA) ("ICP(USA)") back to ICP(USA) in return for up to USD$15 million in accordance with the terms and conditions of the Definitive Agreement as outlined in the Circular (the "Settlement"). All conditions of the Definitive Agreement were satisfied, and the Settlement was completed on October 16, 2017.

The proceeds of the sale will be composed of two cash payments of USD$1.4 million each (totaling USD$2.8 million). The first payment of USD$1.4 million was received by the Company on October 16, 2017. The second payment of USD$1.4 million will be received by January 8, 2018 and is guaranteed by Cartesian Capital Group, LLC. Two contingent royalty streams with a potential value of up to USD$12.2 million will run conjunctively. The initial royalty stream will be composed of a water royalty equal to 75 percent of proceeds from the sale of Ochoa water or water rights to a maximum value of USD$12.2 million. The second, should a shortfall exist in the water royalty, a NSR mining royalty would commence, equal to 1 percent of production.

20. SUBSEQUENT EVENT (cont'd...)

Company shareholders also approved resolutions to re-approve the Stock Option Plan of the Company, to ratify and approve the amendment to By-law no. 1 to permit uncertificated shares, and the special resolution approving the amendment of articles of incorporation of the Company to change the name of the Company from "IC Potash Corp." to such other name as the Board of Directors, in its sole discretion, deems appropriate.