FORM 2A

LISTING STATEMENT

BELGRAVIA CAPITAL INTERNATIONAL INC.

(the “Company” or “BLGV”)

Dated as at November 21, 2017

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1.0 GLOSSARY OF TERMS

Unless otherwise indicated, the following terms used in this Listing Statement and the Schedules hereto shall have the meanings ascribed to them as set forth below:

"**CBCA**" means the *Canada Business Corporations Act*, as amended, including all regulations promulgated thereunder;

"**Canadian Licensed Producer**" means an entity that has been licensed under applicable Canadian legislation to grow cannabis;

"**Cartesian**" means Cartesian Capital Group, LLC;

"**Company**" or "**BLGV**" means Belgravia Capital International Inc.;

"**Control Person**" means any Person or Company that holds or is one of a combination of Persons or Companies that holds a sufficient number of any of the securities of an Issuer so as to affect materially the control of that Issuer, or that holds more than 20% of the outstanding voting securities of an Issuer except where there is evidence showing that the holder of those securities does not materially affect the control of BLGV;

"**CSE**" means the Canadian Securities Exchange Inc.;

"**Definitive Agreement**" means the agreement dated September 11, 2017 governing the sale of the Company's interest in ICP(USA);

"**ICP Canada**" means Intercontinental Potash Corp.;

"**ICP Organics**" means ICP Organics Corp;

"**ICP(USA)**" means Intercontinental Potash Corp. (USA);

"**Listing Statement**" means this Listing Statement of the Corporation including the Appendices hereto;

"**Person**" means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;

"**Personal Information**" means any information about an identifiable individual;

Words importing the singular number only include the plural and vice versa, and words importing any gender include all genders.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This Listing Statement and the documents incorporated by reference herein contain or may contain certain statements or disclosures concerning BLGV that constitute forward-looking information under applicable securities laws. All statements and disclosures, other than those of historical fact, about possible events, conditions, results of operations, activities, events, outcomes, results or developments based on assumptions about future economic conditions and courses of action that BLGV anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should" or "believe". In particular, this Listing Statement, and the documents incorporated by reference, contain or may contain forward-looking information pertaining to the following:

- the timing of the listing of BLGV Shares on the CSE;
- the business strategy of the Company;
- the business to be carried on by the Company; and

The Company relies on certain key expectations and assumptions in making the forecasts, projections, predictions or estimations set out in forward-looking information. These factors and assumptions are based on information available at the time that the forward-looking information is provided. These include, but are not limited to, expectations and assumptions concerning:

- the availability of capital to fund planned investments, acquisitions and research and development operations;
- prevailing regulatory, tax and environmental laws and regulations;
- the ability to secure necessary personnel, equipment and services; and

Undue reliance should not be placed on forward-looking information because a number of risks and factors may cause actual results to differ materially from those set out in such forward-looking information. These include:

- volatility in market prices for organic products and other products in other segments where the Company expands its business;
- risks and liabilities inherent in operations involving organic products and marijuana;
- illiquidity of certain investments;
- lack of controlling interest in certain investments;
- competition for, among other things, capital and skilled personnel;
- incorrect assessments of the value of acquisitions and research programs;
- technical and processing problems;
- actions by governmental authorities, including increases in taxes;
- the availability of capital on acceptable terms;
- fluctuations in foreign exchange, currency, or interest rates and stock market volatility;
- failure to realize the anticipated benefits of investments and acquisitions;
- the other factors specifically identified as risk factors in this Listing Statement and the documents incorporated by reference herein; and
- global political and economic conditions.

Readers are cautioned that the foregoing list of factors should not be construed as exhaustive.

The forward-looking statements included in this Listing Statement expressly qualified by this cautionary statement and are made as of the date of this Listing Statement. BLGV undertakes no obligation to publicly update or revise any forward-looking statements, except as required by applicable securities laws.

2.0 CORPORATE STRUCTURE

2.1 Corporate Name

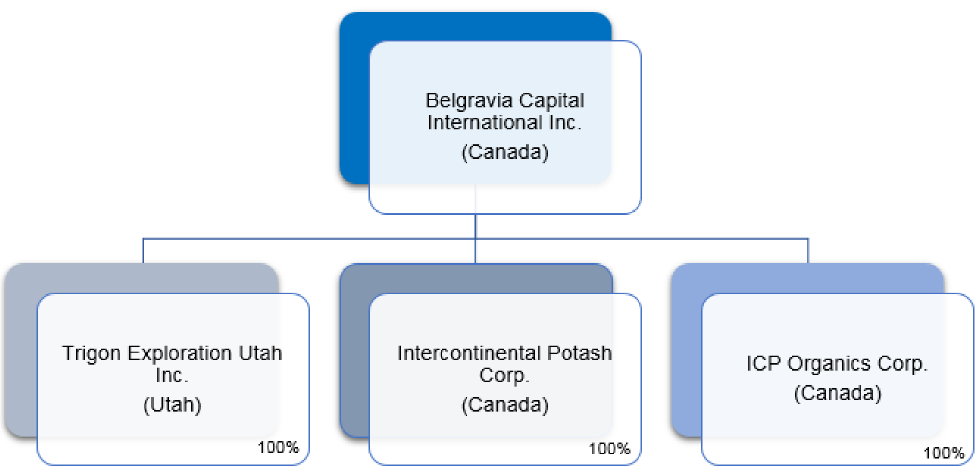
The full corporate name of the issuer is Belgravia Capital International Inc. (the "Company" or "BLGV"). The head office and registered office of BLGV are located at 82 Richmond Street East, Toronto, Ontario M5C 1P1.

2.2 Incorporation

The Company was incorporated under the *Canada Business Corporation Act* (the "CBCA") on November 8, 2002. The Company filed articles of amendment on December 4, 2009, changing its name from "Trigon Uranium Corp." to "IC Potash Corp." and effecting a four to one share consolidation. The Company filed articles of amendment on November 21, 2017 changing its name to Belgravia Capital International Inc.

2.3 Inter-corporate Relationships

The following chart illustrates the Company's intercorporate relationships and each of its subsidiaries. All subsidiaries are wholly-owned by the Company either directly or indirectly.



2.4 Fundamental Change

The Company is not requalifying for listing following a fundamental change.

2.5 Non-Corporate Issuer

This section is not applicable to the Company.

3.0 GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Business of the Company

Until October of 2017, the Company was focused on the development of a polyhalite mine and processing facility at its Ochoa property in Lea County, New Mexico (the "Ochoa Project"). With the completion of the sale Ochoa Project described in section 3.2 hereof, the Company will now focus on developing various opportunities initially in the organics fertilizer space but with the intention of expanding into other synergistic market sectors.

As the Company was seeking to expand its business opportunities in early 2017, it incorporated ICP Organics Corp. ("ICP Organics") as a new research and development subsidiary. BLGV has a multidisciplinary mandate through engineering and health sciences viewpoints and will conduct research on the impact of organic fertilizers on the yield and medicinal properties of cannabis to develop products that can be sold to cannabis growers. Its board has extensive experience in asset management and capital markets and engage in the mass crop fertilizer industry. The Company has expended approximately $135,000 to date to develop and create the business structure.

The Company has also made a $25,000 capital investment in a Canadian Licenced Producer building medical cannabis operations in Columbia focused on branding low-cost / high-quality pharmaceutical cannabis products. As the Company grows it plans to build a diversified portfolio in dispensary operations and commercial-scale cannabis cultivation, product formulation and pharmaceutical-grade testing.

The Company is also considering investment in various resource opportunities. Currently, BLGV is working with Cartesian to establish a water distribution business in the state of New Mexico that will enable the Company to realize on its Water Royalty described in section 3.2. Water is in great demand by the fracturing business of oil and gas companies in east New Mexico and West Texas. It is anticipated that water royalties will commence no later than the end of the first quarter of 2018.

BLGV will make investments in various sectors with the cash on hand in businesses that are not all tied to ICP Organics. This can include a wide variety of sectors and the Company has already made one investment in the natural resource sector which is Magna Terra Minerals. Magna Terra Minerals has an interest in mining projects based in Santa Cruz Province. The projects are located near the center of the Deseado Massif, a vast 70,000 km sq. volcanic plateau known for its precious metals, and host to four producing gold-silver (Au/Ag) mines and numerous exploration projects. Projects are at early stages of exploration with no mineral resources defined.

The Company will continue to investigate new opportunities that have the potential to enhance both short term and long term cash position. BLGV expects to receive a significant cash injection from the water royalty and will seek other avenues to develop the capital given macro market conditions and the needs of various potential investments. BLGV may also make small investments in various private and public companies from time to time.

3.2 Significant Disposition

Prior to late 2014, the Company owned all of the issued and outstanding securities of Intercontinental Potash Corp. (USA) ("ICP(USA)") indirectly through Intercontinental Potash Corp. ("ICP Canada") and ICP(USA) owned a 100% interest in the Ochoa Project. For a description of the Ochoa Project please see the Company's Annual Information Form for the year ended December 31, 2016 dated March 28, 2017 which is available on SEDAR at www.sedar.com. The Company was seeking financing in 2014 to continue the development of the Ochoa Project. Challenging market conditions at the time restricted the Company's options.

On November 26, 2014, the Company announced that Cartesian Capital Group, LLC ("Cartesian") had made a strategic investment of US$10,000,000 in ICP(USA). Cartesian acquired 500,000 Class A preferred shares ("Class A Preferred Shares") of ICP(USA) at a price of US$20.00 per share. The Class A Preferred Shares were to accrue value through deferred dividends at an annual rate of 12% for two years. At the end of the two-year period the Preferred Shares would be convertible into a non-diluted 7.8% interest in the common shares of ICP(USA), or could be redeemed at the option of Cartesian. Cartesian had the right to a one-third participation in future equity financings of ICP(USA). The Class A Preferred Shares are held by a Cartesian affiliated entity (the "Class A Holder"). The Company used these funds to maintain the Ochoa Project and perform a detailed Front End Engineering Design ("FEED") study and other activities necessary to obtain financing for the Ochoa Project.

The Company continued to seek options for the development of the Ochoa Project in 2015. In December of 2015 the Company announced that it had entered into a new arrangement with Cartesian. On December 17, 2015, the Company announced that Cartesian had agreed to advance up to a further US$45 million to be done in a series of tranches.

The first tranche consisted of up to US$5 million of new convertible Series B Preferred Shares of ICP(USA) (the "Class B Preferred Shares") and up to US$5 million in secured debt (the "Secured Notes") issued by ICP(USA). The second tranche was to consist of up to US$35 million in new convertible Series C Preferred Shares of ICP(USA). In addition, certain amendments were to be made to the existing Class A Preferred Shares held by the Class A Holder.

The Class B Preferred Shares, which bear a 12% dividend rate, have substantially the same features and rights as the Class A Preferred Shares (as modified), and have a term ending on February 28, 2018 ("Tranche 1 Maturity"). The Class B Preferred Shares, if fully funded, could be converted into a non-dilutive 21.1% of the common shares of ICP(USA). The Secured Notes mature on the Tranche 1 Maturity and bear interest at 11% per annum and are secured by the assets of ICP(USA) including ICP(USA)'s interests and rights in the Ochoa Project. The Class A Preferred Shares were amended to change the maturity date from November 21, 2016 to the Tranche 1 Maturity Date and to change the dividend yield from 12% to 15% and to provide in certain circumstances for the exchange of the direct or indirect interest in these securities for secured debt of ICP(USA). To date, Cartesian has subscribed for US$2.5 million of Secured Notes through an affiliated entity (the "Note Holder") and US$5 million in Class B Preferred Shares through another affiliated entity (the "Class B Holder").

No Class C Preferred Shares were ever issued.

Also, as part of these transactions, the shareholders' agreement governing ICP(USA) was amended to provide for a board of directors to consist of two representatives of Cartesian, two from the Company and a fifth director who must be agreed to by both Cartesian and the Company.

In the fall of 2016, relations between Cartesian and the Company deteriorated. The two sides had different views on the development of the Ochoa Project and the Company continued to have limited funds available to fund ongoing expenditures on the Ochoa Project. The board of directors of ICP(USA), in the spring of 2017, approved a financing that was dilutive to the Company. This financing was the basis of a lawsuit launched by ICP Canada against Cartesian in Colorado.

On November 9, 2016, the Company announced the results of its Preliminary Economic Assessment (the "PEA") and the related National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") compliant Technical Report (effective date October 28, 2016) which was filed on SEDAR on

November 30, 2016. The Company revised the Project to consider direct application of polyhalite as a crop nutrient product rather than producing Sulfate of Potash through a chemical processing plant. The resulting Project has a reduced capital cost, a shorter ramp-up time, improved financial metrics, and reduced environmental impact. The Mineral Resource estimates presented in the PEA supersede the Mineral Resource estimate for the Project presented in the 2014 Feasibility Study.

On December 31, 2016, the Company determined there were indicators of potential impairment on its non-current assets, including the decline in the Company's market capitalization, uncertainty of polyhalite future pricing and market used in the PEA, and the consequential impact on the Company's future cash flows. Based on the Company's assessment of the recoverable amounts of its Cash Generating Unit, the Company concluded that the Ochoa Project had an estimated recoverable value, based on its Fair Value Less Costs to Sell, below its carrying value and an impairment charge was required. Based on its assessment, the Company recorded during the year ended December 31, 2016 a non-cash impairment charge of US$40,426,247, using a discount rate of 26.6% along with a long-term polyhalite price assumption increasing from US$162/ton to US$218/ton over the first 20 years and then fixed at US$224/ton over the remaining life of the mine. As at December 31, 2016 the net present value of the project was US$19,733,000 (2015 - US$56,122,518). The Company owned 100% of the common shares of ICP(USA).

In Q1 of 2017, the Company determined that it no longer controlled ICP(USA) and, accordingly, deconsolidated the financial reporting.

In Q2 of 2017, ICP(USA) received a formal offer to purchase its Capitan Reef water through which the purchaser would have paid the construction and operating costs, which indicates that the revenue from the sale of water could provide a source of capital to fund some of the remaining engineering and development work.

In February of 2018, the Secured Notes would have become due and ICP(USA) did not have the funds available to repay these Secured Notes. If the Secured Notes were not repaid then the Note Holder would be entitled to realize on its security interest with respect to the Ochoa Project. Also in February of 2018, the Class A Preferred Shares and the Class B Preferred Shares would have become redeemable or convertible into common shares. In a worst-case scenario, assuming all the Preferred Shares were converted and the 2017 dilutive financing was allowed to stand, ICP Canada would have been reduced to holding 57.9% of the shares of ICP(USA) and the Secured Notes would have been in default.

The Company, ICP Canada, ICP(USA), the Class A Holder, the Class B Holder and Cartesian entered into an Agreement dated September 11, 2017 (the "Definitive Agreement") pursuant to which the Company agreed to sell its interest in ICP(USA) on the terms and conditions set out in the Definitive Agreement, subject to approval of the Shareholders of the Company which was obtained on October 12, 2017. The transaction closed on October 16, 2017. A copy of the Definitive Agreement is available under the Company's profile on SEDAR at www.sedar.com.

The consideration received for the disposition of ICP Canada's interest in ICP(USA) of up to US$15 million is being paid to ICP Canada as follows:

(i) US$1.4 million received on closing which occurred on October 16, 2017;

(ii) a promissory note for US$1.4 million due on January 8, 2018 and guaranteed by Cartesian (the "Promissory Note");

(iii) a royalty equal to 75% of gross revenue from the sale of water from the Ochoa Project (the "Water Royalty") to a maximum of US$12.2 million; and

(iv) if ICP Canada has not received payments under the Water Royalty totaling US$12.2 million by December 31, 2022, commencing on January 1, 2023, ICP Canada will also receive a 1% NSR royalty on all production from the Ochoa Project (the "Mining Royalty") until a total of US$12.2 million has been received.

The Water Royalty and the Mining Royalty are both gross revenue royalties and have been registered against the Ochoa Project.

In addition, the Definitive Agreement provided that all litigation between the various parties be dismissed effective as of the closing of the transaction and that all contracts between ICP(USA) and ICP Canada and between ICP(USA) and the Company be terminated.

4.0 NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General Business of BLGV

Business Objectives

The Company intends to develop a diversified portfolio of investments and interests with an initial focus on organic fertilizers and resource assets. As an initial step, the Company incorporated ICP Organics and commenced some preliminary research. With the sale of the Ochoa Project complete, the Company will focus on enhancing yields in plants being grown in the Cannabis cultivation business.

ICP Organics will be focused on the development of various fertilizers which are USDA Certified Organic. The goal will be to sell high grade organic fertilizer products to growers. Two acquisitions are targeted that can enhance the growth of the Company in select geographic locations with a high need of fertilizers by developing distribution chains.

All fertilizers will be organic. The Company will initially invest approximately $1 million in research and development. The Company is establishing joint research and development partnerships with Canadian Licensed Producers of cannabis.

The proceeds from the sale of the Ochoa Project to be paid from the water royalty ($12.2USD) are expected to commence being received in the first half of 2018. These funds will be used to further fund further acquisitions and investments in secondary businesses targeted to bring revenue to the Company.

The growing business model will have a diversified focus that the board will discuss and approve in light of relevant macro market conditions.

The Company also has two initial projects in the resource sector:

1. Working with Cartesian to establish a water distribution business in the state of New Mexico that will enable the Company to realize on its Water Royalty described in section 3.2. Water is in great demand by the fracturing business of oil and gas companies in east New Mexico and West Texas. It is anticipated that water royalties will commence no later than the end of the first quarter of 2018; and

2. BLGV has also invested $25,000 in capital in Argentinian mining projects based in Santa Cruz Province. The projects are located near the center of the Deseado Massif, a vast 70,000 km sq. volcanic plateau known for its precious metals, and host to four producing gold-silver (Au/Ag) mines and numerous exploration projects. Projects are at early stages of exploration with no mineral resources defined.

Operational Milestones

The initial stage in the development of the Company's business model will be focused on the development, marketing and distribution of organic fertilizers. Discussions are currently under way with a US organic fertilizer producer with the objective of obtaining a letter of interest (the "Distribution LI") to establish a distribution arrangement of organic fertilizer products throughout North America. It is expected that the Distribution LI will be completed by December 31, 2017, with a detailed agreement completed during the first quarter of 2018. It is expected that the initial cost of negotiating the arrangements will be $25,000, and that the initial costs for the business will be $240,000.

Negotiations are also underway with an Australian corporation that produces and distributes organic fertilizers internationally. It is intended that ICP Organics will provide financing for the North American operations, and take on a majority position in the North American business which will involve BLGV's injecting additional senior managers and sales professionals. ICP Organics will control the North American distribution business. It is expected that definitive agreements will be finalized by the first quarter of 2018, and that initial capitalization costs will be approximately $400,000.

BLGV will continue working with ICP(USA) and its principals to establish a water distribution business in the state of New Mexico. BLGV retained the Water Royalty in the Ochoa Project. Water is in great demand by the fracturing business of oil and gas companies in east New Mexico and West Texas. It is anticipated that revenue generation from the Water Royalty will commence no later than the end of the first quarter of 2018. It is estimated that the Water Royalty will generate revenue for the Company of approximately US$5,000,000 per year until the maximum of US$12.2 million is received. The costs to complete water royalty negotiation are in the range of $25,000.

As part of its research and development activities, the Company will engage with various Licensed Producers of Cannabis in Canada and also producers in the United States to test the organic fertilizer assets, products, and concepts being sourced and/or developed by the Company during 2018 following which the Company anticipates being in a position to commence sales. The Company anticipates spending approximately $1,000,000 on this step in 2018.

The Company will also continue to seek out synergistic sectors in which to expand its business through a formally developed investment strategy.

Available Funds

The following outlines the funds available to the Company:

(a) As at November 14, 2017, the Company had working capital of $1,300,000.

(b) The Company will receive approximately an additional $1.72 million between January 1, 2018 and January 10, 2018 that represents the second instalment payment from the disposition of the Ochoa Project.

(c) The Company anticipates receiving revenue from the Water Royalty in 2018.

The following sets out the proposed uses of the Company's available funds before taking into account revenue from the Water Royalty:

- Establishing initial organic distribution business referred to above - $265,000. (Spent by the end of the first quarter of 2018.)

- Establishing second organic distribution business referred to above, including inventory - $400,000. (Spent by the end of the first quarter of 2018.)
- Costs of establishing water royalty revenues estimated at $25,000. (Spent during the first quarter of 2018).
- Research and Development in the Organic Fertilizers Business estimated at $700,000.
- Spent over 2018.
- General and Administrative costs through the end of 2018 $1,400,000.

Principal Products and Market

The disclosure in this section will relate to the development of the Company's organic fertilizer business.

Distribution Methods

Distribution of organic fertilizer products will be through sales professionals in direct contact with Cannabis growers, developing a presence at trade shows, social media including web sites, distribution through intermediary wholesale and retail arm's length distribution channels and both physical store locations and digital stores.

Research and Development

ICP Organics has commenced researching the impact of organic fertilizers on the growth of cannabis products to facilitate the development of products that will be most effective. The Company anticipates that it will complete the research phase of its business model in 2018.

Major components of the program will involve testing of the various products with Licensed Producers of Cannabis in Canada and similar growers in the United States. Once the preferred products have been defined, the Company will proceed to entering into agreements with growers for the sale of products and will use its distribution chain to further market those products. The total estimate cost of Research and Development is $1,000,000.

Research and Development will be carried out by both internal staff and outsourced staff.

Methods of Production and Utilization

The organic fertilizer products are already available in various forms and are simple to manufacture. The Company believes that its research will allow it to target the best products to enhance growth and develop a competitive advantage by developing a comprehensive distribution chain and strong relationships with growers. The following outlines how the products can be utilized:

- Naturally derived fertilizers that can be applied as a foliar or through the drip systems.
- All products are manufactured for foliar application but can also be applied through drip, irrigation or fertigation systems. All products are dry shipped. They can be applied as foliar applications at a general application rate or ratio of 50 to 1 (i.e. 50 gallons water to 1 lb. of product applied on a per acre basis.)
- Products would be applied every 3 weeks to promote crop health, fruit quality and yield. For crops that are in need of accelerated recovery due to frost damage, stress, poor soil conditions, plant nematodes, fungal diseases, etc., then a more concentrated solution can be utilized. For example, 1.5 – 2.0 lbs. per acre per application.
- Given the organic composition of the products, they can be mixed with most anything else being applied to the plants (i.e. fungicides) without any negative impact on the mixed product's

performance, our product's performance or the plant itself. Products are compatible with low volumes sprayers at 20 gallons up to higher volumes at 100 gallons per acre.

- Products can be used in commercial sprayers or applied via irrigation and drip systems. All products are water soluble and shouldn't clog emitters or sprayers if they are first mixed into a 5 gallon bucket to dissolve the product thoroughly prior to placing into the sprayer holding tank or fertigation feeder system.
- The products will be designed to restore the soil's natural ecosystem by developing soil fertility that energizes the soil microbial processes critical for conversion of nitrogen, phosphorous, potassium and sulphur into forms that can be utilized by plants. The microbial activity breaks down and transforms organic, mineral and gaseous compounds in the soil into elemental forms that provide the nutrients, vitamins and hormones for optimal plant growth, health, vigour, carbohydrate storage, and productivity.
- All products are organic, fully balanced, water-soluble concentrates of humic acids, kelp, yucca and extracts from hydrolyzed blood meal and hydrolyzed fish protein concentrates. These proprietary formulations contain more than 130 primary and secondary elements, enzymes and coenzymes, amino acids, vitamins, carbohydrates and essential chelated trace minerals and micronutrients. All of our natural raw materials are specially prepared via cold, enzymatic or chemical processing before they are ready for final blending.
- Manufactured from high quality grades of raw materials for optimum performance as well as crop and environmental safety. Either solution liquids or fully soluble powders that are made from analytical, technical, or food grade ingredients.
- Highly effective true solutions liquid foliar products.
- Superior crop safety, performance and compatibility with other agricultural products.
- PAC carbohydrate chelating agents serve as an energy source for cells.
- Provides only the chelated nutrient and chelating agent: carbon, oxygen and hydrogen (the building blocks of all carbohydrates).
- Most do not contain nitrate, sulphate, chloride, or sodium.

Specialized Knowledge

Basic organic chemistry and agriculture are required for the development of this initial business segment. The Company anticipates being able to obtain all necessary skill sets from the targets being investigated and through hiring additional personnel at the corporate level.

Raw Materials

The following outlines some of the key factors surrounding inputs necessary for production.

- Source material is readily available.
- Micronized humates are derived from Leonardite shale and a natural source of humic/fulvic substances and trace minerals from various locations including New Mexico. Humic Acid that comes from Leonardite shale is the most concentrated organic material available. It contains 65% humic acids.
- Other sources include kelp, yucca and extracts from hydrolyzed blood meal and hydrolyzed fish protein concentrates. These formulations contain more than 130 primary and secondary elements, enzymes and coenzymes, amino acids, vitamins, carbohydrates and essential chelated trace minerals and micronutrients. Natural raw materials are specially prepared via cold, enzymatic or chemical processing before they are ready for final blending.
- Earthworm organics uses earthworm castings from earthworms that have been fed organic matter that has been pre-composted using a thermophillic process. That means that the earthworm food has been heated at high temperatures for a specific amount of time. This eliminates pathogens and

kills any weed seeds that were in the organic matter. This compost is then fed to the earthworms. The worms eat the composted matter and turn it into a very rich soil additive. These castings are blended with green waste compost to ensure a diverse microbial population.

Seasonality

This initial business has seasonal impact as sales are will be higher during seasons when open air growing is supported. However, a large portion of the agricultural growing is in greenhouses and therefore not seasonal.

Employees

The Company currently has 5 employees. The company will add two to three product specialists in organic fertilizers and cannabis cultivation.

Geographic Location

All operations will be based out of Canada and United States. Initially, the focus will be on North American markets but the Company may choose to expand into other markets where it would be legal and economic to do so.

Competition

The organic fertilizer business is competitive with many suppliers. Margins are anticipated to be approximately 30 %. To differentiate itself, the Company will focus on customer maintenance product availability and service. The Company is of the view that its ongoing research and development on products will allow it to focus on products with the greatest impact on crop growth.

5.0 SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

	Nine Months Ended September 30 2017	December 31 2016	Year Ended December 31 2015	December 31 2014
Interest income	$ 2,912	$ 1,464	$ 4,236	$ 35,230
Net loss	$ (1,246,865)	$ (46,409,857)	$ (10,275,838)	$ (11,027,502)
Basic loss per share	$ (0.006)	$ (0.25)	$ (0.06)	$ (0.06)
Fully diluted loss per share	$ (0.006)	$ (0.25)	$ (0.06)	$ (0.06)
Total assets	$ 512,838	$ 23,085,495	$ 57,203,000	$ 64,311,254
Shareholders’ equity (deficiency)	$ (20,308)	$ (10,984)	$ 44,665,602	$ 54,811,295

5.2 Quarterly Information

	Sept 30 2017	Jun 30 2017	Mar 30 2017	Dec 31 2016
Interest income	$ 747	$ 1,102	$ 1,063	$ 878
Net loss	$ (442,202)	$ (224,812)	$ (579,850)	$ (41,699,800)
Basic loss per share	$ (0.002)	$ (0.001)	$ (0.038)	$ (0.196)
Fully diluted loss per share	$ (0.002)	$ (0.001)	$ (0.038)	$ (0.196)

	Sep 30 2016	Jun 30 2016	Mar 31 2016	Dec 31 2015
Interest income	$ 553	$ 15	$ 18	$ 96
Net loss	$ (1,828,485)	$ (1,332,806)	$ (1,565,146)	$ (1,349,910)
Basic loss per share	$ (0.010)	$ (0.007)	$ (0.009)	$ (0.01)
Fully diluted loss per share	$ (0.010)	$ (0.007)	$ (0.009)	$ (0.01)

5.3 Dividends

There are no restrictions on the Company's ability to pay dividends. The Company has never declared or paid cash dividends on the Common Shares. Any future dividend payment will be made at the discretion of the board of directors, and will depend on the Company's financial needs to fund its research projects and its future growth, and any other factor that the board deems necessary to consider in the circumstances.

5.4 Foreign GAAP

The financial statements for the Company are prepared in accordance with IFRS.

6.0 MANAGEMENT'S DISCUSSION AND ANALYSIS

6.1 – 6.14 Annual MD&A

Please see the Company's Management Discussion and Analysis for the year ended December 31, 2016 as filed on SEDAR on March 28, 2017 and are attached as Schedule "A".

6.15 – 6.21 Interim MD&A

Please see the Company's Management Discussion and Analysis for the nine months ended September 30, 2017 as filed on SEDAR on November 3, 2017 and are attached as Schedule "B".

7.0 MARKET FOR SECURITIES

7.1 Listings

Prior to the completion of sale of the Ochoa Project, the Company was listed on the TSX. Following the sale of the Ochoa Project, the Company no longer met the TSX's minimum listing requirements. The Company is also listed on OTC.QB.

8.0 CONSOLIDATED CAPITALIZATION

8.1 Consolidated Capitalization

The following table sets forth the capitalization of the Company as of the date hereof:

Security	Authorized	Outstanding as at the date hereof
Common Shares	Unlimited	237,152,275
Stock Options(1)	23,715,227	17,500,000
Warrants(2)	36,975,474	36,975,474
Broker Warrants(3)	1,351,000	1,351,000

Notes:

(1) Exercisable at prices ranging from $0.08 to $0.12 per share.
(2) Exercisable at prices ranging from $0.08 to $0.16 per share.
(3) Exercisable at prices ranging from $0.06 to $0.11 per share.

9.0 STOCK OPTIONS TO PURCHASE SECURITIES

There are currently 17,500,000 stock options outstanding under the Plan, and 6,215,227 options are available to be granted under the Plan. The details of the stock options granted under the Plan that remain outstanding are as follows:

Name and Position	Common Shares Under Option	Exercise Price Range (per Common Share)	Expiry Date
Directors	7,200,000	$0.08-$0.10	June 7, 2021 – February 14, 2022
Former Directors	4,500,000	$0.08-$0.10	February 14, 2020 – June 7, 2021
Director who is also a Senior Officer	1,800,000	$0.08-$0.10	June 7, 2021 – February 14, 2022
Senior Officers	1,050,000	$0.08-$0.10	February 14, 2020 – July 12, 2021
Employee	650,000	$0.08-$0.10	February 14, 2020 – June 7, 2021
Consultant	2,300,000	$0.08-$0.12	January 12, 2018 – February 14, 2022
TOTAL	**17,500,000**		

10.0 DESCRIPTION OF SECURITIES

10.1 General

The Company is authorized to issue an unlimited number of Common Shares, of which as at November 21, 2017 there were 237,152,275 issued and outstanding Common Shares. Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company, and to attend and to cast one vote per Common Share held at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Company’s board of directors at its discretion from funds legally available therefor, and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

10.2 - 10.6 Miscellaneous Securities Provisions

None of the matters set out in Sections 10.2 to 10.6 of CSE Form 2A are applicable to the Company’s securities.

10.7 Prior Sales

During the twelve months period ended September 30, 2017, the Company issued the following common shares

- 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.

- 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 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 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.

- 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.

- 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.

- On December 14, 2016, the Company issued 16,950,000 units at $0.08 pursuant to a non-brokered offering, for gross proceeds of CAD$1,356,000. 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$0.11 per share until December 14, 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 $0.18 CAD 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$85,680. The Company also issued an aggregate of 1,071,000 broker warrants to qualified eligible persons, 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$0.11.

- On November 7, 2016, the Company issued 4,500,000 shares at $0.08 pursuant to the exercise of warrants.

10.8 Stock Exchange Price

The Common Shares of the Issuer are listed on the TSX under the symbol "ICP". The following table sets forth the high, low and closing prices and volumes of the Common Shares as traded on the TSX for the periods indicated:

Period	High	Low	Close	Total Volume
Quarter ended September 30, 2017	$0.05	$0.015	$0.02	47,115,005
Quarter ended June 30, 2017	$0.115	$0.045	$0.05	18,066,378
Quarter ended March 31, 2017	$0.12	$0.085	$0.09	11,397,999
Quarter ended December 31, 2016	$0.14	$0.08	$0.085	11,406,381
Quarter ended September 30, 2016	$0.15	$0.065	$0.12	13,844,440
Quarter ended June 30, 2016	$0.085	$0.045	$0.065	34,564,273
Quarter ended March 31, 2016	$0.065	$0.045	$0.055	5,024,368
Quarter ended December 31, 2015	$0.14	$0.035	$0.06	15,761,093

11.0 ESCROWED SECURITIES

11.1 Escrow of Principal's Securities

No Shares are currently subject to escrow.

12.0 PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of BLGV, as of the date hereof, only the following shareholder will beneficially own or exercise control or direction over BLGV Shares carrying more than 10% of the votes attached to such shares:

Name	Number of Common shares owned or directed	Type of Ownership	Percentages of outstanding Common Shares
Yara Nederland B.V.	30,129,870	Direct	12.7%

13.0 DIRECTORS AND OFFICERS

13.1 – 13.5 Directors and Officers

The names, positions or offices held with the Company, province/state and country of residence of each director and executive officer of the Company as at November 21, 2017 are set forth below. In addition, principal occupations of each of the Company's directors and executive officers within the five preceding years.

As of November 21, 2017, directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 2,342,916 common shares of the Company, representing approximately 1% of all issued and outstanding common shares.

Each of the directors of the Company will hold office until the next annual meeting of shareholders and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal. Typically, on an annual basis after the annual general meeting of the Company, the directors pass resolutions to appoint officers and committees.

Name and Municipality of Residence	Position	Principal Occupation and Positions Held During the Last 5 Years	Number and Percentage of Post-BLGV Shares Owned, Beneficially Held or Controlled
Mehdi Azodi[(3)(5)] Ontario Canada	Chief Executive Officer	Chief Executive Officer of the Company (2016 to present). Director, Investor Relations of the Company (2013-2016).	**807,940 / 0.34%**
Honourable Pierre Pettigrew P.C.[(1)(3)] Ontario, Canada	Director	Executive Advisor, International at Deloitte & Touche LLP (2006 to present).	**393,750 / 0.17%**
Ernest Angelo Jr. [(1)(3)] Texas, U.S.A.	Director	Self-employed petroleum engineer (1964 to present). Managing Partner of Discovery Exploration, an oil and gas investment company (1975 to present).	**887,500 / 0.37%**
Knute H. Lee Jr. [(3)(4)] New Mexico, U.S.A	Director	Independent landman and owner of KHL Inc., an oil and gas company (1985 to present).	**NIL**
John Stubbs [(1)(2)] Winchester, United Kingdom	Chairman and Director	Non-Executive Corporate Director, Lydian International Limited (2016 to present), and Alloycorp Mining Inc. (2014 to 2016), Senior Advisor, McKinsey and Company (2014 to 2017), VP Projects, BHP Billiton (2011 to 2014) Upstream VP, British Gas Australia (2007 to 2011)	**NIL**
Kevin Strong Manitoba, Canada	Chief Financial Officer	Chief Financial Officer of the Company (2008-2015) (2016-present)	**249,226 / 0.11%**

Notes:
(1) Member of the Audit, Disclosure and Finance Committee.
(2) Chair of the Audit, Disclosure and Finance Committee.
(3) Member of the Nominating, Governance and Compensation Committee.
(4) Chair of the Nominating, Governance and Compensation Committee.
(5) Sponsor of Safety and Stakeholder Management

13.6 Corporate Cease Trade Orders or Bankruptcies

No director or executive officer of the Company is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

13.7 Penalties and Sanctions

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect material the control of the Company, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

13.8 Personal Bankruptcies

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

13.9 Conflicts of Interest

Circumstances may arise where officers or members of the board of directors of the Company are directors or officers of corporations that are in competition to the interests of the Company. No assurances can be given that opportunities identified by such board members will be provided to the Company. Pursuant to the CBCA, directors who have an interest in a proposed transaction upon which the board of directors is voting are required to disclose their interests and refrain from voting on the transaction. See also “Risk Factors – Potential Conflicts of Interest.”

13.10 Other Reporting Issuer Experience

The following directors, officers or promoters of the BLGV or directors or officers of the BLGV are, or within the past five (5) years have been, directors, officers or promoters of the following reporting issuers:

Name	Issuer
John Stubbs	Lydian International Limited (since 2016)
Honourable Pierre Pettigrew P.C.	Black Iron Inc. (since 2009) Sulliden Mining Capital Ltd. (since 2014) Blue Sky Energy Inc. (since 2016) Africa Gold Group (since 2017)

13.11 Management

The following sets out biographical information on each of the current directors and executive officers of the Company:

John Stubbs

Mr. Stubbs is a retired chemical engineer with over 40 years of experience in the natural resources sector spanning all aspects of project management including development, execution, assurance, commissioning and operations. Mr. Stubbs most recently completed a three-year contract with BHP Billiton as Vice President, Projects, responsible for the development of the Jansen Potash Mine. Prior to BHP, Mr. Stubbs worked for British Gas as Development Manager for the Karachaganak Project (high pressure sour gas development in Kazakhstan) and as Project Director for the upstream element of the LNG Project on Curtis Island in Australia. Mr. Stubbs held several senior executive and project management positions during his 31 years with Royal Dutch Shell. Mr. Stubbs served 3 years as a Senior Advisor with the Capital Productivity Practice within McKinsey and Company's offices in the UK and Canada.

Mehdi Azodi

Mehdi Azodi is President and Chief Executive Officer of Belgravia Capital International Inc. Mr. Azodi joined the Company in 2013 with the primary focus of leading BLVG’s Corporate Development team. Since that time, he has taken on a progressive direct responsibility for all facets of the business and restructuring the Company in order to finance and operate the entity. Mr. Azodi was appointed Chief Executive Officer in May 2016. Mr. Azodi has over 15 years’ experience in the capital and commodities markets. Previous positions include a NYSE listed company, a bank owned brokerage firm in Canada and an international asset management firm.

Knute H. Lee Jr.

Mr. Lee has been a member of the American Association of Professional Landmen (AAPL) Board of Directors for 33 years. He has earned the AAPL Certified Professional Landman (CPL) designation and served as President of AAPL in 2006. Mr. Lee has also served on numerous boards of directors, including Santa Fe Trust, Zia Title, New Mexico Fellowship of Christian Athletes, Hoffmantown Church and the New Mexico Baptist Foundation. He has worked extensively in the oil and gas and mining industries, and is currently a director of the Independent Petroleum Association of New Mexico and the Mountain States Lega Foundation. He is also a Trustee for the Rocky Mountain Legal Foundation. Mr. Lee is owner of KHL Inc., an oil and gas company, and a Principal in Westward Energy.

Honourable Pierre Pettigrew P.C.

Mr. Pettigrew holds a Bachelor of Arts in Philosophy from the University of Quebec at Trois-Rivieres and a Masters in Philosophy in International Relations from Balliol College at Oxford University. He is the former Minister of International Trade, of Health of Intergovernmental Affairs, of Official Languages and of Foreign Affairs in Canada. The Honourable Mr. Pettigrew is currently the Executive Advisor of Deloitte & Touche LLP, Canada since 2006. Pierre has also been appointed Special Envoy of the Government of Canada for the Canada-European Union Trade agreement.

<u>Ernest Angelo, Jr.</u>

Mr. Angelo holds a Bachelor of Science in Petroleum Engineering from Louisiana State University. He is a member of the Society of Petroleum Engineers and the Texas Society of Professional Engineers. Mr. Angelo is currently a Managing Partner of Discovery Exploration, an oil and gas investment company. Mr. Angelo has a distinguished public service career and was appointed to the National Petroleum Council. Mr. Angelo was Permian Basin Engineer of the Year in 1973 and received the National Public Service Award from the Society of Petroleum Engineers in 1996. Mr. Angelo has received the John Ben Sheppard Leadership Foundation Texas Leader Award. He was elected Mayor of Midland, Texas in 1972 and served four terms. He was appointed by Governor George W. Bush to the Texas Parks and Wildlife Commission in March 1996 and served as Vice Chairman of the Commission for nearly three years. Mr. Angelo was appointed by Governor Rick Perry to the Public Safety Commission in January 2005 and subsequently became Chairman of the Commission. He retired from the Public Safety Committee in 2008.

<u>Kevin Strong</u>

Mr. Strong has a Bachelor of Commerce (Honours) degree and has a CPA, CGA designation as well as a Canadian Investment Manager designation. Mr. Strong is experienced in the areas of finance, accounting, human resources, business planning, business development, compliance and corporate governance. From 2008 to 2015, Kevin was the Chief Financial Officer, Vice President of Administration and Corporate Secretary of the Company and rejoined BLGV in 2016 as its CFO. From 2015 to 2017, he was a Controller in the insurance industry. Prior to that, he was the CFO of several other public and private companies in the resource and agricultural technology sectors. For 8 years prior to that, Mr. Strong was the regional manager for the TSX Venture Exchange responsible for Manitoba and Saskatchewan. Mr. Strong has served as a Director on the boards of public, private and non-profit companies and has served as the Audit Committee chairman and Governance Committee chairman of a public company. He was previously a member of the Manitoba Premier's Economic Advisory Council.

14.0 CAPITALIZATION

14.1 Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully-diluted)
<u>Public Float</u>				
Total Outstanding (A)	237,152,575	292,978,749	100	100
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own	51,368,786	61,737,714	21.66	21.07

or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)				
Total Public Float (A – B)	185,783,789	231,241,035	78.34	78.93
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	0	0	0	0
Total Tradeable Float (A – C)	185,783,789	231,241,035	78.34	78.93

Public Securityholders (Registered)[1]

Class of Security: Common Shares

Size of Holding	Number of Holders	Total Number of Securities
1 - 999 securities	5	1,750
1,000 – 1,999 securities	2	2,576
2,000 – 2,999 securities	2	4,500
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	20	19,353,884
	29	19,362,709

Note:

(1) Excludes 186,759,915 shares registered to CDS&CO

Public Securityholders (Beneficial)

Class of Security: Common Shares

Size of Holding	Number of Holders	Total Number of Securities
1 – 99 securities	87	3,981
100 – 499 securities	485	116,865
500 – 999 securities	419	260,100
1,000 – 1,999 securities	747	901,278
2,000 – 2,999 securities	518	1,158,452
3,000 – 3,999 securities	411	1,032,545
4,000 – 4,999 securities	204	854,430

Size of Holding	Number of Holders	Total Number of Securities
5,000 or more securities	2,075	184,977,467
Unable to Confirm		
	4,946	189,305,118[1]

Note:
[1] This number is higher than the shares registered to the CDS&CO position since brokers did not update their positions.

Non-Public Securityholders (Registered)[1]
Class of Security: Common Shares

Size of Holding	Number of Holders	Total Number of Securities
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	4	31,029,650

Note:
[1] Excludes 186,759,915 shares registered to CDS&CO.
[2] Actually 4 registered positions for 3 non-public security holders.

14.2 The following table provides the details for securities of the Issuer that are convertible or exchangeable into Common Shares of the Issuer:

Security	Number Outstanding	Details
Stock Options	100,000	Exercisable at $0.08 until Jan.12/2018
Stock Options	250,000	Exercisable at $0.08 until Jul.12/2019
Stock Options	250,000	Exercisable at $0.12 until Nov.14/2019
Stock Options	500,000	Exercisable at $0.10 until Nov.24/2019
Stock Options	2,150,000	Exercisable at $0.10 until Feb.14/2020
Stock Options	200,000	Exercisable at $0.10 until Mar.1/2020
Stock Options	9,650,000	Exercisable at $0.08 until Jun.6/2021
Stock Options	300,000	Exercisable at $0.08 until Jul.12/2021
Stock Options	200,000	Exercisable at $0.09 until Sep.2/2021
Stock Options	3,900,000	Exercisable at $0.10 until Feb.14/2022
Warrants	16,950,000	Exercisable at $0.11 until Dec.14/2017
Warrants	3,286,666	Exercisable at $0.16 until Mar.1/2018
Warrants	12,360,000	Exercisable at $0.08 until Jun.27/2018
Warrants	4,378,808	Exercisable at $0.08 until Jun.28/2018
Broker Warrants	1,071,000	Exercisable at $0.11 until Dec.14/2017
Broker Warrants	280,000	Exercisable at $0.08 until Jun.27/2018
	55,826,474	

15.0 EXECUTIVE COMPENSATION

15.1 Compensation of Executive Officers

Please see attached as Schedule "C".

16.0 INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The following tables outlined amounts owed to the Company by its directors and executive officers.

AGGREGATE INDEBTEDNESS ($)					
Purpose	**To the Issuer or its Subsidiaries**	**To Another Entity**			
(a)	(b)	(c)			
Share purchases					
Other	US$27,200				

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS						
Name and Principal Position	**Involvement of Issuer or Subsidiary**	**Largest Amount Outstanding During [Most Recently Completed Financial Year] ($)**	**Amount Outstanding as at [the date of the Form] ($)**	**Financially Assisted Securities Purchases During [Most Recently Completed Financial Year] (#)**	**Security for Indebtedness**	**Amount Forgiven During [Most Recently Completed Financial Year] ($)**
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Securities Purchase Programs						
Other Programs						
Mehdi Azodi	CEO and Director	US$21,412	US$12,600			0
Knute Lee	Director	US$18,142	US$14,600			0

17.0 RISK FACTORS

17.1 Risk Factors relating to its business

The following discussion summarizes the principal risk factors that apply to the Company's business and that may have a material adverse effect on its business, financial condition and results of operations, or the trading price of the Common Shares.

Stage of Development

The Company has a limited history of operations and no material earnings to date and there can be no assurance that its business will be successful or profitable.

No History of Operations

The Company has sold its interest in the Ochoa Project and is moving to diversity it business, there can be no guarantee that the proposed business model will be successful or will generate revenue.

Contingent Payments

Pursuant to the terms of the Definitive Agreement with respect to the sale of the Ochoa Project, the Company has only received $1.4 million of the US$15 million purchase price. Another US$1.4 million is to be paid in January of 2018 and has been guaranteed by contingent but the remaining U$12.2 million is to be paid by way of royalties generated on the sale of water and mineral resources on the Ochoa Project. There can be no guarantee that the water and mineral resources on the Ochoa Project will ever be monetized activities will limit the Company's available capital.

Portfolio Exposure

Given the nature of the Company's proposed business model, its results of operations and financial condition will be at least partially dependent upon the value of the shares of entities in which it has an interest. Initially, the Company's activities will be focused in a only a few sectors. There are various factors that could have a negative impact on the Company's performance. Investments made in other entities with a limited history of operations may never generate positive cash flow or any return for the Company or it may take much longer than anticipated for the business to develop. This can create uncertainty around the timing and amount of revenue that can be generated from entities in which the Company has an interest.

Illiquid Securities

The Company may acquire minority interests in private companies. Investments in private companies cannot be resold without ensuring compliance with applicable securities laws and there is a limited market in which to sell these types of investments. This illiquidity will make it difficult for the Company to quickly dispose of investments that no longer meet its business objectives or which have been adversely impacted by changing market conditions.

Non-Controlling Interests

The Company may take minority interests in various entities that it will not control. Any minority interest is subject to a risk that the entity may make business, financial or management decisions with which the Company does not agree. This could negatively impact that value of the Company's investment in such entities as well as impact the Company's results of operations.

Environmental Regulation and Risks

Various aspects of the Company's or entities in which it has an interest may be subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, and a heightened degree of responsibility for companies and their officers, directors and employees. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its operations. Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Amendments to current environmental laws and regulations impacts the Company's business model, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenses, capital expenditures or operating/production costs.

Requirement for Permits and Licenses

Some of the Company's operations may require it to obtain licences, permits, and in some cases, renewals of existing licences and permits from applicable authorities. The Company believes that it currently holds or has applied for all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations and also believes that it is complying in all material respects with the terms of such licences and permits. However, the Company's ability to obtain, sustain or renew any such licences and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions. The failure to obtain such permits or licenses, or delays in obtaining such permits or licenses, could increase the Company's costs and delay its activities, and could adversely affect the business or operations of the Company. Government approvals, approval of members of surrounding communities and permits and licenses are currently and will in the future be required in connection with the operations of the Company. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of exploration and evaluation assets.

Government Regulation

The activities that may be undertaken by the Company are subject to various laws governing the Company's business investments, taxes, labour standards and occupational health. Activities may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, high rates of inflation and increased financing costs, safety. This may affect the Company's ability to implement its business model.

No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Company's business model. Amendments to current laws and regulations could have a substantial adverse impact on the Company.

Risks Associated with the Cannabis Industry

The Company expects to develop products to be used to assist in the growing of cannabis plants. As a result, the Company is indirectly impacted by risks specific to the Cannabis industry. The Company will only supply to growers who can legally grow cannabis plants in their jurisdiction. The legality of the production, extraction, distribution and use of cannabis differs among different jurisdictions. Changes in laws that restrict the growing of cannabis would have an adverse impact on the Company's market for its fertilizer products. There can be no assurance that laws in Canada and state laws in the United States legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local government authorities will not limit the applicability of state laws within their respective jurisdictions. Local regulations restricting the distribution of cannabis products would have an adverse impact on growers and therefore on the Company.

In addition, the legal cannabis industry in North America is at an early stage of development. Cannabis has been, and will continue to be a controlled substance for the foreseeable future. Consumer perceptions regarding the legality, morality, consumption, safety, efficacy, and quality of cannabis are mixed and evolving. A negative shift in consumer perceptions on the use of cannabis products would have a detrimental impact on the Company's business as less cannabis is grown and therefore there is a reduced need for the Company's products.

Political Risks

Future political actions cannot be predicted and may adversely affect the Company. Changes, if any, in mining or investment policies or shifts in political attitude in the countries in which the Company holds property interests in the future may adversely affect the Company's business, results of operations and financial condition.

Key Executives

The Company is dependent upon the services of key executives, including the directors of the Company, and will be dependent on a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Potential Conflicts of Interest

There are potential conflicts of interest to which some of the Company's directors and officers will be subject in connection with its operations. Some of the directors and officers are engaged and will continue to be engaged in the search of mineral resource interests on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Company. Conflicts of interest, if any, which arise will be subject to and be governed by procedures prescribed by the CBCA which require a director or officer of a corporation who is a party to or is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract with the Company to disclose his interest and to refrain from voting on any matter in respect of such contract unless otherwise permitted under the CBCA. Any decision made by any of such directors and officers involving the Company should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the Company's best interests and its shareholders.

Labour and Employment Matters

While the Company has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities in whose jurisdictions it carries on business. Adverse changes in such legislation may have a material adverse effect on the Company's business, results of operations and financial condition.

Difficulties in Effecting Service of Process

It may be difficult to effect service of process on the Company's directors, officers and others, from time to time, to the extent that they reside outside of Canada. Three of the Company's directors currently reside outside of Canada. Substantially all of the assets of these persons are located outside of Canada. It may also not be possible to enforce against certain of the Company's directors, officers, and experts, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada, to the extent that such persons reside outside of Canada.

Competition

The Company will compete with other entities for potential investment targets. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive assets on terms it considers acceptable or at all. Consequently, the consolidated revenues, operations and financial condition of the Company could be materially adversely affected. Advanced and sustained marketing effort and sales strategy will be necessary to position as a premium brand fertilizer.

Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Like most companies, the Company is subject to the threat of litigation and may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favorably, it could have a material adverse effect on our financial position, results of operations or the Company's property development.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to assets or facilities, personal injury or death, environmental damage to assets of the Company or others, monetary losses and possible legal liability. Although the Company may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining Company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards is not generally available to the Company on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its business, consolidated financial performance and results of operations.

Dividend Policy

The Company has not paid dividends on the Common Shares to date. Payment of any future dividends, if any, will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's consolidated operating results, financial condition, and current and anticipated cash needs.

Potential Volatility of Market Price of Common Shares

Securities of various publicly listed companies have, from time to time, experienced significant price and volume fluctuations unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Common Shares. In addition, the market price of the Common Shares is likely to be highly volatile. Factors such as the average volume of shares traded, announcements by competitors, changes in stock market analyst recommendations regarding the Company and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the Company's shares. Moreover, it is likely that during future quarterly periods, the Company's results and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the Common Shares could be materially adversely affected. In the past, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. Such litigation, if brought against the Company, could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on the Company's business, financial position and results of operations.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares. The Company has previously completed private placements at prices per share which may be, from time to time, lower than the market price of the Common Shares. Accordingly, a significant number of the Company's shareholders at any given time may have an investment profit in the Common Shares that they may seek to liquidate.

Global Financial Conditions

Financial markets globally have been subject to increased volatility. Access to financing has been negatively impacted by liquidity crises and uncertainty with respect to sovereign defaults throughout the world. These factors may impact the ability of the Company to secure financing in the future and, if obtained, on terms favorable to the Company. If these levels of volatility and market turmoil continue, the Company may not be able to secure appropriate debt or equity financing, any of which could affect the trading price of the Company's securities in an adverse manner.

Additional Capital

The Company's business activities in the future, may require substantial additional financing. Failure to obtain sufficient financing may result in a delay or indefinite postponement of acquisitions or the development of accrued interests. Additional financing may not be available when needed. Even if such additional financing is available, the terms of the financing might not be favorable to the Company and might involve substantial dilution to existing shareholders or sale of other disposition of an interest in any of the Company's assets. Failure to raise capital when needed could have a material adverse effect on the Company's business, financial condition and results of operations.

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.

Significant Shareholders

As of the date hereof, Yara indirectly owns, and controls, an aggregate of 30,129,870 Common Shares, representing approximately 12% of the current issued and outstanding Common Shares. Yara has a pre-emptive right to maintain its pro rata percentage of the Common Shares. Accordingly, subject to applicable law and the fiduciary duty of the Company's directors and officers, Yara may be able to exercise significant influence over all matters requiring shareholder approval without the consent of its other shareholders, including the election of directors and approval of significant corporate transactions. This may have an adverse effect on the market price or value of the Common Shares.

Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that the Company incurs in its operations. Potash and other minerals are generally sold in U.S. dollars and the Company's costs are incurred principally in U.S. dollars. The appreciation of non-U.S. dollar currencies against the U.S. dollar can increase the cost of mineral exploration and production in U.S. dollar terms.

Hedging

The Company does not have any producing properties and, therefore, does not have a hedging policy and has no current intention of adopting such a policy. Accordingly, the Company has no protection from declines in mineral prices or exposure to foreign currency risk.

18.0 PROMOTERS

Mehdi Azodi may be considered a promoter of BLGV. He has been involved in seeking new business opportunities following the sale of the Ochoa Project.

19.0 LEGAL PROCEEDINGS

19.1 Material legal proceedings

There are currently no outstanding legal proceedings.

19.2 Regulatory actions

There are none.

20.0 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Issuer or any person or company that is the direct or indirect beneficial owners of, or who exercises control or direction over, more than 10 percent of any class of the Issuer's outstanding voting securities, or an associate or affiliate of any persons or companies referred to in this paragraph, has any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement, or in any transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer.

21.0 AUDITORS, TRANSFER AGENT AND REGISTRAR

21.1-Auditors

Davidson & Company LLP Chartered Professional Accountants, 1200-609 Granville Street, Vancouver, B.C. V7Y 1G6 are the auditors of the Company.

21.2-Transfer Agent and Registrar

The transfer agent and registrar for BLGV's securities is Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1.

22.0 MATERIAL CONTRACTS

The only material contract currently applicable to the Company is the Definitive Agreement.

23.0 INTEREST OF EXPERTS

The following opinions or reports have been described or included in this Listing Statement:

> The financial statements of BLGV included in this listing statement have been audited by Davidson & Company LLP, Chartered Professional Accountants, as set forth in their audit report. Davidson & Company LLP are the independent auditors of BLGV and is independent within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

No person or Company who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement has any direct or indirect interest in the BLGV.

There are no other expertised reports other than those contained herein.

24.0 OTHER MATERIAL FACTS

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to BLGV and its securities.

25.0 FINANCIAL STATEMENTS

See Schedules “D” and “E”.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Belgravia Capital International Inc. hereby applies for the listing of the above-mentioned securities on the Canadian Securities Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Belgravia Capital International Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto**,** Ontario this 21st day of November, 2017.

"Mehdi, Azodi"	*"Kevin Strong"*
Mehdi, Azodi, Chief Executive Officer	Kevin Strong, Chief Financial Officer
"Pierre Pettigrew"	*"Knute H. Lee Jr."*
Pierre Pettigrew, Director	Knute H. Lee Jr., Director

SCHEDULE "A"

Form 51-102F1 – For the Year Ended December 31, 2016

Management Discussion and Analysis

IC Potash Corp.

(Hereafter called “IC Potash”, the “Company”, or the “Corporation”)

(Containing information up to and including March 28, 2017)

Description of Management Discussion and Analysis

This Management Discussion and Analysis (“MD&A”) should be read in conjunction with the audited consolidated financial statements of the Corporation for the years ended December 31, 2016 and December 31, 2015. This MD&A contains forward-looking information and statements, which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

All financial information is presented in United States dollars unless otherwise stated. All references to a year refer to the year-ended on December 31st of that year, and all references to a quarter refer to the quarter ended on December 31th of that year. The Corporation is a reporting issuer in Alberta, British Columbia, Ontario, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and the Northwest Territories. The Corporation’s common shares trade on the TSX under the symbol “ICP” and on the OTCQX under the symbol “ICPTF”.

Unless otherwise noted, financial results are reported in accordance with International Financial Reporting Standards (“IFRS”). Further details are included in Note 2 of the audited consolidated financial statements for the year ended December 31, 2016.

Additional information related to the Corporation is available on SEDAR at www.sedar.com and on the Corporation’s website at www.icpotash.com.

Company Overview

IC Potash is a Canadian-based resource exploration company in the business of developing mineral assets. The recovery of the amounts comprising development assets are dependent upon the ability of the Corporation to obtain necessary financing to successfully complete the development of those reserves and upon future profitable production. It is the intention of the Corporation to obtain financing through access to public and private equity markets, debt and partnerships or joint ventures.

IC Potash owns 100% of Intercontinental Potash Corp. (“ICP”), a company involved in exploration for potash and potash-related minerals. On November 30, 2009, the Corporation completed a reverse-takeover (“RTO”) with ICP. Legally, IC Potash is the parent of ICP, but for financial reporting purposes, IC Potash is considered to be a continuation of ICP. IC Potash was consolidated commencing on December 1, 2009.

Forward-Looking Statements

This MD&A includes certain statements that may be deemed “forward-looking statements” as defined under applicable securities law. Other than statements of historical facts, statements in this discussion including, but not limited to, statements that address future production, reserve & resource potential, exploration drilling, exploration activities, capital costs, operating production costs, the base case information in the Preliminary Economic Assessment (“PEA”) (as defined herein) and expected or anticipated events or developments are forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, market prices, demand for fertilizer products, exploration and evaluation successes or delays, continued availability of capital and financing, general economic, market or business conditions, the risk factors identified herein as well as those risk factors identified in the Corporation’s Annual Information Form (AIF) dated March 28, 2017 and the fact that the PEA by its nature includes only estimates and projections, the certainty and accuracy of which can only be determined once actual production commences and results are obtained. Although the Corporation believes the expectations expressed in any forward-looking statement are based on reasonable assumptions, investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements.

Management's Responsibility for Financial Statements

The Company's management is responsible for the presentation and preparation of annual and consolidated financial statements and the MD&A. The consolidated financial statements have been prepared in accordance with IFRS. The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Description of Properties

Ochoa Project

The Company is focused on the development of a polyhalite mine and processing facility at its Ochoa property in Lea County, New Mexico (the "Ochoa Project"). ICP has focused on options that could potentially reduce the capital cost of any proposed development.

The Company intends to develop the Ochoa Project into a world-class fertilizer production and distribution facility.

Polyhalite is an evaporite mineral that is a viable direct application fertilizer containing potassium, magnesium, sulphate and calcium, all important plant nutrients. Market demand for this new product is being developed in Europe and the United States. Please see below for more information on the recently completed PEA.

Prior engineering work focused on converting Polyhalite into Sulphate of Potash ("SOP"). The Company's initial analysis was that polyhalite can also be used as a feedstock to produce SOP on a profitable basis. The Company estimates that SOP has an established market size of approximately six million tonnes per year, of which approximately four million tonnes are outside China. SOP is a widely used fertilizer and is preferred for the fruit, vegetable, tobacco and horticultural industries as well as in saline and dry soils. The Company retains the ability to produce SOP as financing and market conditions permit to maximize the profits from the Ochoa Project. Please see below for more information on the Feasibility Study ("The Study") that was completed in 2014.

Through its indirect subsidiary, Intercontinental Potash Corp. (USA) ("ICP(USA)"), the Company holds a 95% interest in the Ochoa Project. ICP(USA) has issued convertible preferred shares, which mature on February 28, 2018 or upon certain deemed liquidation events and which provide one shareholder the option to convert them into an undiluted 28.9% of the common shares of ICP(USA) then outstanding.

As of the date of this MD&A, the Ochoa Project contains approximately 86,027 acres comprised of U.S. Department of the Interior Bureau of Land Management ("BLM") federal Preference Right Potassium Leases ("PRL") covering approximately 14,774 acres, New Mexico State Land Office mining leases ("NMSLO Leases") covering approximately 27,804 acres and BLM federal potassium prospecting permits ("Prospecting Permits") covering approximately 43,449 acres.

Each BLM Prospecting Permit has a term of two years, renewable for an additional two years, and is convertible to a PRL upon demonstration to the satisfaction of BLM proving a valuable deposit has been discovered and that the land is more valuable for the development of its potassium content than for any non-mineral land use. The Company applied to convert 43,449 acres of Prospecting Permitted lands to PRLs, which do not expire, but are subject to renewal by the BLM every 20 years. The mineral rights for the 50 year mine plan (14,774 acres) in the Study for the SOP option were granted PRL status in October 2014 with an effective date of November 1, 2014. The remaining 43,449 acres are still in the PRL application process. These PRLs may be issued after the BLM completes its review of and approves the environmental assessment documents for the portion of the deposit contained in those additional claims. ICP's rights to the land covered by these Prospecting Permits do not lapse while the permits are under application for conversion to PRLs. The Company paid $50,000 into a statewide permit bond (the "Permit Bond") that will be refunded when certain prospecting permit and reclamation requirements are satisfied. The Permit Bond is the only bond required by the BLM at this time for the PRLs and Prospecting Permits.

The PRLs have a term of 20 years and for so long thereafter as the company complies with the terms and conditions of the leases which are subject to readjustment at the end of each 20 year period. PRLs require production royalty payments of 5% of the gross value at the point of shipment to market payable 30 days after sale. Also, once the Ochoa Project comes into production, but no later than six years from obtaining federal BLM PRLs, minimum royalty payments of $3 per acre are payable in advance before January 1 of each year. In addition, annual rent payments are due annually and in advance for each BLM PRL acre in the amount of $0.25 for the first partial year $0.50 for the second year (for which the payment that was due by January 1, 2016 has been made), $0.50 for the third, fourth and fifth calendar years and $1.00 for each year thereafter. The minimum advance royalty and the annual rental payments can be credited to production royalties for that year.

The NMSLO Leases have a term of ten years with subsequent ten year renewals if, over three consecutive years during the term, the average annual production is not below the amount necessary to generate the minimum royalty required. A minimum advance royalty payment of $8 per acre is payable to the State of New Mexico Commissioner of Public Lands on 17 NMSLO Leases that commenced in 2010 and on one NMSLO Lease that commenced in 2013 along with an annual rental charge of $1 per acre. The minimum advance royalty and annual rent payments that were due on May 24, 2016 ($233,017) have been made and the next minimum advance royalty and rent payment is due on or before January 15, 2017. Once the Ochoa Project comes into production, minimum royalties of $8 per acre or 5% of the gross value of production after processing, whichever is greater, will be due on the NMSLO Leases. The Company has entered the period of "Operations After Discovery", as acknowledged in letters from the NMSLO on February 7, 2012 and July 26, 2013, which indicate that the Company has sufficiently demonstrated discovery of minerals in commercial quantities and that no further exploration is required to maintain the NMSLO Leases. The Company posted a $25,000 MegaBond in respect to the NMSLO Leases. The bond will be released when certain reclamation requirements related to the Company's prospecting activities are satisfactorily completed.

Pursuant to private agreements, a 3% Overriding Royalty (the "ORR") is payable on the Ochoa Project for a term of 25 years commencing from the initiation of production. The Company may acquire, at its option, up to one-half of the ORR at a price of $3,000,000 per 0.5% royalty interest. The ORR is not payable until all capital required to build the project is repaid. An additional royalty of $1.00 per ton of polyhalite mined for the first 1,000,000 tons and $0.50 per ton thereafter is also payable on the Ochoa Project pursuant to an agreement with an arm's length third party.

Water

The Corporation has established the characteristics of the groundwater supply for the Ochoa Project. Using conventional drilling techniques, ICP intends to use a brackish, non-potable water supply from two wells, which the Company has drilled to approximately 5,400 feet deep. The target water-producing zone is the Permian-age Capitan Reef ("Capitan Reef"), a confined aquifer that is recognized by the New Mexico Office of the State Engineer and U.S. Geological Survey as a significant brackish water resource with a history of industrial use. The Capitan Reef is geologically separated from shallow, fresh-water aquifers in the vicinity of the Ochoa Project. By supplying the Ochoa Project with salty water that is not in use for domestic, municipal, or agricultural uses, ICP will secure water resources without competing with the surrounding communities' sources for water.

In September 2012, the Company announced the completion of an aquifer test using the two water wells drilled by the Company earlier in the year. The test successfully demonstrated the desired pumping capacity of these two wells and provided data used to develop and calibrate a numeric groundwater flow model.

In March 2013, the Company completed a bench-scale test to evaluate the processing plant's planned reverse osmosis system on water drawn from the Capitan Reef. These results validated the ability to achieve the desired permeate recovery process.

In June 2013, the Company announced that the U.S. Army Corps of Engineers ("Corps") issued a Jurisdictional Determination confirming that there are no Waters of the United States on the Ochoa Project site. The Corps determined that the Project area is comprised entirely of uplands and upland drainage, therefore seeking certain federal permits relating to water will not be required and the Company will not require the Corps' authorization to proceed with constructing the mine and processing plant, nor will it be subject to ongoing monitoring once in commercial operations.

In September 2013, the Company was notified by the New Mexico Office of the State Engineer that the Company has met the requirements of state statute NMSA 72-12-25 through 72-12-28 and may appropriate water from the Capitan Reef for mining and industrial use by the Ochoa Project, so long as the Company complies with the standard metering and reporting requirements as detailed in the confirmation letter. This decision gives the Company full right to utilize up to 2,000 gallons per minute of deep, non-potable water. The water will be treated by reverse osmosis to reduce dissolved solids to the extent required to render it suitable for as process water to be used in the leaching and crystallization processes required to produce SOP. The Company filed a second notice of intent to drill an additional six wells to appropriate an additional amount of up to 2,000 gallons per minute of deep, non-potable water from the Capitan aquifer to cover the remaining supply needs for the Project.

In November 2013, the notice was published in newspapers of general circulation in both Lea and Eddy Counties once a week for three consecutive weeks in accordance with the requirements of NMSA 1978, §72-12-26. No actions were taken by any person in response to this second notice. The additional wells will be drilled during the construction phase of the Project. The water will be treated by reverse osmosis to reduce dissolved solids to the extent required for process water to be used in the leaching and crystallization processes required to produce SOP.

The Project design envisioned in the PEA has resulted in reduced water use requirements. Key differences include reduced water required given minimal process water, reduction in injection well capacity due to less water requirements, and reduction in Reverse Osmosis (RO) plant requirements.

Pilot Test

In September 2013, the Company successfully completed the initial pilot plant testing in connection with the processing of polyhalite ore into SOP. Continuous pilot plant testing was done on the leaching and evaporation/crystallization circuits. Separate pilot scale tests were carried out on the other unit operations. The pilot tests demonstrated the robust nature of the flow sheet and economic conversion of polyhalite to SOP. The results were very positive, being consistent with the effective and efficient processing of polyhalite ore into various grades of SOP, and were incorporated into the Study with respect to final equipment selection and sizing and the computation of projected capital costs and operating costs. Pilot testing includes the crushing, grinding, washing and dewatering of mined ore; calcination, which is the controlled heating to remove entrapped water thereby increasing ore solubility; leaching of the calcined ore and the crystallization of SOP. Pilot plant operation confirmed that the process is technically and economically viable on a continuous basis. Portions of this process are covered by U.S. Patents 8,551,429 & 8,802,048, with other U.S. and foreign patents pending.

Feasibility Study for SOP option

A National Instrument 43-101 ("NI 43-101") compliant Pre-Feasibility Study ("PFS") was filed on SEDAR in December 2011. On January 23, 2014 the Corporation announced completion of the Study and the related Technical Report entitled "NI 43-101 Technical Report, Ochoa Project Feasibility Study, Lea County, New Mexico, USA" (effective January 9, 2014) (the "NI 43-101 Technical Report") was dated and filed on SEDAR on March 7, 2014. The Study described an economically viable mining and processing facility with the capacity and reserves to produce 714,400 tons of SOP per year for a minimum of 50 years. The Study recommended that the Company move to implementation by commencing engineering, procurement, and construction management ("EPCM") activities, completing environmental permitting, and arranging Project financing.

The Study was prepared by a group of leading international independent engineering, process design, and equipment supply companies led by SNC-Lavalin Inc. ("SNC-Lavalin"). SNC-Lavalin is a world leader in the consulting, design, engineering, and construction of mining projects around the world, with specific expertise in potash mining, processing, and distribution. The Study projected the following base case information:

- The capital cost of the Project was estimated to be $1,018 million, with an accuracy of +/-15%.

- The after-tax Net Present Value ("NPV") was $612 million and the after-tax internal rate of return was 16%, using an after tax discount rate of 10% and no debt. The after-tax NPV was $1.019 billion, using an after-tax discount rate of 8% and no debt.

- Steady-state operating production cost was estimated to be $195 per ton of SOP.

The financial model covered approximately three years of construction and commissioning followed by 50 years of operation. Over 70,000 feet of exploration drilling has been completed to date. Additionally, 855 petroleum wells were incorporated into the model (for stratigraphy correlation and bed thickness only) through geophysical logging. A higher minimum polyhalite grade (66%) was defined for the Mineral Reserves in the Study to ensure compliance with the Mineral Resource cutoff grade (65%) when developing mine projections.

The Study identified Mineral Reserves of 182.4 million tons (125 million tons proven and 57.4 million tons probable at an average grade of 78.05% by weight polyhalite) and Mineral Resources (4-foot minimum thickness) of 1,017.8 million tons (511.7 million tons measured and 506 million tons indicated at an average grade of 83.9% by weight polyhalite). Mineral Resources were inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Preliminary Economic Assessment for direct application Polyhalite

The results of the Study are being reviewed and updated to reduce the capital cost of any proposed development. As part of this study, the Company is investigating the feasibility of the production of Polyhalite as a direct application fertilizer.

The Company notes that in its original Preliminary Economic Assessment mandate of 2009 (press release, July 21, 2009), the production of Polyhalite as a direct application fertilizer was carefully considered. It was anticipated that Polyhalite, a potash mineral, could be developed as slow release, low-chloride, and multi-nutrient potash fertilizer. At that time no market for Polyhalite had been established, and therefore it was not considered as a feasible development option for the Ochoa Project. However, markets for Polyhalite are being created by others and the Company is reinvestigating the possible opportunities.

Accordingly, on November 9, 2016 the Company announced the results of its Preliminary Economic Assessment (the "PEA") and the related National Instrument 43-101 ("**NI 43-101**") compliant Technical Report (effective date October 28, 2016) (the "PEA Technical Report") was filed on SEDAR on November 30, 2016. The Company has revised the Project to consider direct application of polyhalite as a crop nutrient product rather than producing Sulphate of Potash through a chemical processing plant. The resulting Project has a reduced capital cost, a shorter ramp-up time, improved financial metrics, and reduced environmental impact.

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The Mineral Resource estimates presented in the PEA supersede the Mineral Resource estimate for the Project presented in the 2014 Feasibility Study titled Technical Report Ochoa Project Feasibility Study, Lea County, New Mexico, USA dated March 7, 2014 compiled by Agapito Associates, Inc. and SNC-Lavalin (the "2014 Feasibility Study"). All resources produced as polyhalite will reduce the Reserves stated in the 2014 Feasibility Study.

All scientific and technical disclosure within this document is based on the Technical Report that summarizes the Preliminary Economic assessment (PEA). The PEA and TR were prepared under the supervision of co-author Daniel A. Saint Don, P.Eng., Underground Mining Practice Leader at Golder Associates Inc. (Golder), who is an independent Qualified Person within the meaning of National Instrument 43-101 - Standards of Disclosure for

Mineral Projects ("NI 43-101"). Mr. Saint Don has reviewed and consented to the scientific and technical disclosures contained within the AIF that are based on the technical report.

IC Potash's 2 million ton per year mine with a production life of 42 years and initial capex of $368 million USD is the preferred development option that still retains the option to produce a SOP product at a later date. Our current work plan is focused on the development of a Project Execution Plan, refining the cost and schedule estimate, and developing the market for a polyhalite product.

Based on the PEA TR by Golder, the Ochoa polyhalite bed is accessible at a bench depth of some 1,525 feet (465 metres) below surface. The polyhalite domain of the Ochoa bed are estimated to contain approximately 330 million tons of measured plus indicated polyhalite mineral resources as described in Table 1. Estimation of Mineral Reserves requires additional modifying factors studies performed to a minimum of a PFS level of study.

Table 1: Mineral Resource Statement (effective October 28th 2016)

Resource Class	Thickness (ft)	Mass (tons $x10^6$)	Polyhalite (wt.%)	Anhydrite (wt.%)	Halite (wt.%)	Magnesite (wt.%)
Measured	4.65	150	89.92	2.13	3.25	6.41
Indicated	4.61	180	88.83	2.11	2.79	6.92
Mea + Ind	*4.63*	*330*	*89.33*	*2.12*	*3.00*	*6.69*
Inferred	4.60	40	88.70	2.11	2.77	7.00

Note: Mass rounded to nearest ten million; ft = feet; wt.% = weight percent

Discounted cash flow modeling of the Project base case in the PEA yields an after-tax internal rate of return ("IRR") of 28%, a Net Present Value ("NPV") of $1,197 million at a discount rate of 8%, and a payback period of 2.6 years from the start of production.

Based on the results of the PEA, the Ochoa Project demonstrates potential economic viability. The PEA recommends that the Company complete a prefeasibility study to assess various trade-off options and advance the project to a higher level of confidence to reduce Project risk.

IC Potash is contemplating a design, build, operate and maintenance ("DBOM") agreement with a contracting firm to expedite the overall project delivery. Negotiations regarding this DBOM agreement are in progress.

Please see the AIF dated March 28, 2017 and the PEA Technical Report for more information.

Environment and Permitting

On February 28, 2014, the U.S. Environmental Protection Agency published a Notice of Availability (the "NOA") of the Final Environmental Impact Statement ("FEIS") in the Federal Register. The FEIS is a disclosure document prepared by the BLM that describes the potential adverse or beneficial environmental and social impacts – direct, indirect, or cumulative – that could result from the development of the Ochoa Project. The FEIS was prepared to assist the BLM in reaching a decision on whether to approve the Company's Mine Plan of Operations, requested rights-of-way and preference right leases; and if so, under what conditions.

Following publication of the NOA and the compulsory 30-day availability period, the BLM published a signed Record of Decision (the "ROD") on April 10, 2014 to mark the completion of the National Environmental Protection Act ("NEPA") compliance process. The ROD authorizes ICP to construct and operate its Ochoa Project, including all mining and processing facilities located in southeast New Mexico, U.S.A. The signed ROD marks the final decision made by the BLM based on the analysis described in the FEIS. Based on more than two years of careful and comprehensive study of water resources, cultural resources, natural resources, air quality and other resources, the BLM issued their decision approving the construction and operation of the Project and granting the requested rights of way for the Project facilities.

In parallel with the EIS process, the Company also submitted an air quality permit application for construction to the New Mexico Environment Department Air Quality Bureau ("NMED AQB"). This application was ruled administratively complete by the NMED AQB on December 13, 2013, and was approved on July 31, 2014.

Summary of Quarterly Results

Selected quarterly financial information of the Corporation for the quarters ended December 31, 2016 is as follows:

Table of Results for the Quarters to December 31, 2016

	Dec 31 2016	Sep 30 2016	Jun 30 2016	Mar 31 2016
Total assets	$ 23,085,495	$ 60,068,282	$ 58,119,309	$ 58,064,268
Property, plant and equipment	$ 19,775,768	$ 58,013,565	$ 56,997,381	$ 56,484,381
Working capital	$ 588,405	$ 523,535	$ (288,534)	$ 125,021
Shareholders' equity (deficiency)	$ (10,984)	$ 40,561,338	$ 42,356,662	$ 43,100,456
Interest income	$ 878	$ 553	$ 15	$ 18
Net loss	$ (41,699,800)	$ (1,828,485)	$ (1,332,806)	$ (1,565,146)
Basic loss per share	$ (0.20)	$ (0.01)	$ (0.01)	$ (0.01)
Fully diluted loss per share	$ (0.20)	$ (0.01)	$ (0.01)	$ (0.01)

Selected quarterly financial information of the Corporation for the quarters ended December 31, 2015 is as follows:

Table of Results for the Quarters to December 31, 2015

	Dec 31 2015	Sep 30 2015	Jun 30 2015	Mar 31 2015
Total assets	$ 57,203,000	$ 57,796,301	$ 67,705,148	$ 69,862,638
Property, plant and equipment	$ 56,197,065	$ 55,436,237	$ 62,618,031	$ 62,111,312
Working capital	$ (836,213)	$ 1,501,383	$ 4,495,282	$ 7,245,505
Shareholders' equity	$ 44,665,602	$ 46,015,512	$ 57,112,271	$ 60,020,682
Interest income	$ 96	$ 274	$ 1,714	$ 2,152
Net loss	$ (1,349,910)	$ (3,432,656)	$ (3,035,532)	$ (2,457,740)
Basic loss per share	$ (0.01)	$ (0.02)	$ (0.02)	$ (0.01)
Fully diluted loss per share	$ (0.01)	$ (0.02)	$ (0.02)	$ (0.01)

Results of Operations for the Quarter ended December 31, 2016

The Corporation did not generate operating revenue during the quarter ended December 31, 2016, as all of the operating activities of the Corporation were directed towards acquisition, exploration and development during the quarter.

Ochoa property – Development Phase

On November 30, 2014, the Ochoa project was reclassified from an exploration and evaluation asset to a development asset. The reclassification decision was based on completion of a favourable feasibility study, completion of the environmental impact study and issuance of the related ROD, approval of the Air Quality permit by the New Mexico Environment Department – Air Quality Division and the receipt of PRLs from the BLM.

Total costs incurred on the project during the quarter amounted to $2,515,393 (2015 - $787,889) of which $20,960 (2015 - $64,911) was for acquisition costs and $1,929,138 (2015 - $647,244) was for development costs. There is also an increase of $565,295 (2015 - $55,735) in the estimated reclamation obligation.

Impairment

The recoverable amount of the Company's cash generating unit ("CGU"), which includes the Ochoa development project, is determined where facts and circumstances provide impairment indicators. The recoverable amount is based on the CGU's future after-tax cash flows expected to be derived from the Company's Ochoa project and represent the CGU's fair value less costs to sell ("FVLCTS"). The after-tax cash flows are determined based on life-of mine ("LOM") after-tax cash flow projections which incorporate management's best estimates of future resource prices, production based on current estimates of recoverable reserves and resources, exploration potential, future operating costs and non-expansionary capital expenditures. Projected cash flow are discounted using a weighted average cost of capital. Management's estimate of the FVLCTS of its CGU is classified as level 3 in the fair value hierarchy.

At December 31, 2016, the Company determined there were indicators of potential impairment on its non-current assets, including the decline in the Company's market capitalization, uncertainty of polyhalite future pricing and market used in the 2016 Preliminary Economic Assessment, and the consequential impact on the Company's future cash flows. Based on the Company's assessment of the recoverable amounts of its CGU, the Company concluded that the Ochoa Project had an estimated recoverable value, based on its FVLCTS, below its carrying value and an impairment charge was required. Based on its assessment, the Company recorded during the year ended December 31, 2016 a non-cash impairment charge of $40,426,247, using a discount rate of 26.6% along with a long-term polyhalite price assumption increasing from $162/ton to $218/ton over the first 20 years and then fixed at $224/ton over the remaining life of the mine. As at December 31, 2016, the fair value of the project is $19,733,000 (2015 - $56,122,518).

Office and Administration Expenses

In general, the Company has reduced its spending to conserve cash.

Administration and related costs amounted to $38,996 (2015 – $81,975) for the quarter. This included telephone, postage and courier, dues and subscriptions, stationery, repairs and maintenance, utilities and related costs. The decrease is because the Company cut the spending and reduced costs in administration.

Business development and market development spending for the quarter was $115,216 (2015 - $5,645). Business development costs included activities related to the search for joint venture partners and product distributors as well as political contributions and public/community relations. The increase is due to the Company having more focus on business development this year.

Non-project related consulting fees in the quarter were $115,325 (2015 – $124,879); this was mostly in respect of IT consulting and management consulting.

Depreciation during the quarter amounted to $8,661 (2015 - $6,996). This relates to depreciation in respect of furniture and fixtures, computer equipment, exploration equipment, and vehicles.

Fundraising activities for the quarter was $47,170 (2015 – $261,286). This amount is for expenses related to identifying and meeting with potential companies and investors. Some of these related activities were coded as business development and investor relations in the quarter.

Investor relations cost in the quarter was $36,837 (2015 – $27,006).

Professional fees of $50,870 (2015 – $90,407) for the quarter were incurred mostly in respect of auditing costs, other accounting costs, and legal costs.

Regulatory fees including transfer agent and filing fees and TSX fees were $5,984 (2015 - $10,059).

Rent and storage in the quarter were $14,440 (2015 - $13,732).

Royalties and property leases for the quarter amounted to $24,623 (2015 - $24,623).

Share-based compensation for the quarter was $32,461 (2015 – $nil) for stock options granted in the quarter.

Travel, including related costs, for the quarter amounted to $19,818 (2015 – $3,132) and were composed of such costs not specifically related to exploration projects or investor relations and business development.

Wages and benefits for the quarter amounted to $270,973 (2015 – $238,194). This amount included the salaries and employment related costs of the President and Chief Executive Officer, Chief Financial Officer, Controller, Executive Vice President, and management and administrative staff in Canada and in USA in IC Potash and ICP and their subsidiaries. $80,169 (2015 - $62,144) of wages were capitalized to the Ochoa Project in the quarter.

Derivative expense adjustment for the quarter was $360,223 (2015 – 19,560), which increased due to additional warrants being issued in 2016 in a currency other than the functional currency of the Company.

Finance costs for the quarter was $832,324 (2015 - $489,338) related to convertible preferred shares Series A of $616,386 (2015 – $487,620), related to convertible preferred shares Series B of $108,019 (2015 – $nil), related to secured notes of $112,327 (2015 - $nil), and related to accretion of decommissioning liability of ($4,408) (2015 - $1,719). The expenses related to the convertible preferred shares Series A issued by ICP(USA) in November 2014 includes the accrual for the dividend and the amortization of the deferred financing costs that relate to convertible preferred shares liability. The expenses related to the convertible preferred shares Series B issued by ICP(USA) in July 2016 and November 2016 includes the accrual for the dividend. The expenses related to the secured notes issued by ICP(USA) in February 2016 includes the accrual for the interest and the amortization of the issuance costs of the secured notes.

<u>Selected Annual Information</u>

Selected audited financial information of the Corporation for the years ended December 31, 2014, 2015 and 2016 is as follows:

	December 31 2016	December 31 2015	December 31 2014
Total assets	$ 23,085,495	$ 57,203,000	$ 64,311,254
Property, plant and equipment	$ 19,775,768	$ 56,197,065	$ 53,906,470
Working capital	$ 588,405	$ (836,213)	$ 9,778,440
Shareholders’ equity (deficiency)	$ (10,984)	$ 44,665,602	$ 54,811,295
Interest income	$ 1,464	$ 4,236	$ 35,230
Net loss	$ (46,409,857)	$ (10,275,838)	$ (11,027,502)
Basic loss per share	$ (0.25)	$ (0.06)	$ (0.06)
Fully diluted loss per share	$ (0.25)	$ (0.06)	$ (0.06)

Results of Operations for the Year ended December 31, 2016

The Corporation did not generate operating revenue during the year ended December 31, 2016, as all of the operating activities of the Corporation were directed towards acquisition and development.

Ochoa property – Development Phase

Total costs incurred on the project during the year amounted to $4,036,729 (2015 - $2,278,966) of which $111,677 (2015 - $210,402) was for acquisition costs and $3,359,757 (2015 - $2,073,842) was for development costs. There is also an increase of $565,295 (2015 – decrease $5,278) in the estimated reclamation obligation.

Impairment

A non-cash impairment charge of $40,426,247 (2015 - $nil) was recorded in the year.

Office and Administration Expenses

Administration and related costs amounted to $211,226 (2015 - $540,349) for the year. This included meeting costs, director fees, telephone, postage and courier, dues and subscriptions, stationery, repairs and maintenance, office security, utilities and related costs. The decrease is because the Company cut the spending and reduced costs in administration.

Business development and market development spending for the year was $203,181 (2015 - $99,053). Business development costs included activities related to the search for joint venture partners and product distributors as well as political contributions and public/community relations. The increase is due to the Company having more focus on business development this year..

Non-project related consulting fees in the year were $455,575 (2015 - $697,068); this was mostly in respect of IT consulting and financial consulting. The decrease is due less spending in IT consulting.

Depreciation during the year amounted to $33,321 (2015 - $41,600). This relates to depreciation in respect of furniture and fixtures, computer equipment, exploration equipment, and vehicles.

Fundraising activities for the year was $217,033 (2015 - $1,654,360). This amount is for expenses related to identifying and meeting with potential companies and investors. The decrease is because the company has decreased its spending on fundraising activities to the extent possible to conserve cash.

Investor relations cost in the year was $114,421 (2015 - $333,744). Investor relations costs decreased due to more project financing activities is recorded in fundraising activities account and cost-cutting efforts.

Professional fees of $178,651 (2015 - $936,628) for the year were incurred mostly in respect of auditing costs, other accounting costs, and legal costs. The decrease is due to less legal issues this year.

Regulatory fees including transfer agent and filing fees and TSX fees were $48,978 (2015 - $62,956).

Rent and storage in the year were $57,775 (2015 - $80,416).

Royalties and property leases for the year amounted to $284,762 (2015 - $284,554).

Share-based compensation for the year was $300,462 (2015 - $130,145) due to stock options being granted in the year.

Travel, including related costs, for the year amounted to $57,270 (2015 - $67,247) and were composed of such costs not specifically related to exploration projects or investor relations and business development. The decrease is because fewer employees were traveling compared to 2015.

Wages and benefits for the year amounted to $1,050,253 (2015 - $1,811,271). This amount included the salaries, bonuses, training and employment related costs of the President and Chief Executive Officer, Chief Financial Officer, Controller, management and administrative staff in Canada and in USA, in IC Potash and ICP and their subsidiaries. The decrease is due to the reduction in the number of staff during this year. $275,331 (2015 - $625,229) of wages were capitalized to the Ochoa Project in the year.

Interest income for the year was $1,464 (2015 - $4,236) earned from cash invested in bank saving account.

Derivative expense adjustment for the year was ($187,715) (2015 - $4,088). Effective January 1, 2015, the functional currency of the Company changed to the U.S. dollar. The warrants are considered a derivative liability since the obligation to issue shares is not fixed in the Company's functional currency.

Finance costs for the year was $2,524,021 (2015 - $1,900,381) related to convertible preferred shares Series A of $1,974,888 (2015 - $1,893,508); convertible preferred shares Series B of $172,951 (2015 - $nil); secured notes $373,607 (2015 - $nil) and accretion of decommissioning liability of $2,575 (2015 - $6,873). The expenses related to the convertible preferred shares Series A issued by ICP(USA) in November 2014, convertible preferred shares Series B issued in July and November 2016, and secured notes issued in February 2016 includes the accrual for dividend and the amortization of the deferred financing costs that relate to convertible preferred shares and secured notes liabilities.

Financings

During the year-ended December 31, 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 up of 17,998,891 units at $0.045 CAD and 500,000 units at $0.05 CAD per unit (issued to a Director of the Company) for gross proceeds of $834,950 CAD. 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 $0.08 CAD 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 $0.18 CAD 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 $38,496 CAD. The Company also issued an aggregate of 855,478 broker warrants to qualified eligible persons, each such broker warrant entitling the holder to acquire one common share for a period of 12 months at an exercise price equal to $0.065 CAD.
- On November 7, 2016, the Company issued 4,500,000 shares at $0.08 pursuant to the exercise of warrants.
- On December 14, 2016, the Company issued 16,950,000 units at $0.08 pursuant to a non-brokered offering, for gross proceeds of CAD$1,356,000. 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$0.11 per share until December 14, 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 $0.18 CAD 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$85,680. The Company also issued an aggregate of 1,071,000

broker warrants to qualified eligible persons, 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$0.11.

During the year ended December 31, 2015, the Company did not issue any common shares.

Preferred Shares

On November 25, 2014, ICP(USA), an indirectly wholly-owned subsidiary of IC Potash Corp., issued 500,000 convertible Series A Preferred Shares at a purchase price of $10,000,000 to Cartesian Capital Group, LLC ("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.

During the year ended December 31, 2016, ICP(USA) issued 250,000 of convertible Series B Preferred Shares. Under the terms of the Securities Purchase Agreement signed on February 29, 2016, the Series B Preferred Shares were issued by ICP(USA) for $2,500,000 on July 13, 2016 and $2,500,000 on November 21, 2016. 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).

Secured Notes

During the year ended December 31, 2016, ICP(USA) issued Secured Notes for $2,500,000. The Secured Notes were issued on March 1, 2016 and are due on February 28, 2018, bear interest at 11% per annum.

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), 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 Securities Purchase Agreement expired during 2016.

Liquidity and Capital Resources at December 31, 2016

At December 31, 2016, the Corporation's working capital was $588,405 (2015 – ($836,213)). The sources of cash in the period included cash from issuing common shares, Series B Preferred Shares and Secured Notes mentioned above and interest earned on cash in the bank accounts.

The Corporation's continuation as a going concern is dependent on the successful results from its mineral property development activities 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 Corporation will be successful. These material uncertainties may cast significant doubt upon the Corporation's ability to continue as a going concern.

The consolidated financial statements for the year ended December 31, 2016 have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. This MD&A does not give effect to any adjustment which would be necessary should the Corporation be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in this MD&A.

Transactions with Related Parties

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:

a) $500,000 CAD, less applicable deductions for taxes was paid on July 15, 2015 and

b) $1,600,000 CAD, less applicable deductions for taxes, is paid in monthly instalments of $50,000 CAD, less applicable deductions for taxes, commencing on July 31, 2015 and continuing until the earlier of March 31, 2018 or the Company and/or its subsidiary ICP(USA) successfully complete a financing that results in the Company and/or ICP(USA) raising gross proceeds of $10 million CAD or a combination of financings that raise gross proceeds of $10 million CAD, at which time the then remaining balance of the severance payment shall become payable within thirty (30) days.

The full amount of the severance payable $1,603,910 ($2,100,000 CAD) was expensed during year 2015.

As at December 31, 2016, the balance of Employment Liability is $521,338 ($700,000 CAD).

During the year ended December 31, 2016, other than the termination amount mentioned above, the Company entered into the following transactions with related parties:

a) Paid or accrued short-term employee benefits of $724,751 (2015 - $1,133,358), of which $106,841 (2015 - $nil) was paid to Mehdi Azodi, $207,875 (2015 - $259,375) was paid to Randy Foote, $219,750 (2015 - $98,000) was paid to Ken Kramer, $153,563 (2015 - $180,500) was paid to Tom Cope, $nil (2015 - $255,621) was paid to Richard Beauchamp, $nil (2015 - $213,939) was paid to Sidney Himmel as regular salary before termination, and $36,722 (2015 - $125,923) was paid to Kevin Strong.

b) Paid or accrued consulting fees of $410,000 (2015 - $nil) to Graham Wheelock.

c) Paid or accrued directors' fees, included in administrative costs, of $78,654 (2015 - $263,005), of which $7,314 (2015 - $46,861) was for Anthony Grey, $14,178 (2015 - $46,861) was for Ernest Angelo, $7,314 (2015 - $46,861) was for George Poling, $7,314 (2015 - $14,181) was for Joao Paulo Simoes Carrelo, $14,178 (2015 - $14,181) was for John Stubbs, $14,178 (2015 - $46,861) was for Knute Lee and $14,178 (2015- $47,199) as for Pierre Pettigrew

d) Incurred share-based compensation in the form of stock options valued at $238,529 (2015 - $126,307), of which $24,391 (2015 - $nil) was to Mehdi Azodi, $24,391 (2015 - $nil) was to Joao Carrelo, $36,586 (2015 - $nil) was to John Stubbs, $9,756 (2015 - $nil) was to Ken Kramer, $36,586 (2015 - $nil) was to George Poling, $24,391 (2015 - $nil) was to Pierre Pettigrew, $26,829 (2015 - $ nil) was to Ernest Angelo, $24,391 (2015 - $nil) was to Knute Lee, $24,391 (2015 - $nil) was to Anthony Grey, $6,818 (2015- $nil) was to Kevin Strong, $nil (2015 - $126,307) was to Sidney Himmel and $nil (2015 - $nil) was to Randy Foote.

e) Included in accounts payable as at December 31, 2016 is $763 (2015- $2,318) due to key management personnel, which includes officers and directors and corporations controlled by officers and directors.

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

	Year-ended	
	December 31, 2016	December 31, 2015
Termination expense *	$ -	$ 1,603,910
Short-term benefits *	724,751	1,133,358
Consulting fees *	410,000	-
Directors' fees **	78,654	263,005
Share-based compensation	238,529	130,145
Total remuneration	$ 1,451,934	$ 3,130,418

* 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.

Financial Instruments

International Financial Reporting Standards 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, receivables, deposits, accounts payable, employment liability, convertible preferred shares, secured notes and warrant liability.

Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy. The warrant derivative liability is categorized as level three. The carrying value of receivables, deposits, payables and accrued liabilities approximate fair value because of the short-term nature of these instruments.

The preferred shares contain a contractual obligation whereby ICP(USA) can be required to repay the preferred share proceeds, therefore they are considered a financial liability. In addition, the conversion features are considered embedded derivatives.

The Series A Preferred Shares are accounted for using the effective interest rate method. The effective interest rate of the Series A Preferred Share debt is 19% (2015 - 20%) due to modification of terms.

The Series B Preferred Shares are accounted for using the effective interest rate method. The effective interest rate of the Series B Preferred Share debt is 12% (2015 – nil).

The secured notes have a maturity date of February 28, 2018 and carry an 11% interest rate. The secured notes are accounted for using the effective interest rate method. The effective interest rate of the Secured Notes is 19%.

Other

Outstanding Share data as at March 28, 2017:

(a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No Par Value	Unlimited	219,596,878

(b) Summary of Options outstanding as at March 28, 2017:

Number of Options	Exercise Price (CAD)	Expiry Date
30,000	$ 0.71	December 5, 2017
100,000	0.08	January 12, 2018
500,000	0.08	July 12, 2019
250,000	0.12	November 14, 2019
500,000	0.10	November 24, 2019
2,150,000	0.10	February 14, 2020
200,000	0.10	March 1, 2020
9,650,000	0.08	June 6, 2021
300,000	0.08	July 12, 2021
200,000	0.09	September 2, 2021
3,900,000	0.10	February 14, 2022
17,780,000		

(c) Warrants outstanding as at March 28, 2017:

As at March 28, 2017, the Company had warrants outstanding, enabling the holders to acquire the following number of common shares:

Number of Warrants	Exercise Price (CAD)	Expiry Date
13,798,891	$ 0.08	May 20, 2017
9,760,000	0.11	June 18, 2017
16,950,000	0.11	December 14, 2017
3,286,666	0.16	March 1, 2018
43,795,557		

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 (note 9)	18,498,891		0.08
Issued on December 14, 2016 (note 9)	16,950,000		0.11
Issued on March 1, 2017 (subsequent event)	3,286,666		0.16
Exercised	(4,700,000)		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 December 31, 2016	43,795,557	$	0.10

(d) Broker warrants outstanding as at March 28, 2017:

On May 20, 2016, the Company issued 855,478 broker warrants entitling the holder to acquire one common share for a period of 12 months at an exercise price equal to $0.065 CAD.

On December 14, 2016, the Company issued 1,071,000 broker warrants entitling the holder to acquire one common share for a period of 12 months at an exercise price equal to $0.11 CAD.

As at March 28, 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
855,478	$ 0.065	0.64 years	May 20, 2017
1,071,000	$ 0.110	0.95 years	December 14, 2017
1,926,478			

Accounting Principles

The financial statements have been prepared in accordance with IFRS.

The policies and estimates are considered appropriate under the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process. See also Note 2 in the consolidated financial statements for the year ended December 31, 2016 for additional detail on accounting principles.

Foreign currency translation

The consolidated financial statements are presented in U.S. dollars. Prior to January 1, 2015, the functional currency of the Company and its subsidiaries was the Canadian dollar. The Company and its subsidiaries functional currency changed on a prospective basis from the Canadian dollar to the U.S. dollar as management determined that the currency of the primary economic environment in which the entities operate changed with the planned development of the Ochoa property and the recent U.S. dollar financing.

Transactions in foreign currencies are translated into the entities functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities of the Company’s operations denominated in a currency other than the U.S. dollar are translated using the exchange rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates in effect at the date of the underlying transaction, except for depreciation related to non-monetary assets, which is translated at historical exchange rates. Exchange differences are recognized in the statements of loss and comprehensive loss in the year in which they occur.

New standards, amendments and interpretations:

Effective and adopted January 1, 2016

IFRS 10, IFRS 12, and IAS 28 – Investment Entities. IFRS 10, IFRS 12, and IAS 28 were amended to discuss the application of the investment entities exception. There was no impact on the Company’s consolidated financial statements upon adoption of this amendment.

IFRS 11 – Accounting for Acquisitions of Interest in Joint Operations. IFRS 11 was amended to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business. There was no impact on the Company’s consolidated financial statements upon adoption of this amendment.

IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization. IAS 16 and IAS 38 were amended to (i) clarify that the use of revenue-based depreciation and amortization method is not appropriated, and (ii) provide a rebuttable presumption for intangible assets. There was no impact on the Company's consolidated financial statements upon adoption of this amendment.

IAS 27 - Equity Method in Separate Financial Statements. IAS 27 was amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. There was no impact on the Company's consolidated financial statements upon adoption of this amendment.

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 models. 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.

Risks and Uncertainties

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.

Liquidity risk

As at December 31, 2016, the Company had a cash balance of $3,114,540 to settle current liabilities of $2,645,152. The Company has a contractual maturity for the $10 million face amount of the preferred shares Series A plus accrued interest, $5 million face amount of the preferred shares Series B plus accrued interest, and $2.5 million face amount of the secured notes plus accrued interest. These preferred shares, secured notes and accrued interests have maturity date as at February 28, 2018.

Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest 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 dollars; 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 $30,000 impact on foreign exchange gain or loss.

Price risk

The Company is exposed to investment risk and price risk with respect to commodity prices, specifically potash and other fertilizer products.. The Company closely monitors the share prices and commodity prices to determine the appropriate course of action to be taken by the Company. The Company’s future mining operations will be significantly affected by changes in the market prices for potash and other fertilizer products. Share prices and commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company’s control. The supply and demand for commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities, economic growth in developed and developing countries and stability of exchange rates can all cause significant fluctuations in commodity prices. The Company may make investments in public and private companies and is subject to price risk relating to the valuations and trading prices of these investments.

Other risks

The Company’s only material property is the Ochoa Project. As a result, unless it acquires additional property interests, any adverse developments affecting the Ochoa Project could have a material adverse effect on the Company and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations.

Although the Corporation has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Corporation's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

The exploration and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not be successful in overcoming. Few exploration and evaluation assets which are explored ultimately develop into producing mines. There has been no commercial production of minerals on properties held by the Corporation to date and there is a high degree of risk that commercial production of minerals will not be achieved. There is no certainty that the expenditures made towards the search and evaluation of mineral resources will result in discoveries of commercial quantities of any minerals.

The Corporation has a limited history of operations and no material earnings to date and there can be no assurance that the business of the Corporation will be successful or profitable. No dividends have been paid to date. Payment of any future dividends, if any, will be at the discretion of the Company’s board of directors.

There are many risks associated with designing and developing a mine and processing facility as part of the Ochoa Project, including: (i) process plant may be more expensive than anticipated; (ii) product quality must be consistent over long periods of time; (iii) capital costs may increase due to heavy demand in mining equipment; (iv) major suppliers may undercut prices to prevent additional competition; (v) the SOP or direct application polyhalite market may be more difficult to develop than anticipated; (vi) permitting, bonding, and permit requirements may increase the capital requirements, and increase the time necessary to develop the project or make it impractical or impossible to operate; and (vii) water for mining and processing may become more difficult or expensive to obtain.

The results of the Study and more recent PEA are used to determine the economic viability of a deposit. While the PEA and the Study are based on the best information available to the Company for the level of study, the Company cannot be certain that actual capital and operating costs will not significantly exceed the estimated cost in the PEA and the Study and that the other assumptions on which they are based will be accurate. While the Company incorporates what it believes is an appropriate contingency factor in cost estimates and other assumptions contained in the PEA and the Study to account for this uncertainty, there can be no assurance that the contingency factor is adequate. Projections including, but not limited to, capital costs, operation production cost, production capacity, mine life and construction timing included in the PEA and the Study are forward-looking statements and are subject to change.

The Corporation is considering several business models with different mining methods, metallurgical processing methods, and logistics methods. Changes to disclosed or planned mining methods, metallurgical processing methods, or logistics and transportation methods could affect projected capital and operating costs.

The area is an active production area for oil and gas companies and there are numerous active and plugged oil and gas wells within the mine plan. These hydrocarbon operations need to be considered as mining is planned and as mining proceeds. The Company has various memoranda of understanding in place with oil and gas companies for the purposes of co-development. Additional agreements are being negotiated.

Locating commercially valuable mineral deposits and developing a mine depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The mining industry is intensely competitive. The commercial viability of a mineral deposit depends on a number of factors including the particular attributes of the deposits (principally size and grade), proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes mineral prices to fluctuate substantially over short periods of time. There can be no assurance that the minerals can be marketed profitably or in such a manner as to provide an adequate return on invested capital.

The operations of the Corporation are subject to all of the risks normally associated with the operation and development of exploration and evaluation assets and the development of a mine, including encountering unexpected formations or pressures, caving, flooding, fires and other hazards, all of which could result in personal injuries, loss of life and damage to property of the Corporation and others. In accordance with customary industry practice, the Corporation is not fully insured against all of these risks, nor are all such risks insurable. Interference in the maintenance or provision of adequate infrastructure (such as roads, bridges, power sources, fuel and water supply and the availability of skilled labour) could adversely affect the Corporation's operations, financial condition and results of operations.

The operations of the Corporation's properties will be subject to various laws and regulations relating to taxation, labor, safety, the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Corporation's exploration and evaluation assets may have material adverse impact on operations. The Corporation has paid all site reclamation costs or posted site reclamation bonds with the appropriate government agencies. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the operations of the Corporation. There can be no assurance that the Corporation will not incur substantial financial obligations in connection with environmental compliance. There is no assurance that the necessary environmental and operating permits will be obtained. Failure to comply with applicable environmental and other laws, regulations and permitting requirements may result in enforcement actions.

The Corporation will need additional funding to complete its short and long term objectives. The ability of the Corporation to raise such financing in the future will depend on the prevailing market conditions, as well as the business performance of the Corporation. Current global financial conditions have been subject to increased volatility as a result of which access to public financing has been negatively impacted. There can be no assurances that the Corporation will be successful in its efforts to raise additional financing on terms satisfactory to the Corporation. The market price of the Corporation's shares at any given point in time may not accurately reflect the long-term value. If adequate funds are not available or not available on acceptable terms, the Corporation may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

To the extent of the holdings of IC Potash through its subsidiaries (including ICP and ICP(USA)), the Corporation will be dependent on the cash flows of these subsidiaries to meet its obligations, which cash flows may be constrained by applicable taxation and other restrictions.

The Corporation is dependent upon the services of key executives, including the Chief Executive Officer.

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in mineral exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict.

Other risks can be found in the Corporation's Annual Information Form dated March 28, 2017, and the PEA Technical Report, which are available at www.sedar.com.

Management's Report on Internal Controls

Disclosure controls and procedures ("DC&P") have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of DC&P. There have been no changes in the Company's DC&P during the year ended December 31, 2016.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with applicable IFRS. However, due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The Corporation's controls are based on the COSO framework. COSO (Committee of Sponsoring Organizations of the Treadway Commission) is a joint initiative of the American Accounting Association, the American Institute of Certified Public Accountants, Financial Executives International, the Association of Accountants and Financial Professionals in Business and the Institute of Internal Auditors dedicated to providing thought leadership through the development of frameworks and guidance on enterprise risk management, internal control and fraud deterrence.

Corporate Governance Practices

The disclosure required pursuant to National Instrument 58-101-Disclosure of Corporate Governance Practices was made by the Corporation in its Management Information Circular which was mailed to shareholders and is accessible via the Internet for public viewing on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions 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 amount of revenues and expenses during the reported year. Actual results could differ from those estimates.

Subsequent Events

On January 24, 2017, 200,000 warrants were exercised and the Company issued 200,000 common shares for proceeds of CAD$16,000, or CAD$0.08 per share.

On February 14, 2017, the Company granted 6,050,000 options to directors, officers and employees of the Company, of which 2,150,000 have three year term and 3,900,000 have five year term. All options vested at the grant date and the exercise price of CAD$0.10.

On March 1, 2017, the Company granted 200,000 options to a consultant. The options vested at grant date, with a three year term and exercise price of CAD$0.10.

On March 1, 2017, the Company issued 6,573,333 units pursuant to a non-brokered offering, made up of 6,573,333 units at CAD$0.105 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.

On March 16, 2017, ICP(USA) issued 710,000 common shares to Cartesian for $360,000. The funds will be used for the operating expenses of ICP(USA) based on an approved budget. This decreased the Company’s common share ownership of ICP(USA) to 93%.

In March 2017, the Company determined that it no longer has the power to govern the financial and operating policies of its subsidiary ICP(USA).

It has been determined that ICP(USA) is now operating as an independent company with decisions made by its board and executives. The Company and Cartesian do not agree on the pace of spending on engineering and development of the Ochoa project and the best way to finance the short-term operations of ICP(USA). A $150,000 debt financing proposal by the Company to fund reduced levels of activity over the short-term was rejected by ICP(USA) in 2017. With the weak capital markets with respect to the resource sector and due to Cartesian's protective provisions, voting rights, right to nominate 2 out of 5 directors and co-approve a 3rd director with the Company, and non-diluted 28.9% interest in ICP(USA) upon conversion of the preferred shares, the Company has been unable to find financing or a partner for the development of the Ochoa project. Cartesian acquired 6.6% of the common shares of ICP(USA) in March 2017, so the Company no longer owns 100% of the common shares of ICP(USA).

As a result, the Company will cease to consolidate the assets, liabilities and results of operations of ICP(USA) and will recognize its investment retained in ICP(USA) as an investment in an associated company accounted for under the equity method. The full impact of this loss of control and de-consolidation will be reflected in the March 31, 2017 interim financial statements.

Other Information

The Corporation’s web site address is www.icpotash.com. Other information relating to the Corporation may be found on SEDAR at www.sedar.com.

IC POTASH CORP

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Management's Discussion and Analysis

for the nine months ended September 30, 2017

Form 51-102F1 – For the Period Ended September 30, 2017

Management's Discussion and Analysis

IC Potash Corp. (Hereafter called "IC Potash", the "Company", or the "Corporation")

(Containing information up to and including November 2, 2017)

Description of Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated financial statements of the Corporation for the period ended September 30, 2017 and the audited consolidated financial statements of the year ended December 31, 2016. This MD&A was prepared as at November 2, 2017. This MD&A contains forward-looking information and statements, which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

All financial information is presented in United States dollars unless otherwise stated. All references to a year refer to the year-ended on December 31st of that year, and all references to a quarter refer to the quarter ended on September 30th of that year. The Corporation is a reporting issuer in Alberta, British Columbia, Ontario, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and the Northwest Territories.

Unless otherwise noted, financial results are reported in accordance with International Financial Reporting Standards ("IFRS"). Further details are included in Note 2 of the condensed consolidated interim financial statements for the nine months ended September 30, 2017.

Additional information related to the Corporation is available on SEDAR at www.sedar.com and on the Corporation's website at www.icpotash.com.

Company Overview

IC Potash is a Canadian-based company in the business of investing in the organic fertilizer and cannabis industries as well as mineral exploration and development companies and other companies. IC Potash is a corporation governed by the Canada Business Corporation's Act. The shares of the Company are listed on the Toronto Stock Exchange and the OTC Market under the symbols ICP and ICPTF respectively. The Company's registered office is located at 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

The Company plans to conduct research and development on the effectiveness of organic fertilizers in the medical cannabis cultivation space. It is the intention of the Company to obtain financing through access to public and private equity markets, debt and partnerships or joint ventures.

IC Potash owns 100% of Intercontinental Potash Corp. ("ICP"), a Canadian company involved in resource exploration and mine development. On November 30, 2009, the Corporation completed a reverse-takeover ("RTO") with ICP. Legally, IC Potash is the parent of ICP, but for financial reporting purposes, IC Potash is considered to be a continuation of ICP. IC Potash was consolidated commencing on December 1, 2009.

The Company, indirectly through ICP, previously owned the majority of the outstanding common shares of Intercontinental Potash Corp. (USA) ("ICP(USA)"). In Q1 of 2017, the Company determined that it no longer controlled ICP(USA) and, accordingly, deconsolidated the financial reporting. On October 16, 2017, ICP sold all of its shares of ICP(USA), and correspondingly all of its interest in the Ochoa Project, back to ICP(USA) as part of a Settlement and Release Agreement dated September 11, 2017 between IC Potash; ICP; ICP (USA); and two companies related to Cartesian Capital LLC (Pangaea Two Acquisition Holdings XI, LLC and Pangaea Two Acquisition Holdings XIB, LLC) (the "Settlement").

IC Potash directly owns 100% of ICP Organics, a Canadian company that plans to engage in research and development on organic fertilizers and invest capital in the cannabis industry.

Forward-Looking Statements

This MD&A includes certain statements that may be deemed "forward-looking statements" as defined under applicable securities law. Other than statements of historical facts, statements in this discussion including, but not limited to, statements that address future research and investment plans and expected or anticipated events or developments are forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, market prices, demand for fertilizer products, exploration and evaluation successes or delays, continued availability of capital and financing, general economic, market or business conditions, the risk factors identified herein as well as those risk factors identified in the Corporation's Annual Information Form (AIF) dated March 28, 2017. Although the Corporation believes the expectations expressed in any forward-looking statement are based on reasonable assumptions, investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements.

Management's Responsibility for Financial Statements

The Company's management is responsible for the presentation and preparation of interim financial statements and the MD&A. The consolidated financial statements have been prepared in accordance with IFRS. The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators. This MD&A has not been reviewed by the Company's auditors.

Description of Properties

Ochoa Project

The Company no longer has any resource properties on its statement of financial position.

Through its indirect investment in ICP(USA), the Company held a majority interest in the Ochoa Project. Subsequent to September 30, 2017, on October 16, 2017, the Company sold its shares of ICP(USA) and as a result sold its interest in the Ochoa Project, which is described in the Preliminary Economic Assessment and the related National Instrument 43-101 compliant Technical Report (effective date October 28, 2016) filed on SEDAR on November 30, 2016.

Summary of Quarterly Results

Selected quarterly financial information of the Corporation for the quarters ended September 30, 2017 is as follows:

Table of Results for the Quarters to September 30, 2017

	Sept 30 2017	June 30 2017	Mar 31 2017	Dec 31 2016
Total assets	$ 512,838	$ 1,117,564	$ 1,040,655	$ 23,085,495
Property, plant and equipment	$ 1,197	$ 1,403	$ 1,598	$ 19,775,768
Working capital	$ (30,551)	$ 412,652	$ 122,004	$ 588,405
Shareholders' equity (deficiency)	$ (20,308)	$ 423,101	$ 123,603	$ (10,984)
Interest income	$ 747	$ 1,102	$ 1,063	$ 878
Net loss	$ (442,202)	$ (224,812)	$ (8,243,066)	$ (41,699,800)
Basic loss per share	$ (0.002)	$ (0.001)	$ (0.04)	$ (0.20)
Fully diluted loss per share	$ (0.002)	$ (0.001)	$ (0.04)	$ (0.20)

Selected quarterly financial information of the Corporation for the quarters ended September 30, 2016 is as follows:

Table of Results for the Quarters to September 30, 2016

	Sep 30 2016	Jun 30 2016	Mar 31 2016	Dec 31 2015
Total assets	$ 60,068,282	$ 58,119,309	$ 58,064,268	$ 57,203,000
Property, plant and equipment	$ 58,013,565	$ 56,997,381	$ 56,484,381	$ 56,197,065
Working capital	$ 523,535	$ (288,534)	$ 125,021	$ (836,213)
Shareholders' equity	$ 40,561,338	$ 42,356,662	$ 43,100,456	$ 44,665,602
Interest income	$ 553	$ 15	$ 18	$ 96
Net loss	$ (1,828,485)	$ (1,332,806)	$ (1,565,146)	$ (1,349,910)
Basic loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Fully diluted loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

Results of Operations for the Quarter ended September 30, 2017

The Corporation did not generate operating revenue during the quarter ended September 30, 2017, as all of the operating activities of the Corporation were directed towards investment management activities during the quarter.

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 liabilities that is 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 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 equity loss of $1,401,149 included an unrecognized share of the losses of ICP(USA) since deconsolidation totaling $2,186,109 less dilution gain of $784,966. 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 had significant influence, but not control at September 30, 2017 and therefore equity accounting was appropriate.

On October 16, 2017, the Company sold its shares of ICP(USA).

Office and Administration Expenses

In general, the Company has reduced its spending to conserve cash.

Administration and related costs amounted to $22,381 (2016 – $59,527) for the quarter. This included telephone, postage and courier, dues and subscriptions, stationery, repairs and maintenance, utilities and related costs. The decrease is because directors elected to stop getting paid director fees in the quarter, and the Company deconsolidated with ICP(USA) and therefore, did not include expenses of ICP(USA).

Business development and market development spending for the quarter was $58,445 (2016 - $79,945). Business development costs included activities related to the search for joint venture partners aas well as exploring new investment strategies and partnering opportunities to advance the project or sell its interest in the Ochoa project.

Consulting fees in the quarter were $25,143 (2016 – $121,150); this was mostly in respect of technical consulting and management consulting. This has decreased because the company's activity level and involvement in the Ochoa project was reduced in the quarter.

Depreciation during the quarter amounted to $207 (2016 - $8,221). This relates to depreciation of computer equipment. Depreciation on assets owned by ICP(USA) was not consolidated during the quarter.

Fundraising activities for the quarter was $109,355 (2016 – $17,183). This amount is for expenses related to identifying and meeting with potential investors. The increase is due to the need for working capital and for capital to sustain the Ochoa project and maintain the Company's interest in the Ochoa project.

Investor relations cost in the quarter was $22,548 (2016 – $64,589). The Company reduced its investor relations activity in the quarter as it focused on other activities and conserved cash.

Professional fees of $143,905 (2016 – $51,416) for the quarter were incurred mostly in respect of auditing costs, other accounting costs, and legal costs. The increase is due to an increased accrual for auditing costs and additional legal costs associated with the lawsuits against and by Cartesian in the quarter.

Regulatory fees including transfer agent and filing fees and TSX fees were $8,944 (2016 - $9,674).

Rent and storage in the quarter were $20,413 (2016 - $14,469). The increase is due short-term temporary office rent in the quarter.

Royalties and property leases for the quarter amounted to $nil (2016 - $3,000). There was no payment of royalties and property leases because the results of ICP(USA) are no longer consolidated with the Company.

Share-based compensation for the quarter was $nil (2016 – $33,161) due to no stock options being granted in the quarter.

Travel, including related costs, for the quarter amounted to $23,220 (2016 – $21,848) and were composed of such costs not specifically related to investor relations and business development.

Wages and benefits for the quarter amounted to $135,451 (2016 – $224,467). This amount included the salaries and employment related costs of the President and Chief Executive Officer, Chief Financial Officer, Controller, Vice President, management and administrative staff. The salaries of ICP(USA) are no longer consolidated with the Company's salaries.

Derivative expense adjustment for the quarter of $126,855 (2016 – ($498,272)) relate to warrants being issued in a currency other than the functional currency of the Company.

Finance costs for the quarter were $nil (2016 - $621,178). Finance costs are no longer accrued since the deconsolidation of ICP(USA).

Financings

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.
- 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 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.

- 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.
- 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. 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.

Preferred Shares

On November 25, 2014, ICP(USA) issued 500,000 convertible Series A Preferred Shares at a purchase price of $10,000,000 to Cartesian Capital Group, LLC ("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.

During the year ended December 31, 2016, ICP(USA) issued 250,000 of convertible Series B Preferred Shares. Under the terms of the Securities Purchase Agreement signed on February 29, 2016, the Series B Preferred Shares were issued by ICP(USA) for $2,500,000 on July 13, 2016 and $2,500,000 on November 21, 2016. 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).

Due to the deconsolidation of ICP(USA), the Company no longer has preferred shares on its statement of financial position at September 30, 2017.

Secured Notes

During the year ended December 31, 2016, ICP(USA) issued Secured Notes for $2,500,000. The Secured Notes were issued on March 1, 2016 and are due on February 28, 2018, bear interest at 11% per annum.

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), 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 Securities Purchase Agreement expired during 2016.

Due to the deconsolidation of ICP(USA) the Company no longer has secured notes on its statement of financial position at September 30, 2017.

Liquidity and Capital Resources at September 30, 2017

At September 30, 2017, the Corporation's working capital was ($30,551) (2016 – $523,535). The sources of cash in the period included cash from issuing common shares, warrants exercised, interest earned on cash in the bank accounts.

The Corporation's continuation as a going concern is dependent on 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 Corporation will be successful. These material uncertainties may cast significant doubt upon the Corporation's ability to continue as a going concern.

The condensed consolidated interim financial statements for the period ended September 30, 2017 have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. This MD&A does not give effect to any adjustment which would be necessary should the Corporation be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in this MD&A.

Transactions with Related Parties

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. As at September 30, 2017, the balance of employment liability is $354,567 (2016 - $648,014) (CAD$442,500; 2016 - CAD$850,000) and is included in current liabilities.

During the three month period ended September 30, 2017, the Company entered into the following transactions with related parties:

a) Paid or accrued short-term employee benefits of $71,041 (2016 - $146,460), of which $43,103 (2016 - $34,480) was paid to Mehdi Azodi, $nil (2016 - $20,000) was paid to Randy Foote, $nil (2016 - $56,250) was paid to Ken Kramer, $nil (2016 - $21,938) was paid to Tom Cope and $27,938 (2016 - $13,792) was paid to Kevin Strong.

b) Paid or accrued directors' fees, included in administrative costs, of $nil (2016 - $13,740), of which $nil (2016 - $3,435) was for Ernest Angelo, $nil (2016 - $3,435) was for Knute Lee, $nil (2016- $3,435) was for Pierre Pettigrew, and $nil (2016 - $3,435) was for John Stubbs.

c) Incurred share-based compensation in the form of stock options valued at $nil (2016 - $6,818 to Kevin Strong).

d) Included in accounts payable as at September 30, 2017 is $26,014 (2016- $20,274) due to key management personnel, which includes officers and directors and corporations controlled by officers and directors.

e) Included in prepaid expenses as at September 30, 2017 is $39,554 (2016- $nil) prepaid to key management personnel, which includes officers and directors and corporations controlled by officers and directors.

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

	Nine months-ended			
	September 30, 2017		September 30, 2016	
Short-term benefits *	$	274,864	$	527,916
Consulting fees *		87,500		-
Directors' fees **		52,585		64,938
Share-based compensation		171,626		238,529
Total remuneration	$	586,575	$	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.

Financial Instruments

International Financial Reporting Standards 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.

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.

Other

Outstanding Share data as at November 2, 2017:

(a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No Par Value	Unlimited	237,152,275

(b) Summary of Options outstanding as at November 2, 2017:

Number of Options	Exercise Price (CAD)	Expiry Date
100,000	$ 0.08	January 12, 2018
250,000	0.08	July 12, 2019
250,000	0.12	November 14, 2019
500,000	0.10	November 24, 2019
2,150,000	0.10	February 14, 2020
200,000	0.10	March 1, 2020
9,650,000	0.08	June 6, 2021
300,000	0.08	July 12, 2021
200,000	0.09	September 2, 2021
3,900,000	0.10	February 14, 2022
17,500,000		

(c) Warrants outstanding as at November 2, 2017:

As at November 2, 2017, the Company had warrants outstanding, enabling the holders to acquire the following number of common shares:

Number of Warrants	Exercise Price (CAD)	Expiry Date
16,950,000	$ 0.11	December 14, 2017
3,286,666	0.16	March 1, 2018
12,360,000	0.08	June 27, 2018
4,378,808	0.08	June 28, 2018
36,975,474		

(d) Broker warrants outstanding as at November 2, 2017:

As at November 2, 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			

Accounting Principles

The financial statements have been prepared in accordance with IFRS.

The policies and estimates are considered appropriate under the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process. See also Note 2 in the condensed consolidated interim financial statements for the period ended September 30, 2017 and also the consolidated financial statements for the year ended December 31, 2016 for additional detail on accounting principles.

Foreign currency translation

The consolidated financial statements are presented in U.S. dollars. Prior to January 1, 2015, the functional currency of the Company and its subsidiaries was the Canadian dollar. The Company and its subsidiaries functional currency changed on a prospective basis from the Canadian dollar to the U.S. dollar as management determined that the currency of the primary economic environment in which the entities operate changed with the planned development of the Ochoa property and a recent U.S. dollar financing. The Company will continue to monitor and evaluate the economic environment in which it operates and will adjust its functional currency accordingly.

Transactions in foreign currencies are translated into the entities functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities of the Company's operations denominated in a currency other than the U.S. dollar are translated using the exchange rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates in effect at the date of the underlying transaction, except for depreciation related to non-monetary assets, which is translated at historical exchange rates. Exchange differences are recognized in the statements of loss and comprehensive loss in the year in which they occur.

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 models. 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.

Risks and Uncertainties

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.

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, however the proceeds from the Settlement will provide more working capital.

Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest 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 dollars; 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.

Contingent Consideration risk

The Company is to receive USD$12.2 million in contingent royalty payments as part of the Settlement. There is no guarantee that the Company will ever receive any royalty payments.

Corporate Governance Practices

The disclosure required pursuant to National Instrument 58-101-Disclosure of Corporate Governance Practices was made by the Corporation in its Management Information Circular which was mailed to shareholders and is accessible via the Internet for public viewing on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions 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 amount of revenues and expenses during the reported year. Actual results could differ from those estimates.

IC POTASH CORP

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.

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.

The Settlement represents the sale of the Company's interest in the Ochoa Project, leaving the Company with no operating business. The Company will write-off its $1 investment in ICP(USA) and record any resulting gain or loss on the proceeds of disposition through profit or loss in Q4 2017. The Company will use its available cash to make investments in private and publicly-trade companies to achieve a risk-adjusted rate of return including furthering and expanding the business mandate of ICP Organics, its wholly-owned subsidiary. As a result of the Settlement, the Company may be delisted from the Toronto Stock Exchange and has applied to list on the Canadian Securities Exchange to provide a seamless transition should such delisting occur.

Other Information

The Corporation's website address is www.icpotash.com. Other information relating to the Corporation may be found on SEDAR at www.sedar.com.

Schedule "C"

STATEMENT OF EXECUTIVE COMPENSATION

The Company's approach to executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Company attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Company.

The Board, through its Nominating, Governance and Compensation Committee, develops and manages the Company's compensation philosophy and makes recommendations to the Board in consultation with the President and CEO with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans. The Nominating, Governance and Compensation Committee will review an approve the corporate goals and objectives relevant to CEO compensation, evaluate CEO performance in accordance with those goals and objectives and recommend to the Board the CEO's compensation level based on this evaluation.

In determining compensation matters, the Nominating, Governance and Compensation Committee may consider a number of other factors, including the Company's performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and such other factors it considers relevant. The Nominating, Governance and Compensation Committee did not retain a compensation consultant in 2016.

The Nominating, Governance and Compensation Committee is multi-functional by nature of its composition and is comprised of four directors, the majority of whom shall be "independent" as defined in National Instrument 58-101 – Disclosure of Corporate Governance Practices ("**NI 58-101**"). The inclusion of a related director or member of management will be for the sole purpose of enhancing the effectiveness of the Committee's mix of skills, experience and expertise. The Committee may convene meetings without the presence of any related director or non-independent member, at the pleasure of the independent members of the Committee, and whom will be excused from attending meetings or voting on matters related to compensation. Collectively, the Nominating, Governance and Compensation Committee has extensive compensation-related experience in the mining and finance sectors both as executives and on the boards of other public and private companies:

- Mr. Knute H. Lee, Jr. (Chair) (Independent) Mr. Lee in his role as manager and entrepreneur has knowledge of human resources which gives him the skills and experience to make decisions on the suitability of the Company's policies and practices.

- Mr. Pierre Pettigrew (Independent) Mr. Pettigrew is an Executive Advisor at Deloitte & Touche LLP and was a federal cabinet minister in the Canadian government. He has served on the compensation committee of several public companies.

- Mr. Ernest Angelo, Jr. (Independent) Mr. Angelo has a distinguished public service career serving as the major of Midland, Texas for four terms offering compensation experience, human resource and corporate communications.

- Mr. Mehdi Azodi (non-Independent) Mr. Azodi will not attend meetings nor vote on matters that involve compensation.

Each independent member of the Nominating, Governance and Compensation Committee has the knowledge and experience to execute its mandate effectively and make executive compensation decisions in the best interests of the Company.

Compensation arrangements for the Chief Executive Officer, the Chief Financial Officer and the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and the Chief Financial Officer, whose total compensation is more than $150,000 (the "**Named Executive Officers**") may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of shares or options of the Company ("**Options**"). Granted and outstanding options vested immediately.

During the year ended December 31, 2016, the Chief Executive Officer, the Chief Financial Officer, the Executive Vice President of Intercontinental Potash Corp. (USA) ("ICP(USA)") and the President of ICP(USA) were the only Named Executive Officers. Given the stage of development of the Company, compensation of the Named Executive Officers to date has emphasized salary as well as bonus and Option awards to attract and retain the Named Executive Officers and, to a certain extent, to conserve cash. This policy may be re-evaluated in the future depending upon the future development of the Company and other factors that may be considered relevant by the Board from time to time. Granted and outstanding options vested immediately.

The Company also provides basic perquisites and personal benefits to certain of its Named Executive Officers including medical and other group insurance benefits for employees and vacation time in excess of legislated minimum vacation time. These perquisites and personal benefits are determined through negotiation of an executive employment agreement with each Named Executive Officer. While perquisites and personal benefits are intended to fit the Company's overall compensation objectives by serving to attract and retain talented executive officers, the size of the Company and the nature and stage of its business also impacts the level of perquisites and benefits.

Base salary is a fixed element of compensation that is payable to each Named Executive Officer for performing their position's specific duties. The amount of base salary for a Named Executive Officer is determined through negotiation with each Named Executive Officer and is determined on an individual basis based upon the Company's need to attract and retain the relevant individual. While base salary is intended to fit into the Company's overall compensation objectives by serving to attract and retain talented executive officers, the size of the Company and the nature and stage of its business currently (as an exploration and development company with no ongoing revenues from operations) also impacts the level of base salary. Compensation is set with reference to the market for similar jobs in peer group companies in Canada and internationally and an appropriate portion of total compensation is variable and linked to performance of both individual and corporate pre-established goals. No specific benchmark group has been used in determining compensation. Bonuses are short-term performance based financial incentives that are determined through the compensation review process.

The Company has in place a 10% rolling stock option plan (the "**2012 Plan**"), which was approved by Shareholders in June of 2012 and reapproved in June 2015, for the benefit of eligible directors, officers, employees and consultants of the Company. Option-based awards are a variable element of compensation that are used to reward each Named Executive Officer for the performance of the Company. Option-based awards are intended to fit into the Company's overall compensation objectives by aligning the interests of the Named Executive

Officers with those of the Company and linking individual Named Executive Officer compensation to the performance of the Company. Options are used as an incentive to attract high talent, to reward extraordinary performance and to align the interests of participants with the Company. The Nominating, Governance and Compensation Committee is responsible for overseeing the 2012 Plan, and determining those directors, officers, employees and consultants of the Company who are entitled to participate in the 2012 Plan and the number of Options of the Company allocated to each participant under the 2012 Plan, if any. All Option grants must be approved by the Board. Existing Options held by the Named Executive Officers at the time of subsequent Option grants are taken into consideration in determining the quantum or terms of any such subsequent Option grants.

Bonuses are determined at the discretion of the Nominating, Governance and Compensation Committee or CEO based on individual performance.

In light of the Company's size and the balance between long term objectives and short term financial goals with respect to the Company's executive compensation program, the Board does not deem it necessary to consider at this time the implications of the risks associated with its compensation policies and practices.

The Company does not currently have a policy that restricts executive officers or directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the Company as of the date of hereof, no executive officer or director of the Company has participated in the purchase of such financial instruments.

Performance Graph

The following graphs compares the yearly percentage change in cumulative total shareholder return for $100 invested in Common Shares against the cumulative total shareholder return of the S&P/TSX Composite Index for the period from June 10, 2011, the date on which the Company began trading its Common Shares on the TSX and delisted its Common Shares from the TSX Venture Exchange, to December 31, 2016, assuming the reinvestment of all dividends.

	June 10, 2011	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2016
IC Potash Corp.	100.00%	70.59%	63.03%	22.69%	21.01%	5.04%	7.56%
S&P/TSX Composite Index	100.00%	92.90%	99.58%	112.51%	124.39%	114.04%	138.08%

Mr. Azodi's (CEO of the Company from May 2016 to Present, 2013 to May 2016, Director Investor Relations) total compensation was $180,000 in 2016, $189,000 in 2015 and $149,500 in 2014. The annual compensation was not tied to performance of the Common Share price and were based on responsibilities.

Kevin Strong's (CFO from July 2008 to June 2015 and from June 2016 to Present) total compensation was $185,000 in 2011, $275,000 in 2012, $213,000 in 2013, $223,000 in 2014, $100,000 for the first six (6) months of 2015. Mr. Strong also received $58,000 as a separation payment during 2015 when he resigned as CFO pursuant to his employment contract then in effect. Mr. Strong returned to the Company in June 2016, and total compensation was $58,000 in 2016. The higher compensation in 2012 was mainly due to the value of the Options granted to Mr. Strong. Annual compensation is not tied to performance of the Common Share price.

Randy Foote's (COO from January to July 2015 and CEO from July to December 2015 and CEO of IC Potash from June 2015 to June 2016) total compensation was $500,000 in 2011, $491,000 in 2012, and $309,000 in 2013, $279,000 in 2014, $333,000 in 2015, and $128,000 in 2016. Mr. Foote also received $147,000 as a separation payment during 2016. The COO compensation decreased over this period due to additional partial retirement and reduced responsibilities and reduced time commitments. The COO was also instrumental in the successful completion of the 2011 financing as well as the 2012 financing and off-take agreement. 2011 compensation was highest due to the value of the options granted to Mr. Foote. The annual compensation changes were not tied to performance of the Common Share price. The COO assumed the role of CEO in July 2015. Mr. Foote resigned from all positions with the Company effective May 19, 2016.

Tommy Cope's (Executive Vice President ("EVP") of the Company until November 2016) total compensation was $344,000 in 2011, $189,000 in 2012, and $195,000 in 2013, $243,000 in 2014, $231,000 in 2015 and $125,000 in 2016. Mr. Cope also received $78,000 as a separation payment during 2016. The EVP's annual compensation increases were not tied to performance of the Common Share price and the 2011 compensation was higher due to stock options granted in that year.

Kenneth Kramer's (President of ICP(USA)) from February 28, 2016 to Present, CFO of ICP(USA) from June 2015 to Present, and CFO and Corporate Secretary of the Company from June 2015 to June 2016) total compensation was $125,000 in 2015 and $304,000 in 2016. Mr. Kramer's compensation generally increased over this period due to additional responsibilities and time commitments.

Option-Based Awards

Pursuant to the 2012 Plan, Options may be granted to Eligible Persons (as defined in the 2012 Plan) at exercise prices fixed by the Board or the Compensation Committee, as applicable, subject to limitations imposed by the TSX or any stock exchange on which the Common Shares are listed for trading and any other regulatory authority having jurisdiction in such matters. Below is a summary of the 2012 Plan.

2012 Plan

Purpose The 2012 Plan serves the following purposes:

1. providing an incentive to participants under the 2012 Plan to further the development, growth and profitability of the Company;
2. contributing in providing such participants with a total compensation and rewards package;
3. assisting the Company in retaining and attracting employees and consultants with experience and ability; and
4. encouraging share ownership and providing participants with proprietary interests in, and a greater concern for, the welfare of, and an incentive to continued service with, the Company.

Eligibility

Options may be granted to employees, directors, officers and consultants of the Company and designated affiliates. In determining the terms of each grant of Options, the Compensation Committee will give consideration to the participant's present and potential contribution to the success of the Company.

Exercise Price

The Compensation Committee will establish the exercise price of an Option at the time it is granted and the exercise price per Common Share will not be less than the closing price of the Common Shares on the TSX on the last trading day prior to the date of the grant. The Compensation Committee cannot reduce the exercise price of any outstanding Options without Shareholder approval. The exercise period for each Option is not to be more than ten years. Options may be granted subject to vesting requirements as determined by the Compensation Committee at the time of grant.

Plan Limits

The number of Common Shares that may be issued as a result of the grant of Options under the 2012 Plan is equal to 10% of the issued and outstanding Common Shares from time to time. Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the 2012 Plan, and any exercises of Options will make new grants available under the 2012 Plan effectively resulting in a re-loading of the number of Options available to grant under the 2012 Plan. To the extent that any Option has terminated or expired without being fully exercised or has been repurchased for cancellation, the unissued Common Shares subject to such Option shall be available for any subsequent Option granted under the 2012 Plan.

The maximum number of Common Shares issuable to insiders under the 2012 Plan and any other security based compensation arrangements of the Company is 10% of the Common Shares issued and outstanding at the time of the grant. The maximum number of Common Shares issuable to insiders under the 2012 Plan and any other security based compensation arrangements of the Company within any one year period is 10% of the Common Shares issued and outstanding at the time of the grant. Previous grants are taken into account when considering new grants.

As of the date of this listing statement, the number of Common Shares that may be issued as a result of the grant of Options under the 2012 Plan is equal to 21,959,688 (10% of the issued and outstanding Common Shares).

Termination

Options are not assignable and terminate unless otherwise determined by the Compensation Committee and subject to the limitation that Options may not be exercised later than ten years from their date of grant as follows: (i) within 150 days following the termination of an Option holder's employment, without cause, or the retirement of an Option holder from the Company; (ii) immediately upon termination for cause; and (iii) within a period of time up to 12 months following the death of an option holder.

Amendment

Under the 2012 Plan, the Board may from time to time amend or revise the terms of the 2012 Plan or may discontinue the 2012 Plan at any time. Subject to receipt of requisite regulatory approval, where required, and without further shareholder approval, the Board may make the following amendments to the 2012 Plan, including, without limitation:

(a) amending typographical, clerical and grammatical errors;

(b) reflecting changes to applicable securities laws;

(c) ensuring that the Options granted under the 2012 Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a participant may from time to time be resident or a citizen;

(d) relating to exercise mechanics or the administration of the 2012 Plan;

(e) relating to the change of control provisions under the 2012 Plan;

(f) relating to the definitions under the 2012 Plan; and

(g) relating to the vesting provisions of any outstanding Option.

The Board is not permitted to make the following amendments to the 2012 Plan:

(a) to increase the maximum number of Common Shares that may be issued under the 2012 Plan or to increase the insider participation limits;

(b) to reduce the exercise price of any Option issued to an insider (for this purpose, a cancellation or termination of an Option of an insider prior to its expiry for the purpose of re-issuing Options to the same insider with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option); or

(c) the term of any Option issued under the 2012 Plan to an insider, in each case without first having obtained the approval of a majority of Shareholders, and in the case of an amendment to increase the insider participation limits, approval of a majority of Shareholders, excluding Common Shares voted by insiders who are "Eligible Persons" as defined in the 2012 Plan.

Summary Compensation Table

The following table sets forth all compensation for the financial years ended December 31, 2014, 2015 and 2016 paid to the Company's Named Executive Officers:

There were no Share-based awards, non-equity incentive plan or pension plan awards.

Name and Principal Position	Year Ended	Salary	Option-based awards[5]	All other compensation	Total compensation
Mehdi Azodi [1] President and Chief Executive Officer	Dec 31, 2016	$141,000	$31,000	Nil	$172,000
	Dec 31, 2015	Nil	Nil	Nil	Nil
	Dec 31, 2014	Nil	Nil	Nil	Nil
Kevin Strong [2] Chief Financial Officer	Dec 31, 2016	$49,000	$9,000	Nil	$58,000
	Dec 31, 2015	$100,000	Nil	$58,000[7]	$158,000
	Dec 31, 2014	$200,000	$23,000	Nil	$223,000
Kenneth Kramer[3][6] President & Chief Financial Officer of ICP(USA)	Dec 31, 2016	$291,000	$13,000	Nil	$304,000
	Dec 31, 2015	$128,000	Nil	Nil	$128,000
	Dec 31, 2014	Nil	Nil	Nil	Nil
Tommy Cope [3] Executive Vice President of ICP(USA)	Dec 31, 2016	$125,000	Nil	$78,000	$203,000
	Dec 31, 2015	$231,000	Nil	Nil	$231,000
	Dec 31, 2014	$194,000	Nil	$49,000	$243,000
Kay Randall Foote [3][4] Chief Executive Officer	Dec 31, 2016	$128,000	Nil	$147,000	$275,000
	Dec 31, 2015	$333,000	Nil	Nil	$333,000
	Dec 31, 2014	$249,000	$13,000	$17,000	$279,000

Notes:
(1) Mr. Azodi became CEO of the Company effective May 16, 2016.
(2) Mr. Strong resigned from the Company effective June 30, 2015 and rejoined the Company on June 16, 2016.
(3) Mr. Kramer and Mr. Cope are or were, as applicable, employed by ICP(USA).
(4) Mr. Foote was COO until being promoted to CEO effective July 14, 2015 when the prior CEO resigned. Mr. Foote resigned as an officer of the Company effective May 19, 2016.
(5) The methodology used to calculate these amounts was the Black-Scholes model. This is consistent with the accounting values used in the Company's financial statements. The Company selected the Black-Scholes model

given its prevalence of use within North America. The key assumptions used under the Black-Scholes model that were used for the share option awards in the table above were the: (i) risk-free interest rate, (ii) expected option life, and (iii) expected volatility, each as calculated at the time of grant.

(6) Mr. Kramer became Chief Financial Officer of ICP(USA) effective May 1, 2015 and replaced Randy Foote as President of ICP(USA) on May 19, 2016. Mr. Kramer was also CFO and Corporate Secretary of the Company from June 30, 2015 to June 16, 2016.

Kenneth Kramer is party to an employment agreement with ICP(USA) dated February 26, 2016 (the "**Kramer Agreement**") pursuant to which he serves as President and Chief Financial Officer of ICP(USA). Either party may terminate either agreement upon the provision of one months' notice. Pursuant to the Kramer Agreement, Mr. Kramer is currently entitled to an annual salary of USD$225,000. The Kramer Agreement also contains standard confidentiality provisions, and restrictions preventing Mr. Kramer from competing with ICP(USA) at any time during his employment and for a period of two years thereafter. The Kramer Agreement also provides Mr. Kramer with four weeks' vacation annually.

Mehdi Azodi is party to an employment agreement with the Company dated May 25, 2016 (the "**Azodi Agreement**") pursuant to which he serves as President and Chief Executive Officer of the Company. Either party may terminate either agreement upon the provision of one months' notice. Pursuant to the Azodi Agreement and subsequent pay changes, Mr. Azodi is currently entitled to an annual salary of $180,000. The Azodi Agreement also contains standard confidentiality provisions, and restrictions preventing Mr. Azodi from competing with the Company at any time during his employment and for a period of two years thereafter and also provides Mr. Azodi with four weeks' vacation annually.

Kevin Strong is party to an employment agreement with the Company dated June 16, 2016 (the "**Strong Agreement**") pursuant to which he serves as Chief Financial Officer of the Company. Either party may terminate either agreement upon the provision of one months' notice. Pursuant to the Strong Agreement and subsequent pay changes, Mr. Strong is currently entitled to an annual salary of $120,000. The Strong Agreement also contains standard confidentiality provisions, and restrictions preventing Mr. Strong from competing with the Company at any time during his employment and for a period of one year thereafter and also provides Mr. Strong with six weeks of paid vacation annually.

The Kramer, Azodi and Strong Agreements each contain certain termination and change of control benefits. See "Executive Compensation – Termination and Change of Control Benefits".

Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and Option-based awards held by each of the Named Executive Officers outstanding as of December 31, 2016.

	Option-Based Awards				Share-Based Awards		
Name	**No. of securities underlying (unexercised options)**	**Option exercise price**	**Option expiration date**	**Value of unexercised in-the-money options (1)**	**No. of shares or units that have not vested**	**Market or payout value of share-based awards (not vested)**	**Market or payout value of vested share-based awards (not paid out or distributed)**
Mehdi Azodi	1,000,000	$0.08	June 7, 2021	$5,000	Nil	N/A	N/A
Kevin Strong	300,000	$0.08	July 12, 2021	$1,500	Nil	N/A	N/A
Kenneth Kramer	400,000	$0.08	June 7, 2021	$2,000	Nil	N/A	N/A

Notes:
(1) Based upon the closing price of the Common Shares as at December 31, 2016 which was $0.085 per share.

Incentive Plan Awards – Value Vested during the Year

Set forth below is a summary of the value vested during the financial year of the Company ended December 31, 2016 in respect of all Option-based and share-based awards and non-equity incentive plan compensation granted to the Named Executive Officers.

Name	Option-based awards – value vested during the year	Share-based awards – value vested during the year	Non-equity incentive plan compensation – value earned during the year
Mehdi Azodi	$31,000	N/A	N/A
Kevin Strong	$9,000	N/A	N/A
Randy Foote	Nil	N/A	N/A
Tommy Cope	Nil	N/A	N/A
Kenneth Kramer	$13,000	N/A	N/A

For further details concerning the incentive plans of the Company, see "Executive Compensation – Option-Based Awards".

Termination and Change of Control Benefits

Mr. Cope resigned from the Company effective November 30, 2016 and a separation payment of USD$58,500 was made to him pursuant to the terms of his employment agreement.

Mr. Foote received USD$111,000 as payment to cancel his employment contract in February 2016. Mr. Foote retired from the Company effective May 19, 2016 and the Company did not have any further payment obligations in connection with his retirement.

Pursuant to the Kramer Agreement, in the event that Mr. Kramer is terminated for reasons other than fraud or gross negligence, Mr. Kramer is entitled to an aggregate severance payment in an amount equal to six month's gross salary.

Pursuant to the Azodi Agreement, in the event that Mr. Azodi's employment is terminated for reasons other than fraud or gross negligence, he will be entitled to an aggregate severance payment in an amount equal to four month's gross salary.

Pursuant to the Strong Agreement, in the event that Mr. Strong's employment is terminated for reasons other than fraud or gross negligence, he will be entitled to an aggregate severance payment in an amount equal to four month's gross salary.

The following table provides details regarding the estimated incremental payments from the Company to each of Messrs. Azodi, Strong, and Kramer in the event of termination for reasons other than fraud or gross negligence, assuming the triggering event occurred on December 31, 2016**.**

Name	Mehdi Azodi	Kevin Strong	Kenneth Kramer
Severance Period	4 months	4 months	6 months
Severance Payment	$60,000	$40,000	USD$112,500

Director Compensation

The Company does not provide director compensation to non-independent directors. In 2016, the Company provided quarterly compensation to the independent directors of $4,687.50 for Q1 and Q2 and $4,500 for Q3 and Q4. In addition, the Company's directors are also reimbursed for travel and other out of pocket expenses incurred in attending directors' and shareholders' meetings.

At various times in 2016 at least one and sometimes two of the directors of the Company were also directors of ICP(USA). No director fees were paid in ICP(USA) in 2016.

Directors are also entitled to receive compensation to the extent that they provide services to the Company at rates that would be charged by such directors for such services to arm's length parties. During the year ending December 31, 2016, no such fees were paid to any of the Company's directors or a corporation associated with any director who is not also an officer of the Company.

During fiscal year ended December 31, 2016 directors were also entitled to participate in the 2012 Plan. As at December 31, 2016, the Company had outstanding Options to purchase 11,780,000 Common Shares pursuant to the 2012 Plan. The Company granted 11,750,000 stock options to consultants, officers, employees and directors of the Company, of which 5,600,000 Options were granted to directors. All director options vested at the grant date. The fair value of the options granted recognized as share-based compensation during the year, as determined by the Black-Scholes option pricing model, was $300,462 or $0.03 per option. The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended December 31, 2016:

			Year ended December 31, 2016
Risk-free interest rate			0.67%
Expected life of options			4.13 years
Annualized volatility			62.52%
Dividend rate			0.00%
Forfeiture rate			0.00%

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to both the Company and ICP(USA) for the fiscal year ended December 31, 2016, in respect of the individuals who were, during the fiscal year ended December 31, 2016, directors of the Company other than the Named Executive Officers.

Name	Fees earned	Share-based awards	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
George Poling(1)	$9,000	Nil	$47,000	Nil	Nil	Nil	$56,000
Honourable Pierre Pettigrew	$18,000	Nil	$31,000	Nil	Nil	Nil	$49,000
Anthony Grey(2)	$9,000	Nil	$31,000	Nil	Nil	Nil	$40,000
Ernest Angelo, Jr.	$18,000	Nil	$34,000	Nil	Nil	Nil	$52,000
Knute H. Lee, Jr.	$18,000	Nil	$31,000	Nil	Nil	Nil	$49,000
John Stubbs(3)	$18,000	Nil	$47,000	Nil	Nil	Nil	$65,000
Grant Sawiak(4)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joao Carrelo(5)	$9,000	Nil	$31,000	Nil	Nil	Nil	$40,000
Leiv Erdal(6)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Ceased to be a director on July 5, 2016.
(2) Ceased to be a director on July 5, 2016.
(3) Appointed Chairman of the Board on May 16, 2016.
(4) Appointed to the Board on December 19, 2016. Resigns from the Company Board and appointed to ICP(USA) Board on March 24, 2017.
(5) Ceased to be a director on July 5, 2016.
(6) Ceased to be a director on July 5, 2016.

Outstanding Share-based Awards and Option-based Awards

Set forth in the table below is a summary of all share-based and Option-based awards held by each of the directors of the Company other than the Named Executive Officers as of December 31, 2016.

	Option-Based Awards				Share-Based Awards		
Name	**No. of securities underlying (unexercised options)**	**Option exercise price**	**Option expiration date**	**Value of unexercised in-the-money options (1)**	**No. of shares or units that have not vested**	**Market or payout value of share-based awards (not vested)**	**Market or payout value of vested share-based awards (not paid out or distributed)**
George Poling	1,500,000	$0.08	June 7, 2021	$7,500	Nil	Nil	Nil
Hon. Pierre Pettigrew	1,000,000	$0.08	June 7, 2021	$5,000	Nil	Nil	Nil
Anthony Grey	1,000,000	$0.08	June 7, 2021	$5,000	Nil	Nil	Nil
Ernest Angelo, Jr.	1,100,000	$0.08	June 7, 2021	$5,500	Nil	Nil	Nil
Knute H. Lee, Jr.	1,000,000	$0.08	June 7, 2021	$5,000	Nil	Nil	Nil
John Stubbs	1,500,000	$0.08	June 7, 2021	$7,500	Nil	Nil	Nil
Grant Sawiak	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joao Carrelo	1,000,000	$0.08	June 7, 2021	$5,000	Nil	Nil	Nil
Leiv Erdal	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:
(1) Based upon the closing price of the Common Shares as at December 31, 2016 which was $0.085 per share.

Incentive Plan Awards – Value Vested during the Year

Set forth below is a summary of the value vested during the financial year of the Company ended December 31, 2016 in respect of all Option-based and share-based awards and non-equity incentive plan compensation granted to the directors of the Company, other than the Named Executive Officers.

Name	Option-based awards (value vested during the year)	Share-based awards (value vested during the year)	Non-equity incentive plan compensation (value earned during the year)
George Poling	$47,000	Nil	Nil
Knute H. Lee, Jr.	31,000	Nil	Nil
Hon. Pierre Pettigrew	31,000	Nil	Nil
Ernest Angelo, Jr.	34,00	Nil	Nil
John Stubbs	47,000	Nil	Nil
Grant Sawiak	Nil	Nil	Nil
Anthony Grey	31,000	Nil	Nil
Joao Carrelo	31,000	Nil	Nil
Leiv Erdal	Nil	Nil	Nil

Directors' and Officers' Liability Insurance

The Company maintains liability insurance for the directors and officers of the Company. The Company's policy of insurance is currently in effect until August 3, 2017. An annual premium of approximately $20,000 has been paid by the Company. No portion of the premium is directly paid by any of the directors or officers of the Company. The aggregate insurance coverage under the policy for both directors and officers is limited to $10,000,000 with a $25,000 deductible (which is paid by the Company). No claims have been made or paid to date under such policy.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides details of compensation plans under which equity securities of the Company are authorized for issuance as of the financial year ended December 31, 2016.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans[1]
Equity compensation plans approved by securityholders	11,780,000	$0.08	7,357,354
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	11,780,000	$0.08	7,357,354

Notes:
(1) Calculated based upon 10% of the aggregate number of Common Shares issued and outstanding as of December 31, 2016, less the number of options then outstanding.

SCHEDULE "D"

IC POTASH CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2016

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
IC Potash Corp.

We have audited the accompanying consolidated financial statements of IC Potash Corp., which comprise the consolidated statements of financial position as at December 31, 2016 and 2015 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of IC Potash Corp. as at December 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about IC Potash Corp.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada
Chartered Professional Accountants

March 28, 2017

IC POTASH CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in US Dollars)

		December 31, 2016		December 31, 2015
ASSETS				
Current				
Cash	$	3,114,540	$	741,338
Receivables		14,386		722
Prepaid expenses		104,631		50,240
		3,233,557		792,300
Property, plant and equipment (note 4)		19,775,768		56,197,065
Deposits (note 3)		76,170		80,297
Deferred financing costs (note 10)		-		133,338
	$	23,085,495	$	57,203,000
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (note 5,13)	$	854,662	$	689,207
Decommissioning liabilities (note 8)		700,000		-
Employment liability (note 7)		521,338		939,306
Warrant liability (note 11)		569,152		-
		2,645,152		1,628,513
Non-current				
Convertible preferred shares - Series A (note 9)		12,693,478		10,718,590
Convertible preferred shares - Series B (note 9)		5,172,951		-
Decommissioning liabilities (note 8)		54,077		186,207
Secured notes (note 10)		2,530,821		-
Warrant liability (note 11)		-		4,088
		23,096,479		12,537,398
Shareholders' equity (deficiency)				
Share capital (note 9)		95,442,483		94,044,519
Reserves (note 9)		9,434,365		9,099,058
Currency translation adjustment reserve		(9,273,273)		(9,273,273)
Deficit		(95,614,559)		(49,204,702)
		(10,984)		44,665,602
	$	23,085,495	$	57,203,000

Nature of operations and going concern (note 1)
Commitments (note 15)
Subsequent events (note 21)
On behalf of the Board:

"Ernest Angelo, Jr" **Director** ***"Mehdi Azodi"*** **Director**

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

IC POTASH CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in US Dollars)

	2016	2015
EXPENSES		
Administration (note 13)	$ 211,226	$ 540,349
Business and market development	203,181	99,053
Consulting fees (note 13)	455,575	697,068
Depreciation	33,321	41,600
Fundraising activities	217,033	1,654,360
Foreign exchange loss	60,025	12,417
Investor relations	114,421	333,744
Professional fees	178,651	936,628
Regulatory fees	48,978	62,956
Rent and storage	57,775	80,416
Royalties and property leases	284,762	284,554
Share-based compensation (note 11,13)	300,462	130,145
Travel	57,270	67,247
Termination expense (note 13)	-	1,603,910
Wages and benefits (note 13)	1,050,253	1,811,271
Operating loss	(3,272,933)	(8,355,718)
Interest income	1,464	4,236
Derivative loss (note 11)	(187,715)	(4,088)
Finance costs (note 12)	(2,524,021)	(1,900,381)
Loss on asset disposal	(405)	(19,887)
Impairment of Ochoa property (note 4)	(40,426,247)	-
Loss and comprehensive loss for the year	$ (46,409,857)	$ (10,275,838)
Basic and diluted loss per common share	$ (0.25)	$ (0.06)
Weighted average number of common shares outstanding basic and diluted	185,698,153	172,874,654

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

IC POTASH CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in US Dollars)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (46,409,857)	$(10,275,838)
Items not affecting cash:		
Accretion	2,575	6,873
Depreciation	33,321	41,600
Derivative loss	187,715	4,088
Loss on asset disposal	405	19,887
Interest expense on convertible preferred shares	2,147,839	1,893,508
Interest expense on secured notes	373,607	-
Share-based compensation	300,462	130,145
Unrealized foreign exchange loss	-	107,733
Impairment of Ochoa property	40,426,247	-
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(13,664)	5,183
Decrease (increase) in prepaid expenses	(54,391)	159,568
Increase (decrease) in accounts payable and accrued liabilities	8,073	(121,472)
Increase (decrease) in employment liability	(417,968)	939,306
Net cash used in operating activities	(3,415,636)	(7,089,419)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment expenditures	(3,187,357)	(2,167,691)
Deposits	4,127	6,658
Disposal of asset for cash	-	4,325
Net cash used in investing activities	(3,183,230)	(2,156,708)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	1,664,494	-
Proceeds from warrants exercise	269,865	-
Common shares issuance costs	(124,201)	-
Proceeds from issuance of preferred shares	5,000,000	-
Proceeds from issuance of secured notes	2,500,000	-
Secured notes issuance costs	(338,090)	(4,696)
Net cash provided by (used in) financing activities	8,972,068	(4,696)
Change in cash for the year	2,373,202	(9,250,823)
Effect of foreign exchange rate changes on cash	-	(107,984)
Cash, beginning of year	741,338	10,100,145
Cash, end of year	$ 3,114,540	$ 741,338

Supplemental disclosure with respect to cash flows (note 14)

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

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

	Share Capital					
	Number of Shares	Amount	Reserves	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balances as at December 31, 2014	172,874,654	$94,044,519	$8,968,913	$ (9,273,273)	$(38,928,864)	$54,811,295
Share-based compensation	-	-	130,145	-	-	130,145
Loss and comprehensive loss	-	-	-	-	(10,275,838)	(10,275,838)
Balances as at December 31, 2015	172,874,654	94,044,519	9,099,058	(9,273,273)	(49,204,702)	44,665,602
Shares issued for cash	35,448,891	1,664,494	-	-	-	1,664,494
Warrant exercised	4,500,000	458,730	-	-	-	458,730
Warrant liability	-	(566,214)	-	-	-	(566,214)
Share issuance costs	-	(159,046)	-	-	-	(159,046)
Share-based compensation	-	-	300,462	-	-	300,462
Broker warrants	-	-	34,845	-	-	34,845
Loss and comprehensive loss	-	-	-	-	(46,409,857)	(46,409,857)
Balances as at December 31, 2016	212,823,545	$95,442,483	$9,434,365	$ (9,273,273)	$(95,614,559)	$ (10,984)

The accompanying notes are an integral part of these consolidated 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. IC Potash is a development stage mining company. The Company is involved in the development of potash and potash-related minerals that can be applied directly or processed and converted into Sulphate of Potash and other fertilizers. The Company's registered office is 82 Richmond Street East, Toronto, ON M5C 1P1. The Consolidated Financial Statements ("Financial Statements") are comprised of the Company and its subsidiaries. To date, the Company has not earned operating revenue.

The recovery of the amounts comprising development assets are dependent upon the ability of the Company to obtain necessary financing to successfully complete the development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

The Company will need to raise capital in order to fund its operations and development of the Ochoa Project. This may be adversely impacted by uncertain market conditions and regulatory approvals. To address its financing requirements, the Company may seek financing through debt and equity financings, asset sales, joint ventures, off-take agreements, and rights offerings to existing shareholders. The outcome of these matters cannot be predicted at this time.

The Company's continuation as a going concern is dependent on the successful results from its mineral property development activities 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 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 Financial Statements.

The Corporation 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 Financial Statements have been prepared in accordance with IAS 1 'Presentation of Financial Statements' ("IAS 1") 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 Financial Statements were authorized by the audit committee and board of directors of the Company on March 27, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

b) **Basis of presentation:**

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these Financial Statements are in accordance with IFRS.

c) **Foreign currency translation**

The consolidated financial statements are presented in U.S. dollars. The Company and its subsidiaries functional currencies are the U.S. dollar as management has determined that the currency of the primary economic environment in which the entities operate, including the planned development of the Ochoa property and the recent U.S. dollar financings, is the U.S. dollar.

Transactions in foreign currencies are translated into the entities functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities of the Company's operations denominated in a currency other than the U.S. dollar are translated using the exchange rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates in effect at the date of the underlying transaction, except for depreciation related to non-monetary assets, which is translated at historical exchange rates. Exchange differences are recognized in the statements of loss and comprehensive loss in the year in which they occur.

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

Effective and adopted January 1, 2016

IFRS 10, IFRS 12, and IAS 28 – Investment Entities. IFRS 10, IFRS 12, and IAS 28 were amended to discuss the application of the investment entities exception. There was no impact on the Company's consolidated financial statements upon adoption of this amendment.

IFRS 11 – Accounting for Acquisitions of Interest in Joint Operations. IFRS 11 was amended to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business. There was no impact on the Company's consolidated financial statements upon adoption of this amendment.

IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization. IAS 16 and IAS 38 were amended to (i) clarify that the use of revenue-based depreciation and amortization method is not appropriate, and (ii) provide a rebuttable presumption for intangible assets. There was no impact on the Company's consolidated financial statements upon adoption of this amendment.

IAS 27 - Equity Method in Separate Financial Statements. IAS 27 was amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. There was no impact on the Company's consolidated financial statements upon adoption of this amendment.

(Expressed in US Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

d) **New standards, amendments and interpretations** (cont'd…)**:**

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 consolidated 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%
Intercontinental Potash Corp. (USA) ("ICP(USA)")	*USA*	100%

The Company consolidates the subsidiaries on the basis that it controls these subsidiaries through its ability to govern their financial and operating policies.

All intercompany transactions and balances are eliminated on consolidation.

f) **Cash:**

Cash is comprised of cash deposited at Canadian and United States banks and secure, short-term, highly liquid demand deposits.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

g) **Property, plant, and equipment:**

Property, plant, and equipment ("PPE") is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended useincluding associated borrowing costs and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Carrying amounts of PPE are depreciated to their estimated residual value over the estimated useful lives of the assets or the related mine or plant if shorter. Where an item of PPE is composed of major components with different useful lives, the components are accounted for as separate items of PPE.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Development and field support costs including associated borrowing costs directly related to mining assets are capitalized until the property to which they directly relate is placed into commercial production, sold, abandoned or subject to a condition of impairment. Mine development and shaft access incurred during the development of a mine are capitalized. Mine development and shaft access incurred during the commercial production phase are production costs that are included in the costs of inventory produced during the period that these costs are incurred, unless the mine development and shaft access activity can be shown to give rise to future benefits from the mineral property such as increased reserves, in which case the costs would be capitalized to mineral property.

Mining assets are depreciated over the life-of-mine using the unit-of-production method. The life-of-mine is based on the proven and probable mineral reserves related to the associated ore body. There are numerous uncertainties inherent in estimating mineral reserves, and assumptions that were valid at the reporting date may change when new information becomes available. Depreciation begins when the assets are available for use.

Although the Company has taken steps to verify ownership and legal title to mineral properties in which it has an interest, according to the usual industry standards for the stage of mining, development and exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects. However, management is not aware of any such agreements, transfers or defects.

Depreciation is provided using the units of production or the declining balance basis at the following annual rates:

Furniture and fixtures	20% declining balance
Computer equipment	45% declining balance
Other equipment	20% declining balance
Vehicles	30% declining balance
Mining assets	unit of production

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

g) Property, plant, and equipment (cont'd…)

The Company conducts an annual assessment of the residual values, useful lives and depreciation methods being used for PPE and any impairment rising from the assessment is recognized in profit or loss.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

h) Exploration and evaluation assets:

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment at each reporting date if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are tested for impairment and then reclassified to development assets within property, plant and equipment. Any impairment loss is recognized in profit or loss before reclassification.

i) Impairment:

At the end of each reporting period, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Following the recognition of an impairment loss, the depreciation charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

j) **Decommissioning, restoration and similar liabilities ("decommissioning liabilities"):**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the decommissioning of exploration and evaluation assets and property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a decommissioning liability is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with decommissioning as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these decommissioning liability costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time and changes in the estimated future cash flows underlying any initial estimates.

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had $754,077 in decommissioning liabilities as at December 31, 2016 (2015 - $186,207) (note 8).

k) **Related party transactions:**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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

The preparation of these Financial Statements requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Functional currency

The main business activities of the Company is in the United States of America and is funded primarily by the United States ("U.S.") dollar. Therefore, the Company has determined that the U.S. dollar is the functional currency. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Economic recoverability and probability of future benefits of development costs.

Management has determined that development and related costs incurred which were capitalized have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, feasibility studies, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

l) Significant accounting estimates and judgments (cont'd…)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Impairment of property, plant and equipment and mining interest

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's PPE and mining interests are impaired. External sources of information management considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its PPE and mining interests. Internal sources of information management considers include the manner in which mining PPE are being used or are expected to be used and indications of economic performance of the assets.

In determining the recoverable amounts of the Company's PPE and mining interests, management makes estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the mining properties and the appropriate discount rate. Reductions in commodity price forecasts, increases in estimated future costs of production, increases in estimated future capital expenditures, reductions in the amount of recoverable reserves, resources, and exploration potential, and/or adverse current economics can result in a write-down of the carrying amounts of the Company's PPE and/or mining interests.

Depreciation and amortization rate for property, plant and equipment and depletion rate for mining interests

Depletion, depreciation and amortization expenses are allocated based on assumed asset lives. Should the asset life, depletion rates or depreciation rates differ from the initial estimate, the change in estimate would be made prospectively in the consolidated statements of loss and comprehensive loss.

Estimated reclamation and closure costs

The Company's provision for decommissioning liabilities represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation and closure costs at the end of mine's life. The provision reflects estimates of future costs, inflation, movements in foreign exchange rates and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company.

Changes to reclamation and closure costs obligations are recorded with a corresponding change to the carrying amounts of related mining properties. Adjustments to the carrying amounts of related mining properties can result in a change to future depletion expense.

Valuation of share-based payments and derivatives

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and derivatives. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rates. Changes in the Input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

l) **Significant accounting estimates and judgments (**cont'd…)

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. Weight is attached to tax planning opportunities that are within the Company's control, and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting year, the Company reassesses unrecognized income tax assets.

Useful lives of equipment

The Company estimates the useful lives of equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the equipment would increase the recorded expenses and decrease the non-current assets.

m) **Warrants issued in equity financing transactions**

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned a value based on the residual value, if any, and included in reserves.

Warrants that are issued as payment for agency fees or other transaction costs are assigned a value based on the Black-Scholes pricing model and included in reserves.

When warrants are exercised, any reserves related to those warrants are reclassified from reserves to share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

n) **Share-based compensation:**

The Company's stock option plan allows eligible Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

o) **Loss per share:**

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

p) **Income taxes:**

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the financial position reporting date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxis recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the financial position reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

q) **Financial assets:**

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at FVTPL.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's receivables are classified as loans and receivables. The Company's deposits are classified as held to maturity.

(Expressed in US Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

q) Financial assets (cont'd...)

Financial assets classified as available for sale are measured at fair value with unrealized gains and 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. The Company has not classified any financial assets as available for sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

r) Financial liabilities:

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. The Company has classified the warrant liability and the derivative liability associated with the Preferred Shares conversion as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable, employment liability, convertible preferred shares and secured notes are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives and derivative warrant liabilities, are also classified as held for trading and recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

s) Share capital:

Common shares are classified as share capital. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity.

3. DEPOSITS

	December 31, 2016	December 31, 2015
BLM permit bond	$ 50,000	$ 50,000
MegaBond	25,000	25,000
Office security deposits	1,170	5,297
Total	$ 76,170	$ 80,297

(Expressed in US Dollars)

4. PROPERTY, PLANT AND EQUIPMENT

Ochoa property

The Company's land holdings consist of federal preference right potassium leases, federal subsurface potassium prospecting permits and State of New Mexico potassium mining leases. Effective November 1, 2014, the Company's wholly-owned subsidiary Intercontinental Potash Corp. (USA) was granted Preference Rights Leases by the U.S. Department of the Interior Bureau of Land Management ("BLM"). The potassium leases, in conjunction with those granted by the New Mexico State Land Office, comprise the entire area of the original 50-year Ochoa mine plan approved by the BLM in the Record of Decision ("ROD") dated April 10, 2014.

Property, plant and equipment consist of the following:

Cost	Development Project - Ochoa Property	Furniture and fixtures	Computer equipment	Other equipment	Vehicles	Total
As at December 31, 2014	$ 53,796,399	$ 46,003	$ 117,123	$ 32,190	$ 103,394	$ 54,095,109
Additions	2,326,119	-	30,288	-	-	2,356,407
Disposals	-	(39,162)	(36,540)	-	-	(75,702)
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
Depreciation and impairment						
As at December 31, 2014	$ -	$ 21,778	$ 80,130	$ 18,627	$ 68,104	$ 188,639
Additions	-	1,982	23,029	3,542	13,047	41,600
Disposals	-	(20,952)	(30,538)	-	-	(51,490)
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
Net book value:						
As at December 31, 2015	$ 56,122,518	$ 4,033	$ 38,250	$ 10,021	$ 22,243	$ 56,197,065
As at December 31, 2016	$ 19,733,000	$ 2,448	$ 20,022	$ 7,188	$ 13,110	$ 19,775,768

(Expressed in US Dollars)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd…)

Impairment

The recoverable amount of the Company's cash generating unit ("CGU"), which includes the Ochoa development project, is determined where facts and circumstances provide impairment indicators. The recoverable amount is based on the CGU's future after-tax cash flows expected to be derived from the Company's Ochoa development project and represents the CGU's fair value less costs to sell ("FVLCTS"). The after-tax cash flows are determined based on life-of mine ("LOM") after-tax cash flow projections which incorporate management's best estimates of future resource prices, production based on current estimates of recoverable reserves and resources, exploration potential, future operating costs and non-expansionary capital expenditures. Projected cash flow are discounted using a weighted average cost of capital. Management's estimate of the FVLCTS of its CGU is classified as level 3 in the fair value hierarchy.

At December 31, 2016, the Company determined there were indicators of potential impairment on its non-current assets, including the decline in the Company's market capitalization, uncertainty of polyhalite future pricing and market used in the 2016 Preliminary Economic Assessment, and the consequential impact on the Company's future cash flows. Based on the Company's assessment of the recoverable amounts of its CGU, the Company concluded that the Ochoa Project had an estimated recoverable value, based on its FVLCTS, below its carrying value and an impairment charge was required. Based on its assessment, the Company recorded during the year ended December 31, 2016 a non-cash impairment charge of $40,426,247, using a discount rate of 26.6% along with a long-term polyhalite price assumption increasing from $162/ton to $218/ton over the first 20 years and then fixed at $224/ton over the remaining life of the mine.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2016	December 31, 2015
Trade payables	$ 395,366	$ 130,764
Accrued liabilities (note 6)	442,650	544,978
Other	16,646	13,465
Total	$ 854,662	$ 689,207

6. CONTINGENT LIABILITY

In January 2013, the Company signed an Advanced Works Agreement with Veolia Water Solutions and Technologies North America, Inc. (the "Contractor") in which the Company would have to pay the Contractor $522,533 to terminate the contract for convenience or if the Company fails to award a contract to the Contractor for the purchase of the evaporation and/or crystallization equipment for the Ochoa Project within twelve (12) months of the completion of the Services.

The Company amended the terms of the Advanced Works Agreement, which extended the completion date specified under the Agreement. In exchange for this extension, the Company paid a fee of $104,507 in December 2014. Also, under the terms of this amendment, a fee of $418,026 is payable if the Company fails to award a contract to the Contractor for the purchase of the evaporation and/or crystallization equipment for the Ochoa Project by December 31, 2015. The contract was not awarded by December 31, 2015 and therefore the Company paid $100,000 toward this liability in February 2016 and accrued the fee of $318,026 at December 31, 2016 (note 5).

(Expressed in US Dollars)

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:

a) $500,000 CAD, less applicable deductions for taxes was paid on July 15, 2015 and

b) $1,600,000 CAD, less applicable deductions for taxes, is paid in monthly instalments of $50,000 CAD, less applicable deductions for taxes, commencing on July 31, 2015 and continuing until the earlier of March 31, 2018 or the Company and/or its subsidiary ICP(USA) successfully complete a financing that results in the Company and/or ICP(USA) raising gross proceeds of $10 million CAD or a combination of financings that raise gross proceeds of $10 million CAD, at which time the then remaining balance of the severance payment shall become payable within thirty (30) days.

The full amount of the severance of $1,603,910 ($2,100,000 CAD) was expensed during the year ended December 31, 2015 (note 13). As at December 31, 2016, the balance of employment liability is $521,338 (2015 - $939,900) ($700,000 CAD; 2015 - $1,300,000 CAD) and is included in current liabilities as the Company has completed financings that meets the above conditions.

8. DECOMMISSIONING LIABILITIES

	December 31, 2016	December 31, 2015
Current reclamation liability		
Balance beginning of year	$ -	$ -
Change in estimate	700,000	-
Balance for current liability	700,000	-
Long-term reclamation obligation		
Balance beginning of year	186,207	137,459
Change in estimate	(134,705)	41,875
Accretion expense	2,575	6,873
Balance for long-term liability	54,077	186,207
Balance end of the year for decomissioning liability	$ 754,077	$ 186,207

Site Restoration: Ochoa Project – New Mexico

The Company completed drilling two water wells during fiscal 2012. The decommissioning of these water wells and associated drilling pits and drilling pads in New Mexico is subject to legal and regulatory requirements. The drilling pits were reclaimed and decommissioned in fiscal 2014 at a cost of $330,107. Estimates of the costs of decommissioning are calculated based on guidance from the New Mexico Department of Energy Minerals and Natural Resources, Mining and Minerals Division. Estimates of the costs of decommissioning are reviewed periodically by authorized officers of the Company. The long-term liability represents the Company's best estimate of the present value of future decommissioning costs, discounted at 5%.

In order to eliminate the ongoing monitoring costs associated with the test holding pond, the Company has decided to close the related pond in 2017. The estimated cost for closing the pond is $700,000.

As at December 31, 2016, the undiscounted amount of estimated future decommissioning costs based on today's costs with 3% inflation after 3 years of development and 42 years potential production is $529,423 (2015 - $2,354,185). Decommissioning costs are expected to be incurred in 2061.

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 Consolidated Statements of Changes in Shareholders' Equity (Deficiency) for a summary of changes in share capital and reserves for the year ended December 31, 2016. Reserves relate to stock options and compensatory warrants that have been issued by the Company (note 11).

During the year-ended December 31, 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 up 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. The Company also issued an aggregate of 855,478 broker warrants to qualified eligible persons, 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, with a fair value of CAD$17,621 (note 11).
- On November 7, 2016, the Company issued 4,500,000 shares at CAD$0.08 pursuant to the exercise of warrants.
- On December 14, 2016, the Company issued 16,950,000 units at CAD$0.08 pursuant to a non-brokered offering, for gross proceeds of CAD$1,356,000. 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$0.11 per share until December 14, 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$85,680. The Company also issued an aggregate of 1,071,000 broker warrants to qualified eligible persons, 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$0.11, with a fair value of CAD$26,535 (note 11).

During the year ended December 31, 2015, the Company did not issue any common shares.

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

(Expressed in US Dollars)

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

Convertible preferred shares (cont'd…)

During the year ended December 31, 2016, ICP(USA) issued 250,000 convertible Series B Preferred Shares. Under the terms of the Securities Purchase Agreement signed on February 29, 2016, the Series B Preferred Shares were issued for $2,500,000 on July 13, 2016 and $2,500,000 on November 21, 2016 to Cartesian Capital Group, LLC ("Cartesian"), who 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 are considered a financial liability. In addition, the conversion features are considered embedded derivatives.

The Series A Preferred Shares are accounted for using the effective interest rate method. The effective interest rate of the Series A Preferred Share debt is 19% (2015 - 20%) due to modification of terms.

The Series B Preferred Shares are accounted for using the effective interest rate method. The effective interest rate of the Series B Preferred Share debt is 12% (2015 – nil).

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. At December 31, 2016, the embedded derivative was also determined to be immaterial using the following Black-Scholes pricing model weighted average assumptions:

	Year ended 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%

(Expressed in US Dollars)

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

Convertible preferred shares (cont'd…)

The embedded derivative is a level three financial liability.

	Series A	Series B	Total
Balance as at December 31, 2014	$ 8,825,082	$ -	$ 8,825,082
Amortization of issuance costs	679,667	-	679,667
Accrued dividends payable	1,213,841	-	1,213,841
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

10. SECURED NOTES

Pursuant to the terms of the Securities Purchase Agreement signed on February 29, 2016 (the "SPA") between ICP(USA), Cartesian, and 2 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 February 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), 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.

Balance as at December 31, 2014 and 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

(Expressed in US Dollars)

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 December 31, 2016, 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
30,000	$ 0.71	0.93	December 5, 2017 *
100,000	0.08	1.03	January 12, 2018
500,000	0.08	2.53	July 12, 2019
250,000	0.12	2.87	November 14, 2019
500,000	0.10	2.90	November 24, 2019
9,650,000	0.08	4.43	June 6, 2021
300,000	0.08	4.53	July 12, 2021
450,000	0.09	4.67	September 2, 2021
11,780,000			

* Expired unexercised January 20, 2017 due to cancellation during fiscal 2016 and 150 day hold period.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price (CAD)
Outstanding at December 31, 2014	9,997,250	$ 0.62
Cancelled/expired	(4,315,500)	0.50
Granted	1,707,495	0.35
Outstanding 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
Number of options exercisable at December 31, 2016	11,780,000	$ 0.08

The exercisable options as at December 31, 2016 have a weighted average remaining life of 4.23 years (2015 – 2.78 years).

(Expressed in US Dollars)

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

Stock options (cont'd…)

During the year ended December 31, 2016 the Company granted 11,750,000 (2015 – 1,707,495) 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 $300,462 (2015 - $126,307) or $0.03 per option (2015 - $0.07).

Share-based compensation recognized during the year was $300,462 (2015 - $130,145)

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended December 31, 2016 and 2015:

	Year ended December 31, 2016	Year ended December 31, 2015
Risk-free interest rate	0.67%	1.06%
Expected life of options	4.13 years	3.87 years
Annualized volatility	62.52%	50.45%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

Warrants

As at December 31, 2016, 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
13,998,891	$ 0.08	0.38 years	May 20, 2017
9,760,000	0.11	0.46 years	June 18, 2017
16,950,000	0.11	0.95 years	December 14, 2017
40,708,891		0.64 years	

The exercisable warrants as at December 31, 2016 have a weighted average remaining life of 0.64 years (2015 – 0.97 years).

(Expressed in US Dollars)

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

Warrants (cont'd...)

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price (CAD)
Outstanding as at December 31, 2015and 2014	10,000,000	$	0.35
Issued on May 20, 2016 (note 9)	18,498,891		0.08
Issued on December 14, 2016 (note 9)	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 December 31, 2016	40,708,891	$	0.10
Number of warrants exercisable as at December 31, 2016	40,708,891	$	0.10

10,000,000 warrants were issued as part of a private placement undertaken in December 2013. The original exercise price was set at CAD$0.35 expiring on June 18, 2015. In 2015, the Company extended the life of the 10,000,000 warrants from June 18, 2015 to December 18, 2016. In 2016, the Company obtained warrant holder approval to extend 9,760,000 warrants held by arm's length parties for six months to June 18, 2017 with a reduction of the exercise price to CAD$0.11. The 240,000 warrants held by insiders were not extended.

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.

	Number of warrants	Warrant liability (USD)
Balance, January 1, 2015	10,000,000	$ -
Fair value due to extension (June 30, 2015)	-	209,111
Change in fair value	-	(205,023)
Balance, December 31, 2015	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

(Expressed in US Dollars)

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

Warrants (cont'd...)

The following weighted average assumptions were used for the Black-Scholes valuation of the derivative warrant liabilities for the years ended December 31, 2016 and 2015:

	2016	2015
Risk free rate	0.71%	0.48%
Expected term of liability	0.79	0.97
Annualized volatility	88.60%	82.06%
Dividend rate	0.00%	0.00%

Broker warrants

On May 20, 2016, the Company issued 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$0.065.

On December 14, 2016, the Company issued 1,071,000 broker warrants entitling the holder to acquire one common share for a period of 12 months at an exercise price equal to CAD$0.11.

As at December 31, 2016, 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
855,478	$ 0.065	0.38 years	May 20, 2017
1,071,000	$ 0.11	0.95 years	December 14, 2017
1,926,478			

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price (CAD)	Weighted Average Remaining Life (Years)
Outstanding as at December 31, 2015 and 2014	-	$ -	-
Issued May 20, 2016 (note 9)	855,478	0.065	0.38
Issued December 14, 2016 (note 9)	1,071,000	0.11	0.95
Outstanding as at December 31, 2016	1,926,478	$ 0.09	0.70

The fair value of the broker warrants granted, as determined by the Black-Scholes option pricing model, was $34,845 (2015 - $nil) or $0.02 per broker warrant (2015 - $nil).

The broker warrants as at December 31, 2016 have a weighted average remaining life of 0.70 years (2015 – nil).

(Expressed in US Dollars)

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

Broker Warrants (cont'd...)

The following weighted average assumptions were used for the Black-Scholes valuation of broker warrants issued during the year ended December 31, 2016:

	Year ended December 31, 2016
Risk-free interest rate	0.71%
Expected life of warrants	1 year
Annualized volatility	89.27%
Dividend rate	0.00%
Forfeiture rate	0.00%

12. FINANCE COSTS

During the years ended December 31, 2016 and 2015, the Company incurred the following finance expenses:

	2016	2015
Amortization of issuance costs - preferred shares Series A (note 9)	$ 321,795	$ 679,667
Accrued dividends payable on preferred shares Series A (note 9)	1,653,093	1,213,841
Amortization of issuance costs - secured notes (note 10)	143,689	-
Accrued interests on the secured notes (note 10)	229,918	-
Accrued dividends payable on preferred shares Series B (note 9)	172,951	-
Accretion on decommissioning liabilities (note 8)	2,575	6,873
	$ 2,524,021	$ 1,900,381

13. RELATED PARTY TRANSACTIONS AND BALANCES

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

	December 31, 2016	December 31, 2015
Key management personnel	$ 763	$ 2,318
	$ 763	$ 2,318

(Expressed in US Dollars)

13. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd...)

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

	Year ended 2016	Year ended 2015
Termination expense	$ -	$ 1,603,910
Short-term benefits *	724,751	1,133,358
Consulting fees	410,000	-
Directors' fees **	78,654	263,005
Share-based compensation	238,529	130,145
Total remuneration	$ 1,451,934	$ 3,130,418

* 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 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	Year ended December 31, 2016	Year ended December 31, 2015
Advances reclassified to development project	$ -	$ 2,222
Broker warrants issued as finders' fees	$ 34,845	$ -
Deferred financing costs in account payable	$ -	$ 128,642
Development project costs included in accounts payable	$ 740,931	$ 454,907
Reclamation obligation	$ 565,295	$ 41,875
Warrant liability	$ 566,214	$ -
Reversal of warrant liability upon exercise	$ 188,865	$ -

15. COMMITMENTS

After commencement of commercial production, the Company shall deliver and sell to Yara Balderton Ltd. ("Yara") and Yara will buy from the Company 30% of all products produced by the Ochoa project annually for a period of 15 years and will automatically extend every five years thereafter unless either party elects not to extend. Under certain circumstances, Yara has the option to purchase up to an additional 20% (for an aggregate maximum of 50%) of annual production during the term of the agreement. All products will be sold to Yara based on market prices, subject to terms of the off-take agreement dated March 30, 2012.

16. SEGMENTED INFORMATION

The Company has 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, 2015	$ 783	$ 56,196,282	$ 56,197,065
December 31, 2016	$ 1,794	$ 19,773,974	$ 19,775,768

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. 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) as well as convertible preferred shares. The Company had no bank indebtedness at December 31, 2016. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies 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 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 intends to raise additional funds so that all project plans can be fully executed. There were no significant changes in the Company's approach to capital management during the year ended December 31, 2016.

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, receivables, deposits, accounts payable, employment liability, convertible preferred shares, secured notes and warrant liability.

Financial instruments

Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy. The warrant liability and embedded derivative are categorized as level three. The carrying value of receivables, deposits, accounts payable and employment liability approximate fair value because of the short-term nature of these instruments. The preferred shares and secured notes have a maturity date on February 28, 2018, and are designated as non-current liabilities, which are measured at amortized cost, using the effective interest rate.

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...)

Liquidity risk

As at December 31, 2016, the Company had a cash balance of $3,114,540 to settle current liabilities of $2,645,152. The Company has a contractual maturity for the $15,000,000 face amount of the preferred shares plus accrued interest. The Company also has $2,500,000 in secured notes plus accrued interest. The preferred shares and secured notes will mature February 28, 2018. The Company is subject to 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 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 $30,000 impact on foreign exchange gain or loss.

Price risk

The Company is exposed to price risk with respect to commodity prices, specifically potash and other fertilizer products. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future mining operations will be significantly affected by changes in the market prices for potash and other fertilizer products. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities, economic growth in developed and developing countries and stability of exchange rates can all cause significant fluctuations in commodity prices.

19. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2016,was based on the loss attributable to common shareholders of $46,409,857 (2015 – $10,275,838) and the weighted average number of common shares outstanding of 185,698,153 (2015 – 172,874,654). The diluted loss per share did not include the effect of share purchase options or warrants as they are anti-dilutive.

(Expressed in US Dollars)

20. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2016	2015
Loss for the year	$ (46,409,857)	$ (10,275,838)
Expected income tax (recovery)	$ (12,067,000)	$ (2,672,000)
Change in statutory, foreign tax, foreign exchange rates and other	(6,454,000)	(4,490,000)
Permanent difference	134,000	59,000
Share issue costs	(33,000)	-
Adjustment to prior years provision versus statutory returns	4,806,000	(3,437,000)
Change in unrecognized deductible temporary differences	(13,614,000)	10,540,000
Total income tax expense (recovery)	$ -	$ -

The significant components of the Company's deferred tax assets that have not been recognized on the consolidated statement of financial position are as follows:

	2016	2015
Deferred tax assets (liabilities)		
Mineral property	$ 18,758,000	$ 9,825,000
Property and equipment	2,000	2,000
Share issue costs	122,000	145,000
Debt with accretion	1,165,000	289,000
Allowable capital losses	-	25,000
Non-capital losses available for future period	34,886,000	31,033,000
	54,933,000	41,319,000
Unrecognized deferred tax assets	$ (54,933,000)	$ (41,319,000)
Net deferred tax assets	$ -	$ -

(Expressed in US Dollars)

20. INCOME TAXES (cont'd…)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2016	Expiry Date Range	2015	Expiry Date Range
Temporary differences				
Mineral property	$ 46,579,000	No expiry date	$24,373,000	No expiry date
Investment tax credit	30,000	2026 to 2027	29,000	2026 to 2027
Property and equipment	9,000	No expiry date	7,000	No expiry date
Share issue costs	470,000	2017 to 2020	558,000	2016 to 2019
Debt with accretion	2,897,000	No expiry date	719,000	No expiry date
Allowable capital losses	-	No expiry date	96,000	No expiry date
Non-capital losses available for future period	93,782,000	2017 to 2036	83,828,000	2016 to 2035
Canada	19,728,000	2017 to 2036	18,666,000	2016 to 2035
USA	74,054,000	2028 to 2036	65,162,000	2028 to 2035

Tax attributes are subject to review, and potential adjustment, by tax authorities.

21. SUBSEQUENT EVENTS

On January 24, 2017, 200,000 warrants were exercised and the Company issued 200,000 common shares for proceeds of CAD$16,000, or CAD$0.08 per share.

On February 14, 2017, the Company granted 6,050,000 options to directors, officers and employees of the Company, of which 2,150,000 have three year term and 3,900,000 have five year term. All options vested at the grant date and the exercise price of CAD$0.10.

On March 1, 2017, the Company granted 200,000 options to a consultant. The options vested at grant date, with a three year term and exercise price of CAD$0.10.

On March 1, 2017, the Company issued 6,573,333 units pursuant to a non-brokered offering, made up of 6,573,333 units at CAD$0.105 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.

On March 16, 2017, ICP(USA) issued 710,000 common shares to Cartesian for $360,000 representing approximately 6.6% of ICP(USA)'s issued and outstanding common shares after the financing.

21. SUBSEQUENT EVENTS (cont'd…)

In March 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 will cease to consolidate the assets, liabilities and results of operations of ICP(USA) and will recognize its investment retained in ICP(USA) as an investment in an associated company accounted for under the equity method. The net liabilities that will be deconsolidated on loss of control of ICP(USA), based on December 31, 2016 balances, are:

Current assets	$	1,915,164
Non-current assets		19,850,144
Current liabilities		(1,509,144)
Non-current liabilities		(20,451,327)
	$	(195,163)

IC POTASH CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
IC Potash Corp.

We have audited the accompanying consolidated financial statements of IC Potash Corp., which comprise the consolidated statements of financial position as at December 31, 2015 and 2014 and January 1, 2014 and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years ended December 31, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of IC Potash Corp. as at December 31, 2015 and 2014 and January 1, 2014 and its financial performance and its cash flows for the years ended December 31, 2015 and 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about IC Potash Corp.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

March 30, 2016

NEXIA INTERNATIONAL

IC POTASH CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in US Dollars)

	December 31, 2015	December 31, 2014 (note 18)	January 1, 2014 (note 18)
ASSETS			
Current			
Cash	$ 741,338	$ 10,100,145	$ 11,900,143
Receivables	722	5,905	59,167
Prepaid expenses	50,240	209,808	73,481
	792,300	10,315,858	12,032,791
Property, plant and equipment (note 5)	56,197,065	53,906,470	179,003
Exploration and evaluation assets (note 6)	-	-	54,925,390
Project advances	-	1,971	107,768
Deposits (note 3)	80,297	86,955	84,171
Deferred financing costs (note 4)	133,338	-	-
	$ 57,203,000	$ 64,311,254	$ 67,329,123
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities (note 7,14)	$ 689,207	$ 537,418	$ 1,378,670
Employment liability (note 9)	939,306	-	-
	1,628,513	537,418	1,378,670
Non-current			
Convertible preferred shares (note 11)	10,718,590	8,825,082	-
Decommissioning liabilities (note 10)	186,207	137,459	718,935
Warrant liability (note 12)	4,088	-	-
	12,537,398	9,499,959	2,097,605
Shareholders' equity			
Share capital (note 11)	94,044,519	94,044,519	93,961,091
Reserves (note 11)	9,099,058	8,968,913	8,445,062
Currency translation adjustment reserve	(9,273,273)	(9,273,273)	(4,098,101)
Deficit	(49,204,702)	(38,928,864)	(33,076,534)
	44,665,602	54,811,295	65,231,518
	$ 57,203,000	$ 64,311,254	$ 67,329,123

Nature of operations and going concern (note 1)
Commitments (note 16)
Subsequent event (note 23)
On behalf of the Board:

"George Poling" **Director** *"Tony Grey"* **Director**

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

IC POTASH CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31
(Expressed in US Dollars)

	2015	2014 (note 18)
EXPENSES		
Administration	$ 540,349	$ 455,828
Business and market development	99,053	1,131,179
Consulting fees	697,068	87,334
Depreciation	41,600	54,017
Fundraising activities	1,654,360	186,903
Foreign exchange loss (gain)	12,417	(111,201)
Investor relations	333,744	699,463
Professional fees	936,628	417,785
Regulatory fees	62,956	63,465
Rent and storage	80,416	72,068
Royalties and property leases	284,554	-
Share-based compensation (note 12,14)	130,145	523,851
Travel	67,247	220,146
Termination expense (note 9)	1,603,910	-
Wages and benefits (note 14)	1,811,271	1,894,864
Operating loss	(8,355,718)	(5,695,702)
Interest income	4,236	35,230
Derivative loss (note 12)	(4,088)	-
Finance costs (note 13)	(1,900,381)	(190,629)
Loss on asset disposal (note 5)	(19,887)	(1,229)
Loss for the year	(10,275,838)	(5,852,330)
Other comprehensive loss		
Currency translation adjustment	-	(5,175,172)
Comprehensive loss for the year	$(10,275,838)	$(11,027,502)
Basic and diluted loss per common share	$ (0.06)	$ (0.03)
Weighted average number of common shares outstanding basic and diluted	172,874,654	172,679,734

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

IC POTASH CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31
(Expressed in US Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (10,275,838)	$ (5,852,330)
Items not affecting cash:		
Accretion	6,873	-
Depreciation	41,600	54,017
Derivative loss	4,088	-
Loss on disposal of equipment	19,887	1,229
Interest expense on convertible preferred shares	1,893,508	185,392
Shares-based compensation	130,145	523,851
Share issued for consulting fees	-	65,108
Unrealized foreign exchange loss	107,733	146,923
Changes in non-cash working capital items:		
Decrease in receivables	5,183	53,262
Decrease (increase) in prepaid expenses	159,568	(136,327)
Decrease in accounts payable and accrued liabilities	(121,472)	(208,219)
Employment liability	939,306	-
Net cash used in operating activities	(7,089,419)	(5,167,094)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment expenditures	(2,167,691)	(21,158)
Deposits	6,658	(3,072)
Disposal of asset for cash	4,325	5,322
Expenditures on exploration and evaluation assets	-	(4,329,462)
Reclamation payments	-	(330,107)
Net cash used in investing activities	(2,156,708)	(4,678,477)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred financing costs	(4,696)	-
Proceeds from convertible preferred shares	-	10,000,000
Preferred share issuance costs	-	(1,361,196)
Proceeds from issuance of share capital	-	23,031
Share issuance costs	-	(4,711)
Net cash provided by (used in) financing activities	(4,696)	8,657,124
Change in cash for the year	(9,250,823)	(1,188,447)
Effect of foreign exchange rate changes on cash	(107,984)	(611,551)
Cash, beginning of year	10,100,145	11,900,143
Cash, end of year	$ 741,338	$ 10,100,145

Supplemental disclosure with respect to cash flows (note 15)

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

IC POTASH CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in US Dollars)

	Share Capital					
	Number of Shares	Amount	Reserves	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balances as at January 1, 2014	172,528,084	$ 93,961,091	$ 8,445,062	$ (4,098,101)	$ (33,076,534)	$ 65,231,518
Shares issued for consulting service	246,570	65,108	-	-	-	65,108
Share issue costs	-	(4,711)	-	-	-	(4,711)
Share-based compensation	-	-	523,851	-	-	523,851
Exercise of warrants	100,000	23,031	-	-	-	23,031
Loss and comprehensive loss	-	-	-	(5,175,172)	(5,852,330)	(11,027,502)
Balances as at December 31, 2014	172,874,654	94,044,519	8,968,913	(9,273,273)	(38,928,864)	54,811,295
Share-based compensation	-	-	130,145	-	-	130,145
Loss and comprehensive loss	-	-	-	-	(10,275,838)	(10,275,838)
Balances as at December 31, 2015	172,874,654	$ 94,044,519	$ 9,099,058	$ (9,273,273)	$ (49,204,702)	$ 44,665,602

The accompanying notes are an integral part of these consolidated 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. IC Potash is a development stage mining company. The Company is involved in the development of potash and potash-related minerals that can be processed and converted into Sulphate of Potash ("SOP") and other fertilizers. The Company's registered office is Suite 1000, 36 Toronto Street, Toronto, ON M5C 2C5. The Consolidated Financial Statements ("Financial Statements") are comprised of the Company and its subsidiaries. To date, the Company has not earned operating revenue. The Company completed and filed the NI 43-101 Technical Report, Ochoa Project Feasibility Study, in March 2014.

The recovery of the amounts comprising development assets are dependent upon the ability of the Company to obtain necessary financing to successfully complete the development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

The Company will need to raise capital in order to fund its operations and development of the Ochoa Project. This may be adversely impacted by uncertain market conditions and regulatory approvals. To address its financing requirements, the Company may seek financing through debt and equity financings, asset sales, joint ventures, off-take agreements, and rights offerings to existing shareholders. The outcome of these matters cannot be predicted at this time.

The Company's continuation as a going concern is dependent on the successful results from its mineral property development activities 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 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 Financial Statements.

The Corporation 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. In December 2015, Cartesian Capital Group, LLC ("Cartesian") signed a binding term sheet, and subsequently closed a definitive agreement (note 23), to make a second strategic investment of up to $45 million in the Company's subsidiary, Intercontinental Potash Corp.(USA) ("ICP(USA)").

2. SIGNIFICANT ACCOUNTING POLICIES

a) **Statement of compliance:**

These Financial Statements have been prepared in accordance with IAS 1 'Presentation of Financial Statements' ("IAS 1") 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 Financial Statements were authorized by the audit committee and board of directors of the Company on March 30, 2016.

b) **Basis of presentation:**

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these Financial Statements are in accordance with IFRS.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

c) Change in presentation currency

Prior to January 1, 2015, the Company reported its annual and quarterly statements of financial position and the related statements of loss and comprehensive loss, cash flows and changes in equity in Canadian dollars ("CAD"). Effective January 1, 2015, the Company changed its reporting currency to the United States ("U.S.") dollar to better reflect the Company's business activities. As a result and in accordance with International Accounting Standards ("IAS") 21 *The Effects of Changes in Foreign Exchange Rates*, the financial statements for all years presented have been translated into U.S. dollars. The statements of loss and comprehensive loss, and cash flows for each year have been translated in to the presentation currency using the average exchange rate prevailing during each year. All assets and liabilities have been translated using the exchange rate prevailing at the statements of financial position dates. Equity transactions since inception have been translated at the exchange rate in effect on the date of the specific transaction. All resulting exchange differences arising from the translation are included as a separate component of other comprehensive income. All comparative financial information has been restated to reflect the Company's results as if they had been historically reported in U.S. dollars.

d) Foreign currency translation

The consolidated financial statements are presented in U.S. dollars. Prior to January 1, 2015, the functional currency of the Company and its subsidiaries was the Canadian dollar. The Company and its subsidiaries functional currency changed on a prospective basis from the Canadian dollar to the U.S. dollar as management determined that the currency of the primary economic environment in which the entities operate changed with the planned development of the Ochoa property and the recent U.S. dollar financing.

Transactions in foreign currencies are translated into the entities functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities of the Company's operations denominated in a currency other than the U.S. dollar are translated using the exchange rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates in effect at the date of the underlying transaction, except for depreciation related to non-monetary assets, which is translated at historical exchange rates. Exchange differences are recognized in the statements of loss and comprehensive loss in the year in which they occur.

e) New standards, amendments and interpretations:

Adopted during the year

IFRS 7 – Financial Instruments: Disclosure. IFRS 7 is amended for annual periods beginning on or after January 1, 2015 to require additional disclosures on transition from IAS 39 to IFRS 9. There was no impact on the Company's consolidated financial statements upon adoption of this amendment.

Effective January 1, 2016

IFRS 10, IFRS 12, and IAS 28 – Investment Entities. IFRS 10, IFRS 12, and IAS 28 are amended to discuss the application of the investment entities exception. The Company does not expect any impact on the Company's consolidated financial statements upon adoption of this amendment.

IFRS 11 – Accounting for Acquisitions of Interest in Joint Operations. IFRS 11 is amended to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business. The Company does not expect any impact on the Company's consolidated financial statements upon adoption of this amendment.

(Expressed in US Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

e) New standards, amendments and interpretations (cont'd…)

IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization. IAS 16 and IAS 38 are amended to (i) clarify that the use of revenue-based depreciation and amortization method is not appropriated, and (ii) provide a rebuttable presumption for intangible assets. The Company does not expect any impact on the Company's consolidated financial statements upon adoption of this amendment.

IAS 27 - Equity Method in Separate Financial Statements. IAS 27 is amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The Company does not expect any impact on the Company's consolidated financial statements upon adoption of this amendment.

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.

f) Basis of consolidation:

The consolidated 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%
Intercontinental Potash Corp. (USA) ("ICP(USA)")	*USA*	100%

The Company consolidates the subsidiaries on the basis that it controls these subsidiaries through its ability to govern their financial and operating policies.

All intercompany transactions and balances are eliminated on consolidation.

g) Cash:

Cash is comprised of cash deposited at Canadian and United States banks and secure, short-term, highly liquid demand deposits.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

h) **Property, plant, and equipment:**

Property, plant, and equipment ("PPE") is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use including associated borrowing costs and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Carrying amounts of PPE are depreciated to their estimated residual value over the estimated useful lives of the assets or the related mine or plant if shorter. Where an item of PPE is composed of major components with different useful lives, the components are accounted for as separate items of PPE.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Development and field support costs including associated borrowing costs directly related to mining assets are capitalized until the property to which they directly relate is placed into commercial production, sold, abandoned or subject to a condition of impairment. Mine development and shaft access incurred during the development of a mine are capitalized. Mine development and shaft access incurred during the commercial production phase are production costs that are included in the costs of inventory produced during the period that these costs are incurred, unless the mine development and shaft access activity can be shown to give rise to future benefits from the mineral property such as increased reserves, in which case the costs would be capitalized to mineral property.

Mining assets are depreciated over the life-of-mine using the unit-of-production method. The life-of-mine is based on the proven and probable mineral reserves related to the associated ore body. There are numerous uncertainties inherent in estimating mineral reserves, and assumptions that were valid at the reporting date may change when new information becomes available. Depreciation begins following commencement of commercial production.

Although the Company has taken steps to verify ownership and legal title to mineral properties in which it has an interest, according to the usual industry standards for the stage of mining, development and exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects. However, management is not aware of any such agreements, transfers or defects.

Depreciation is provided using the units of production or the declining balance basis at the following annual rates:

Furniture and fixtures	20% declining balance
Computer equipment	45% declining balance
Other equipment	20% declining balance
Vehicles	30% declining balance
Mining assets	unit of production

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

h) Property, plant, and equipment (cont'd…)

The Company conducts an annual assessment of the residual values, useful lives and depreciation methods being used for PPE and any impairment rising from the assessment is recognized in profit or loss.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

i) Exploration and evaluation assets:

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment at each reporting date if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are tested for impairment and then reclassified to development assets within property, plant and equipment. Any impairment loss is recognized in profit or loss before reclassification.

j) Decommissioning, restoration and similar liabilities ("decommissioning liabilities"):

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the decommissioning of exploration and evaluation assets and property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a decommissioning liability is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with decommissioning as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these decommissioning liability costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time and changes in the estimated future cash flows underlying any initial estimates.

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had $186,207 in decommissioning liabilities as at December 31, 2015 (2014 - $137,459) (note 10).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

k) Related party transactions:

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

l) Significant accounting estimates and judgments:

The preparation of these Financial Statements requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Functional currency

The main business activities of the Company is in the United States of America and is funded by the United States ("U.S.") dollar. Therefore, the Company has determined that the U.S. dollar is the functional currency. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Economic recoverability and probability of future benefits of exploration, evaluation and development costs.

Management has determined that development and related costs incurred which were capitalized have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, feasibility studies, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Impairment of property, plant and equipment and mining interest

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's PPE and mining interests are impaired. External sources of information management considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its PPE and mining interests. Internal sources of information management considers include the manner in which mining PPE are being used or are expected to be used and indications of economic performance of the assets.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

l) **Significant accounting estimates and judgments (**cont'd…)

In determining the recoverable amounts of the Company's PPE and mining interests, management makes estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the mining properties and the appropriate discount rate. Reductions in commodity price forecasts, increases in estimated future costs of production, increases in estimated future capital expenditures, reductions in the amount of recoverable reserves, resources, and exploration potential, and/or adverse current economics can result in a write-down of the carrying amounts of the Company's PPE and/or mining interests.

Depreciation and amortization rate for property, plant and equipment and depletion rate for mining interests

Depletion, depreciation and amortization expenses are allocated based on assumed asset lives. Should the asset life, depletion rates or depreciation rates differ from the initial estimate, the change in estimate would be made prospectively in the consolidated statements of loss and comprehensive loss.

Estimated reclamation and closure costs

The Company's provision for decommissioning liabilities represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation and closure costs at the end of mine's life. The provision reflects estimates of future costs, inflation, movements in foreign exchange rates and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company.

Changes to reclamation and closure costs obligations are recorded with a corresponding change to the carrying amounts of related mining properties. Adjustments to the carrying amounts of related mining properties can result in a change to future depletion expense.

Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rates. Changes in the Input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

l) Significant accounting estimates and judgments (cont'd…)

Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. Weight is attached to tax planning opportunities that are within the Company's control, and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting year, the Company reassesses unrecognized income tax assets.

Useful lives of equipment

The Company estimates the useful lives of equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the equipment would increase the recorded expenses and decrease the non-current assets.

m) Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned a value based on the residual value, if any, and included in reserves.

Warrants that are issued as payment for agency fees or other transaction costs are assigned a value based on the Black-Scholes pricing model and included in reserves.

When warrants are exercised, any reserves related to those warrants are reclassified from reserves to share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

n) Share-based compensation:

The Company's stock option plan allows eligible Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

o) Loss per share:

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

p) Income taxes:

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the financial position reporting date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the financial position reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

q) Financial assets:

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at FVTPL.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's receivables are classified as loans and receivables. The Company's deposits are classified as held to maturity.

Financial assets classified as available for sale are measured at fair value with unrealized gains and 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. The Company has not classified any financial assets as available for sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

r) Financial liabilities:

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. The Company has classified the derivative liability associated with the Preferred Shares conversion as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable, employment liability, and debt component of convertible preferred shares are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

s) Share capital:

Common shares are classified as share capital. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity.

(Expressed in US Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

t) **Impairment:**

At the end of each reporting period, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Following the recognition of an impairment loss, the depreciation charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. DEPOSITS

	December 31, 2015		December 31, 2014		January 1, 2014	
BLM permit bond	$	50,000	$	50,000	$	50,000
MegaBond		25,000		25,000		25,000
Office security deposits		5,297		11,955		9,171
Total	$	80,297	$	86,955	$	84,171

4. DEFERRED FINANCING COSTS

In December 2015, Cartesian Capital Group, LLC ("Cartesian") signed a binding term sheet, and subsequently closed a definitive agreement (note 23) to make a second strategic investment of up to US$45 million in the Company's subsidiary, ICP(USA). Legal costs and consulting advisory costs related to this financing were recorded in deferred financing costs for $133,338.

(Expressed in US Dollars)

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

Cost	Development Project - Ochoa Property	Furniture and fixtures	Computer equipment	Other equipment	Vehicles	Total
As at January 1, 2014	$ -	$ 58,571	$ 127,834	$ 35,111	$ 112,775	$ 334,291
Transfer from E & E	53,781,708	-	-	-	-	53,781,708
Additions	14,691	-	6,467	-	-	21,158
Disposals	-	(7,697)	(6,544)	-	-	(14,241)
Translation adjustment	-	(4,871)	(10,634)	(2,921)	(9,381)	(27,807)
As at December 31, 2014	53,796,399	46,003	117,123	32,190	103,394	54,095,109
Additions	2,326,119	-	30,288	-	-	2,356,407
Disposals	-	(39,162)	(36,540)	-	-	(75,702)
As at December 31, 2015	$ 56,122,518	$ 6,841	$ 110,871	$ 32,190	$ 103,394	$ 56,375,814
Depreciation						
As at January 1, 2014	$ -	$ 19,891	$ 64,754	$ 15,718	$ 54,925	$ 155,288
Additions	-	6,062	25,991	4,216	17,748	54,017
Disposals	-	(2,520)	(5,229)	-	-	(7,749)
Translation adjustment	-	(1,655)	(5,386)	(1,307)	(4,569)	(12,917)
As at December 31, 2014	-	21,778	80,130	18,627	68,104	188,639
Additions	-	1,982	23,029	3,542	13,047	41,600
Disposals	-	(20,952)	(30,538)	-	-	(51,490)
As at December 31, 2015	$ -	$ 2,808	$ 72,621	$ 22,169	$ 81,151	$ 178,749
Net book value:						
As at January 1, 2014	$ -	$ 38,680	$ 63,080	$ 19,393	$ 57,850	$ 179,003
As at December 31, 2014	$ 53,796,399	$ 24,225	$ 36,993	$ 13,563	$ 35,290	$ 53,906,470
As at December 31, 2015	$ 56,122,518	$ 4,033	$ 38,250	$ 10,021	$ 22,243	$ 56,197,065

A loss on disposal of $19,887 (2014 - $1,229) was recorded from disposing some furniture and equipment due to the closing of an office in Golden, Colorado, USA.

Ochoa property

The Company's land holdings consist of approximately 98,500 acres of federal preference right potassium leases, federal subsurface potassium prospecting permits and State of New Mexico potassium mining leases.

Effective November 1, 2014, the Company's wholly-owned subsidiary Intercontinental Potash Corp. (USA) was granted Preference Rights Leases by the U.S. Department of the Interior Bureau of Land Management ("BLM"). The potassium leases, in conjunction with those granted by the New Mexico State Land Office, comprise the entire area of the 50-year Ochoa mine plan approved by the BLM in the Record of Decision ("ROD") dated April 10, 2014.

(Expressed in US Dollars)

6. EXPLORATION AND EVAULATION ASSETS

In November 2014, the Ochoa project was reclassified from an exploration and evaluation asset to a development asset within property, plant, and equipment. The reclassification decision was based on completion of a favourable feasibility study supporting the technical feasibility and commercial viability of the project, completion of the environmental impact study and issuance of the related ROD, approval of the Air Quality permit by the New Mexico Environment Department – Air Quality Division and the receipt of Preference Rights Leases from the BLM.

Year ended December 31, 2014		Ochoa
Acquisition costs		
Balance, January 1, 2014	$	4,515,667
Additions:		
Landman costs		7,555
Permit application and acquisition		840,951
Translation adjustment		(416,290)
Total acquisition costs		4,947,883
Deferred exploration costs		
Balance, January 1, 2014		50,409,723
Additions:		
Bulk sampling		19,960
Detailed engineering		992,129
Feasibility study		520,878
Field expenses		5,410
Geology		166,603
Mining engineering		2,318
Office support		1,136,196
Water reclamation costs		(94,431)
Translation adjustment		(4,324,961)
Total deferred exploration costs		48,833,825
Transfer to property, plant and equipment		(53,781,708)
Balance, December 31, 2014 and 2015	$	-

(Expressed in US Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2015	December 31, 2014	January 1, 2014
Trade payables	$ 130,764	$ 394,936	$ 745,330
Accrued liabilities (note 8)	544,978	83,978	616,416
Other	13,465	58,504	16,924
Total	$ 689,207	$ 537,418	$ 1,378,670

8. CONTINGENT LIABILITY

In January 2013, the Company signed an Advanced Works Agreement with Veolia Water Solutions and Technologies North America, Inc. (the “Contractor”) in which the Company would have to pay the Contractor $522,533 to terminate the contract for convenience or if the Company fails to award a contract to the Contractor for the purchase of the evaporation and/or crystallization equipment for the Ochoa Project within twelve (12) months of the completion of the Services.

The Company amended the terms of the Advanced Works Agreement, which extended the completion date specified under the Agreement. In exchange for this extension, the Company paid a fee of $104,507 in December 2014. Also, under the terms of this amendment, a fee of $418,026 is payable if the Company fails to award a contract to the Contractor for the purchase of the evaporation and/or crystallization equipment for the Ochoa Project by December 31, 2015. The contract was not awarded by December 31, 2015 and therefore the Company has accrued the fee of $418,026 (note 7).

9. 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:

a) $500,000 CAD, less applicable deductions for taxes was paid on July 15, 2015 and

b) $1,600,000 CAD, less applicable deductions for taxes, is paid in monthly instalments of $50,000 CAD, less applicable deductions for taxes, commencing on July 31, 2015 and continuing until the earlier of March 31, 2018 or the Company and/or its subsidiary ICP(USA) successfully complete a financing that results in the Company and/or ICP(USA) raising gross proceeds of $10 million CAD or a combination of financings that raise gross proceeds of $10 million CAD, at which time the then remaining balance of the severance payment shall become payable within thirty (30) days.

The full amount of the severance of $1,603,910 ($2,100,000 CAD) has been expensed during the year ended December 31, 2015. As at December 31, 2015, the balance of employment liability is $939,306 ($1,300,000 CAD) and is included in current liabilities as the company has completed a subsequent financing (note 23) that meets the above conditions.

(Expressed in US Dollars)

10. DECOMMISSIONING LIABILITIES

	December 31, 2015	December 31, 2014	January 1, 2014
Reclamation obligation			
Balance beginning of year	$ 137,459	$ 718,935	$ 252,256
Change in estimate	41,875	(241,476)	493,950
Accretion expense	6,873	-	-
Payments during the year	-	(330,107)	(57,941)
Translation adjustment	-	(9,893)	30,670
Balance end of year	$ 186,207	$ 137,459	$ 718,935

Site Restoration: Ochoa Project – New Mexico

The Company completed drilling two water wells during fiscal 2012. The decommissioning of these water wells and associated drilling pits and drilling pads in New Mexico is subject to legal and regulatory requirements. The drilling pits were reclaimed and decommissioned in the first quarter of 2014 at a cost of $330,107. Estimates of the costs of decommissioning are calculated based on guidance from the New Mexico Department of Energy Minerals and Natural Resources, Mining and Minerals Division. Estimates of the costs of decommissioning are reviewed periodically by authorized officers of the Company. The long-term liability represents the Company’s best estimate of the present value of future decommissioning costs, discounted at 5%.

As at December 31, 2015, the undiscounted amount of estimated future decommissioning costs in 2067 based on today’s costs with 3% inflation after 2 years of development and 50 years production is $2,354,185 (2014 - $1,627,810). Decommissioning costs are expected to be incurred in 2067.

11. 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 Consolidated Statements of Changes in Equity for a summary of changes in share capital and reserves for the year ended December 31, 2015. Reserves relate to stock options and compensatory warrants that have been issued by the Company (note 12).

During the year ended December 31, 2015, the Company did not issue any common shares.

During the year ended December 31, 2014, the Company issued the following common shares:

- On May 27, 2014, the Company issued 246,570 common shares of the Company at $0.264 per share to an arm’s length consultant for consulting services at a value of $65,108. The costs associated with this share issuance were $4,711.
- On December 15, 2014, the Company issued 100,000 common shares of the Company at $0.23 per share pursuant to the exercise of finders’ warrants for gross proceeds of $23,031.

(Expressed in US Dollars)

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

Convertible preferred shares

During the year ended December 31, 2015, the Company did not issue any convertible preferred shares.

On November 25, 2014, ICP(USA), an indirectly wholly-owned subsidiary of IC Potash Corp., issued 500,000 convertible Class A Preferred Shares (the "Preferred Shares") at a purchase price of $10,000,000 to Cartesian Capital Group, LLC. The Preferred Shares accrue dividends at a rate of 12% per year and 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 Preferred Shares have been amended subsequent to year-end (note 23), and therefore remain a long term liability.

Since the Preferred Shares contain a contractual obligation whereby ICP(USA) can be required to repay the Preferred Share proceeds, they are considered a financial liability. In addition, the conversion feature was considered an embedded derivative in fiscal 2014 which was determined to be immaterial using Black-Scholes with 0.7% risk-free interest rate, expected life of 1.9 years, and expected volatility of 65% assumptions. However, with the functional currency changing to the U.S. dollar effective January 1, 2015, the conversion feature is no longer considered a derivative liability.

The Preferred Shares are accounted for using the effective interest rate method. The effective interest rate of the Preferred Share debt is 20%.

Amount at date of issue, November 25, 2014	$ 10,000,000
Issuance costs allocated	(1,361,196)
Amortization of issuance costs	67,036
Accrued dividends payable	118,356
Translation adjustment	886
Balance as at December 31, 2014	8,825,082
Amortization of issuance costs	679,667
Accrued dividends payable	1,213,841
Balance as at December 31, 2015	$ 10,718,590

(Expressed in US Dollars)

12. 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 December 31, 2015, 2014 and 2013, 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
900,000	$ 1.40	0.21	March 17, 2016 *
306,250	1.07	0.80	October 17, 2016
100,000	1.03	1.15	February 23, 2017
1,200,000	0.90	1.32	April 26, 2017
100,000	0.71	1.93	December 5, 2017
200,000	0.35	3.32	April 24, 2019
2,275,500	0.40	3.47	June 18, 2019
600,000	0.35	3.67	September 2, 2019
1,707,495	0.35	4.35	May 7, 2020
7,389,245			

* 900,000 options expired unexercised subsequent to December 31, 2015

(Expressed in US Dollars)

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

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price (CAD)
Outstanding at December 31, 2013	13,163,250	$ 0.75
Cancelled/expired	(7,047,500)	0.73
Granted	3,881,500	0.39
Outstanding December 31, 2014	9,997,250	0.62
Cancelled/expired	(4,315,500)	0.50
Granted	1,707,495	0.35
Outstanding December 31, 2015	7,389,245	$ 0.63
Number of options exercisable at December 31, 2015	7,389,245	$ 0.63

The exercisable options as at December 31, 2015 have an average weighted remaining life of 2.78 years (2014 – 2.42 years)

During the year ended December 31, 2015, the Company granted 1,707,495 (2014 – 3,881,500) stock options to officers, employees, and directors of the Company. All options vested at the grant date (2014 – 3,781,500 vested at the grant date, 100,000 vested in April 2015).

The fair value of the options granted, as determined by the Black-Scholes option pricing model, was $126,307 (2014 - $527,143) or $0.07 (2014- $0.14) per option.

Share-based compensation recognized during the year was $130,145 (2014 - $523,851) which included options granted during the year as well as residual amounts from prior year grants that have vested during the year.

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended December 31, 2015 and 2014:

	Year ended December 31, 2015	Year ended December 31, 2014
Risk-free interest rate	1.06%	1.52%
Expected life of options	3.87 years	4.67 years
Annualized volatility	50.45%	62%
Dividend rate	-	-
Forfeiture rate	-	-

Volatility was determined using weekly closing share prices over the expected life of the options.

(Expressed in US Dollars)

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

Warrants

During the year ended December 31, 2015, the Company extended the life of its 10,000,000 outstanding warrants from June 18, 2015 to December 18, 2016.

As at December 31, 2015, 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
10,000,000	$ 0.35	0.97 years	December 18, 2016

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price (CAD)
Outstanding as at December 31, 2013, 2014 and 2015	10,000,000	$ 0.35

Effective January 1, 2015, the functional currency of the Company changed to the U.S. dollar. 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 with 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. The fair value of the derivative warrant liability at January 1, 2015 was immaterial. However, due to the extension of the warrants that occurred during the three months ended June 30, 2015, the value of $209,111 was recorded at June 30, 2015. The value of the derivative liability has decreased to $4,088 as at December 31, 2015. The assumptions used to value the warrant derivative liability at December 31, 2015 include a volatility of 82.06%, dividend yield of 0.00%, risk-free interest rate of 0.48% and an expected term of 0.97 years.

	Number of warrants	Weighted average exercise price (CAD)	Warrant liabilities (USD)
Balance, January 1, 2015	10,000,000	0.35	$ -
Fair value due to extension (June 30, 2015)	-	-	209,111
Change in fair value	-	-	(205,023)
Balance, December 31, 2015	10,000,000	0.35	$ 4,088

(Expressed in US Dollars)

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

Finder's warrants

As at December 31, 2015, the Company had nil finder's warrants outstanding.

Finder's warrants are summarized as follows:

	Number of Unit Options		Weighted Average Exercise Price
Outstanding at December 31, 2013	1,336,000		0.26
Exercised	(100,000)		0.26
Expired	(1,236,000)		0.26
Outstanding at December 31, 2014 and 2015	_	$	0.00

13. FINANCE COSTS

During the year ended December 31, 2015, the Company incurred the following finance expenses:

	December 31, 2015	December 31, 2014
Amortization of issuance costs (note 11)	$ 679,667	$ 67,036
Accrued dividends payable on the convertible preferred share	1,213,841	118,356
Accretion on decommissioning liabilities (note 10)	6,873	-
Translation adjustment	-	5,237
	$ 1,900,381	$ 190,629

14. RELATED PARTY TRANSACTIONS AND BALANCES

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

	December 31, 2015	December 31, 2014	January 1, 2014
Key management personnel	$ 2,318	$ 15,499	$ 132,806
	$ 2,318	$ 15,499	$ 132,806

(Expressed in US Dollars)

14. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd…)

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

	Year ended December 31, 2015	Year ended December 31, 2014
Termination expense	$ 1,603,910	$ -
Short-term benefits	1,133,358	1,507,154
Directors' fees	263,005	182,556
Share-based compensation	130,145	523,851
Total remuneration	$ 3,130,418	$ 2,213,561

In July 2015, the Company signed a Termination and Settlement Agreement with the former President and Chief Executive Officer, as described in Note 9.

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Supplemental disclosure with respect to cash flows	Year ended December 31, 2015	Year ended December 31, 2014
Accrued property in development phase	$ 454,907	$ 310,288
Advances reclassified to property in development phase	$ 2,222	$ -
Advances reclassified to exploration and evaluation assets	$ -	$ 87,869
Reclamation obligation	$ 41,875	$ 241,476
Transfer of exploration and evaluation assets to property, plant and equipment assets	$ -	$ 53,781,708
Deferred financing costs in accounts payable	$ 128,642	$ -

16. COMMITMENTS

Production

After commencement of commercial production, the Company shall deliver and sell to Yara Balderton Ltd. ("Yara") and Yara will buy from the Company 30% of all products produced by the Ochoa project annually for a period of 15 years and will automatically extend every five years thereafter unless either party elects not to extend. Under certain circumstances, Yara has the option to purchase up to an additional 20% (for an aggregate maximum of 50%) of annual production during the term of the agreement. All products will be sold to Yara based on market prices, subject to terms of the off-take agreement dated March 30, 2012.

17. SEGMENTED INFORMATION

The Company has one reportable business segment being the development of mineral property assets. Geographical information is as follows:

Property, plant, and equipment		Canada		USA		Total
January 1, 2014	$	4,049	$	174,954	$	179,003
December 31, 2014	$	2,041	$	53,904,429	$	53,906,470
December 31, 2015	$	783	$	56,196,282	$	56,197,065

18. ADJUSTMENT OF PREVIOUSLY REPORTED FINANCIAL INFORMATION DUE TO CHANGE IN PRESENTATION CURRENCY

For comparative purposes, the statement of financial position as at December 31, 2014 and January 1, 2014 includes adjustments to reflect the change in accounting policy resulting from the change in presentation currency to US dollars. The amounts previously reported in Canadian Dollars as shown below have been translated into US dollars at the December 31, 2014 and January 1, 2014 exchange rate of 1.1601 USD:CAD and 1.0636 USD:CAD respectively.

As at January 1, 2014		**As previously reported in CAD**		**As translated at rate of 1.0636**
Current assets	$	12,798,076	$	12,032,791
Non-current assets		58,813,179		55,296,332
TOTAL ASSETS		71,611,255		67,329,123
Current liabilities		1,466,353		1,378,670
Non-current liabilities		764,659		718,935
TOTAL LIABILITIES	$	2,231,012	$	2,097,605

As at December 31, 2014		**As previously reported in CAD**		**As translated at 1.1601**
Current assets	$	11,967,426	$	10,315,858
Non-current assets		62,640,058		53,995,396
TOTAL ASSETS		74,607,484		64,311,254
Current liabilities		623,456		537,418
Non-current liabilities		10,397,444		8,962,541
TOTAL LIABILITIES	$	11,020,900	$	9,499,959

18. ADJUSTMENT OF PREVIOUSLY REPORTED FINANCIAL INFORMATION DUE TO CHANGE IN PRESENTATION CURRENCY (cont'd…)

For comparative purposes, the Consolidated Statements of Operations and Comprehensive Loss for the year ending December 31, 2014 includes adjustments to reflect the change in accounting policy resulting from the change in presentation currency to US dollars. The amounts previously reported in Canadian Dollars as shown below have been translated into US dollars at the average exchange rate of 1.1045. The effect of the translation is as follows:

Year ended December 31, 2014	As previously reported in CAD	As translated at average rate of 1.1045
Expenses		
Administration	$ 503,462	$ 455,828
Business and market development	1,249,387	1,131,179
Consulting fees	96,460	87,334
Depreciation	62,666	54,017
Fundraising activities	206,434	186,903
Foreign exchange gain	(125,826)	(111,201)
Investor relations	772,557	699,463
Professional fees	461,443	417,785
Regulatory fees	70,097	63,465
Rent and storage	79,599	72,068
Share-based compensation	578,593	523,851
Travel	243,151	220,146
Wages and benefits	2,092,880	1,894,864
Operating loss	(6,290,903)	(5,695,702)
Interest income	38,912	35,230
Finance costs	(210,550)	(190,629)
Loss on asset disposal	(1,357)	(1,229)
Loss for the year	(6,463,898)	(5,852,330)
Other comprehensive loss		
Currency translation adjustment	-	(5,175,172)
Comprehensive loss for the year	$ (6,463,898)	$ (11,027,502)

19. 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. The Company does not have any externally imposed capital requirements to which it is subject. The capital of the Company consists of common shares, convertible preferred shares, options and warrants. The Company had no bank indebtedness at December 31, 2015. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies 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 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 intends to raise additional funds so that all project plans can be fully executed. There were no significant changes in the Company's approach to capital management during the year ended December 31, 2015.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

International Financial Reporting Standards 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, receivables, deposits, accounts payable, employment liability, convertible Preferred Shares and derivative warrant liability.

Financial instruments

Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy. The warrant derivative liability is categorized as level three. The carrying value of receivables, deposits, payables and employment liability approximate fair value because of the short-term nature of these instruments. The Preferred Shares are designated as non-current liabilities, which are measured at amortized cost, using the effective interest rate.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial instruments (cont'd…)

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.

Liquidity risk

The Company intends to raise additional funds during this year so that all project plans can be fully executed during the next 12 months. As at December 31, 2015, the Company had a cash balance of $741,338 to settle current liabilities of $1,628,513. The Company has a contractual maturity for the $10,000,000 face amount of the preferred shares plus accrued interest. Term for this contractual maturity has been extended to the same maturity date as Tranche 1 of the new strategic investment commitment from Cartesian. More information is in subsequence event (note 23).

Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest 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 dollars; 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 1% change in the foreign exchange rate would have had an approximate $1,500 impact on foreign exchange gain or loss.

Price risk

The Company is exposed to price risk with respect to commodity prices, specifically potash and other fertilizer products. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future mining operations will be significantly affected by changes in the market prices for potash and other fertilizer products. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities, economic growth in developed and developing countries and stability of exchange rates can all cause significant fluctuations in commodity prices.

(Expressed in US Dollars)

21. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2015, was based on the loss attributable to common shareholders of $10,275,838 (2014 – $5,852,330) and the weighted average number of common shares outstanding of 172,874,654 (2014 – 172,679,734). The diluted loss per share did not include the effect of share purchase options or warrants as they are anti-dilutive.

22. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2015	2014
Loss for the year	$ (10,275,838)	$ (5,852,330)
Expected income tax (recovery)	$ (2,672,000)	$ (1,449,000)
Change in statutory, foreign tax, foreign exchange rates and other	(4,490,000)	(555,000)
Permanent difference	59,000	486,000
Share issue costs	-	(1,000)
Adjustment to prior years provision versus statutory returns and expiry of non-capital losses	(3,437,000)	101,000
Change in unrecognized deductible temporary differences	10,540,000	1,418,000
Total income tax expense (recovery)	$ -	$ -

The significant components of the Company's deferred tax assets that have not been recognized on the consolidated statement of financial position are as follows:

	2015	2014
Deferred tax assets (liabilities)		
Mineral property	$ 9,825,000	$ 6,428,000
Property and equipment	2,000	3,000
Share issue costs	145,000	397,000
Debt with accretion	289,000	399,000
Allowable capital losses	25,000	30,000
Non-capital losses available for future period	31,033,000	24,313,000
	41,319,000	31,570,000
Unrecognized deferred tax assets	$ (41,319,000)	$ (31,570,000)
Net deferred tax assets	$ -	$ -

(Expressed in US Dollars)

22. INCOME TAXES (cont'd…)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2015	Expiry Date Range	2014	Expiry Date Range
Temporary differences				
Mineral property	$ 24,373,000	No expiry date	$ 24,373,000	No expiry date
Investment tax credit	29,000	2026 to 2027	34,000	2026 to 2027
Property and equipment	7,000	No expiry date	9,000	No expiry date
Share issue costs	558,000	2036 to 2038	1,527,000	2035 to 2038
Debt with accretion	719,000	No expiry date	1,175,000	No expiry date
Allowable capital losses	96,000	No expiry date	115,507	No expiry date
Non-capital losses available for future period	83,828,000	2016 to 2035	76,814,000	2015 to 2034
Canada	18,666,000	2016 to 2035	22,545,000	2015 to 2034
USA	65,162,000	2027 to 2035	54,269,000	2027 to 2034

Tax attributes are subject to review, and potential adjustment, by tax authorities.

23. SUBSEQUENT EVENT

In December 2015, Cartesian Capital Group, LLC ("Cartesian") signed a binding term sheet, and subsequently closed a definitive agreement, to make a second investment of up to $45 million in the Company's subsidiary, ICP (USA). In February 2016, ICP (USA) received an initial draw of $2.5 million from Cartesian.

Cartesian can invest the $45 million in two tranches. The first tranche consists of up to $10 million over six months to fund certain pre-DBOM (Design, Build, Operate and Maintain) phase 1 work for a technical refresh program for the Ochoa project. The second tranche of up to $35 million would close on successful completion of the pre-DBOM phase 1 work and fund completion of engineering and design work for a DBOM plan for the Ochoa project.

The tranche 1 investment consists of up to $5 million convertible series B preferred shares and up to $5 million in senior secured notes. The series B preferred shares accrue dividends at 12% per annum, mature February 28, 2018 and if fully funded at $5 million will convert on a non-dilutive basis to 21.1% of the common stock of ICP (USA). The secured notes bear interest at 11% per annum, mature on February 28, 2018 and are fully secured by a first interest in the assets of ICP (USA) including the Ochoa project.
The first draw down under tranche 1 was a $2.5 million secured note. The second draw will consist of $2.5 million series B preferred shares. ICP (USA) can make up to two further draws of up to $2.5 million each under tranche 1, subject to certain draw down conditions. In connection with the tranche 1 financing, the Class A preferred share (Note 11) maturity date was extended to February 28, 2018 and the dividend rate increased to 15% per annum effective March 1, 2016.

The tranche 2 financing will consist of up to $35 million convertible series C preferred shares. Both IC Potash Corp. and Cartesian have the right to invest in the $35 million based on the "as converted" pro rata holdings of ICP (USA) of 71.1% and 28.9%, respectively. If IC Potash Corp. does not fund its full pro rata

23. SUBSEQUENT EVENT (cont'd…)

share, Cartesian or an affiliate can subscribe for the difference. The series C preferred shares will accrue dividends at 8% per annum with a maturity date of 24 months from date of issue. The shares will be convertible at the option of the holder into ICP (USA) common shares at the greater of a 15% premium to an equity based valuation of IC Potash Corp., and Cdn$0.115 per share.

IC POTASH CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
IC Potash Corp.

We have audited the accompanying consolidated financial statements of IC Potash Corp., which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of IC Potash Corp. as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

February 25, 2015

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Telephone (604) 687-0947 Fax (604) 687-6172

IC POTASH CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	December 31, 2014	December 31, 2013
ASSETS		
Current		
Cash	$ 11,717,178	$ 12,656,992
Receivables (note 3)	6,850	62,930
Prepaid expenses	243,398	78,154
	11,967,426	12,798,076
Property, plant and equipment (note 4)	62,536,896	190,388
Project advances (note 4)	2,286	114,622
Deposits (note 6)	100,876	89,524
Exploration and evaluation assets (note 5)	-	58,418,645
	$ 74,607,484	$ 71,611,255
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (note 7)	$ 623,456	$ 1,466,353
Non-current		
Convertible preferred shares (note 10)	10,237,978	-
Decommissioning liabilities (note 9)	159,466	764,659
	11,020,900	2,231,012
Shareholders' equity		
Share capital (note 10)	94,642,655	94,551,009
Reserves (note 10)	9,153,483	8,574,890
Deficit	(40,209,554)	(33,745,656)
	63,586,584	69,380,243
	$ 74,607,484	$ 71,611,255

Nature of operations and going concern (note 1)
Commitments (note 15)

On behalf of the Board:

"Sidney Himmel" **Director** ***"George Poling"*** **Director**

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

IC POTASH CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31
(Expressed in Canadian Dollars)

	2014	2013
EXPENSES		
Administration	$ 503,462	$ 625,841
Business and market development	1,249,387	747,145
Consulting fees	96,460	888,843
Depreciation	62,666	85,186
Fundraising activities	206,434	-
Foreign exchange gain	(125,826)	(549,004)
Investor relations	772,557	385,406
Professional fees	461,443	984,425
Regulatory fees	70,097	81,489
Rent and storage	79,599	100,702
Share-based compensation (note 11)	578,593	-
Travel	243,151	420,055
Wages and benefits	2,092,880	2,320,778
Operating loss	(6,290,903)	(6,090,866)
Interest income	38,912	93,284
Finance costs (note 12)	(210,550)	-
Gain (loss) on asset disposal	(1,357)	970
Write-off deferred financing costs (note 10)	-	(406,729)
Loss and comprehensive loss for the year	(6,463,898)	(6,403,341)
Basic and diluted loss per common share	(0.04)	(0.04)
Weighted average number of common shares outstanding	172,679,734	152,948,463

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

IC POTASH CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year Ended December 31, 2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (6,463,898)	$ (6,403,341)
Items not affecting cash:		
Depreciation	62,666	85,186
Loss (gain) on disposal of equipment	1,357	(970)
Interest expense on convertible preferred shares	210,550	-
Share-based compensation	578,593	-
Shares issued for consulting fees	70,766	-
Unrealized foreign exchange loss (gain)	61,685	(358,843)
Write-off of deferred financing costs	-	406,729
Changes in non-cash working capital items:		
Decrease (increase) in receivables	66,479	(2,713)
(Increase) decrease in prepaid expenses	(165,244)	73,385
Increase in accounts payable and accrued liablilities	(199,546)	(164,099)
Net cash used in operating activities	(5,776,592)	(6,364,666)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(24,545)	(48,416)
Deposits	(3,564)	(1,851)
Disposal of asset for cash	6,174	521
Expenditures on exploration and evaluation assets	(4,782,757)	(22,521,411)
Project advances	-	(92,659)
Reclamation payments	(364,603)	-
Net cash used in investing activities	(5,169,295)	(22,663,816)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from convertible preferred shares	11,261,000	-
Preferred shares issuance costs	(1,532,843)	-
Proceeds from issuance of share capital	26,000	5,729,105
Share issuance costs	(5,120)	(472,431)
Deferred financing costs	-	(319,238)
Net cash provided by financing activities	9,749,037	4,937,436
Change in cash for the year	(1,196,850)	(24,091,046)
Effect of foreign exchange rate changes on cash	257,036	353,447
Cash, beginning of year	12,656,992	36,394,591
Cash, end of year	$ 11,717,178	$ 12,656,992

Supplemental disclosure with respect to cash flows (note 14)

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

IC POTASH CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Shares	Amount	Reserves	Accumulated Deficit	Total
Balances as at December 31, 2012	151,406,384	$89,456,817	$8,502,712	$(27,342,315)	$70,617,214
Shares issued for cash	20,000,000	5,000,000	-	-	5,000,000
Share issue costs	-	(634,913)	-	-	(634,913)
Grant of broker warrants	-	-	72,178	-	72,178
Exercise of warrants and stock options	1,121,700	729,105	-	-	729,105
Loss and comprehensive loss	-	-	-	(6,403,341)	(6,403,341)
Balances as at December 31, 2013	172,528,084	94,551,009	8,574,890	(33,745,656)	69,380,243
Shares issued for consulting services	246,570	70,766	-	-	70,766
Share issue costs	-	(5,120)	-	-	(5,120)
Share-based compensation	-	-	578,593	-	578,593
Exercise of warrants	100,000	26,000	-	-	26,000
Loss and comprehensive loss	-	-	-	(6,463,898)	(6,463,898)
Balances as at December 31, 2014	172,874,654	$94,642,655	$9,153,483	$(40,209,554)	$63,586,584

The accompanying notes are an integral part of these consolidated 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. IC Potash is now a development stage mining company. The Company is involved in exploration and development of potash and potash-related minerals that can be processed and converted into Sulphate of Potash ("SOP") and other fertilizers. The Company's registered head office is First Canadian Place, Suite 5600, 100 King Street West, Toronto, ON M5X 1C9. The Consolidated Financial Statements ("Financial Statements") are comprised of the Company and its subsidiaries. To date, the Company has not earned operating revenue. The Company completed and filed the NI 43-101 Technical Report, Ochoa Project Feasibility Study, in March 2014.

The recovery of the amounts comprising development assets are dependent upon the ability of the Company to obtain necessary financing to successfully complete the development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. The Company will need to raise capital in order to fund its operations and development of the Ochoa Project. This may be adversely impacted by uncertain market conditions and regulatory approvals. To address its financing requirements, the Company may seek financing through debt and equity financings, asset sales, joint ventures, off-take agreements, and rights offerings to existing shareholders. The outcome of these matters cannot be predicted at this time.

The Company's continuation as a going concern is dependent on the successful results from its mineral property development activities 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 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 Financial Statements. The Company estimates that it has sufficient funds continue operations for the next 12 months. The Company intends to raise additional funds in the future so that all project plans can be fully executed.

2. SIGNIFICANT ACCOUNTING POLICIES

a) **Statement of compliance:**

These Financial Statements have been prepared in accordance with IAS 1 'Presentation of Financial Statements' ("IAS 1") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Financial Statements were authorized by the audit committee and board of directors of the Company on February 25, 2015.

b) **Basis of presentation:**

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these Financial Statements are in accordance with IFRS.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

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

Financial instruments
IFRS 7 – Financial Instruments: Disclosure. IFRS 7 is amended for annual periods beginning on or after January 1, 2015 to require additional disclosures on transition from IAS 39 to IFRS 9. The Company is considering the potential impact of this amendment in 2015.

IFRS 9 - Financial Instruments: Classification and Measurement. IFRS 9 is a new standard that will replace IAS 39. 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. 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.

Revenue Recognition
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, 2017, and has not yet considered the potential impact of the adoption of IFRS 15.

IAS 36, Impairment of Assets
IAS 36 is amended effective for annual periods beginning on or after July 1, 2014 to address disclosures required regarding the recoverable amount of impaired assets of cash generating units (CGUs) for periods in which the impairment loss has been recognized or reversed. As of the date of the financial statements, the Company has no impaired assets. There is no change expected to the financial presentation as a result of this amendment.

d) **Basis of consolidation:**

The consolidated 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%
Intercontinental Potash Corp. (USA)	USA	100%

The Company consolidates the subsidiaries on the basis that it controls these subsidiaries through its ability to govern their financial and operating policies.

All intercompany transactions and balances are eliminated on consolidation.

e) **Cash:**

Cash is comprised of cash deposited at Canadian and United States banks and secure, short-term, highly liquid demand deposits.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

f) **Property, plant, and equipment:**

Property, plant, and equipment ("PPE") is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use including associated borrowing costs and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Carrying amounts of PPE are depreciated to their estimated residual value over the estimated useful lives of the assets or the related mine or plant if shorter. Where an item of PPE is composed of major components with different useful lives, the components are accounted for as separate items of PPE.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Exploration, development and field support costs including associated borrowing costs directly related to mining assets are capitalized until the property to which they directly relate is placed into commercial production, sold, abandoned or subject to a condition of impairment. Mine development and shaft access incurred during the development of a mine are capitalized. Mine development and shaft access incurred during the commercial production phase are production costs that are included in the costs of inventory produced during the period that these costs are incurred, unless the mine development and shaft access activity can be shown to give rise to future benefits from the mineral property such as increased reserves, in which case the costs would be capitalized to mineral property.

Mining assets are depreciated over the life-of-mine using the unit-of-production method. The life-of-mine is based on the proven and probable mineral reserves related to the associated ore body. There are numerous uncertainties inherent in estimating mineral reserves, and assumptions that were valid at the reporting date may change when new information becomes available. Depreciation begins following commencement of commercial production.

Although the Company has taken steps to verify ownership and legal title to mineral properties in which it has an interest, according to the usual industry standards for the stage of mining, development and exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects. However, management is not aware of any such agreements, transfers or defects.

Depreciation is provided using the units of production or the declining balance basis at the following annual rates:

Furniture and fixtures	20% declining balance
Computer equipment	45% declining balance
Exploration equipment	20% declining balance
Vehicles	30% declining balance
Mining assets	unit of production

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

f) **Property, plant, and equipment (cont'd…)**

The Company conducts an annual assessment of the residual values, useful lives and depreciation methods being used for PPE and any impairment rising from the assessment is recognized in profit or loss.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

g) **Exploration and evaluation assets:**

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment at each reporting date if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are tested for impairment and then reclassified to development assets within property, plant and equipment. Any impairment loss is recognized in profit or loss before reclassification.

h) **Decommissioning, restoration and similar liabilities ("decommissioning liabilities"):**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the decommissioning of exploration and evaluation assets and property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a decommissioning liability is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with decommissioning as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these decommissioning liability costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time and changes in the estimated future cash flows underlying any initial estimates.

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had $159,466 in decommissioning liabilities as at December 31, 2014 (December 31, 2013 - $764,659) (note 9).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

i) Foreign currency transactions:

The Company's reporting currency and the functional currency of all of its operations is the Canadian dollar. Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the financial position reporting date. Exchange gains or losses arising on foreign currency translation are reflected in profit or loss.

j) Related party transactions:

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

k) Significant accounting estimates and judgments:

The preparation of these Financial Statements requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets 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.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Functional currency

The foreign subsidiary had no operating revenue and funds were provided by the Canadian reporting entity. Therefore, the Company has determined that Canadian dollar is the functional currency. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Economic recoverability and probability of future benefits of exploration, evaluation and development costs.

Management has determined that development and related costs incurred which were capitalized have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, feasibility studies, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

k) **Significant accounting estimates and judgments (**cont'd…)

Impairment of property, plant and equipment and mining interest

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's PPE and mining interests are impaired. External sources of information management considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its PPE and mining interests. Internal sources of information management considers include the manner in which mining PPE are being used or are expected to be used and indications of economic performance of the assets.

In determining the recoverable amounts of the Company's PPE and mining interests, management makes estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the mining properties and the appropriate discount rate. Reductions in commodity price forecasts, increases in estimated future costs of production, increases in estimated future capital expenditures, reductions in the amount of recoverable reserves, resources, and exploration potential, and/or adverse current economics can result in a write-down of the carrying amounts of the Company's PPE and/or mining interests.

Depreciation and amortization rate for property, plant and equipment and depletion rate for mining interests

Depletion, depreciation and amortization expenses are allocated based on assumed asset lives. Should the asset life, depletion rates or depreciation rates differ from the initial estimate, the change in estimate would be made prospectively in the consolidated statements of loss and comprehensive loss.

Estimated reclamation and closure costs

The Company's provision for decommissioning liabilities represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation and closure costs at the end of mine's life. The provision reflects estimates of future costs, inflation, movements in foreign exchange rates and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company.

Changes to reclamation and closure costs obligations are recorded with a corresponding change to the carrying amounts of related mining properties. Adjustments to the carrying amounts of related mining properties can result in a change to future depletion expense.

Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rates. Changes in the Input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

k) Significant accounting estimates and judgments (cont'd…)

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. Weight is attached to tax planning opportunities that are within the Company's control, and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses unrecognized income tax assets.

Useful lives of equipment

The Company estimates the useful lives of equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the equipment would increase the recorded expenses and decrease the non-current assets.

l) Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned a value based on the residual value, if any, and included in reserves.

Warrants that are issued as payment for agency fees or other transaction costs are assigned a value based on the Black-Scholes pricing model and included in reserves.

When warrants are exercised, any reserves related to those warrants are reclassified from reserves to share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

m) Share-based compensation:

The Company's stock option plan allows eligible Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

n) Loss per share:

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

o) Income taxes:

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the financial position reporting date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the financial position reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

p) **Financial assets:**

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's receivables are classified as loans and receivables. The Company's deposits are classified as held to maturity.

Financial assets classified as available for sale are measured at fair value with unrealized gains and 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. The Company has not classified any financial assets as available for sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

q) **Financial liabilities:**

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. The Company has classified the derivative liability associated with the Preferred Shares conversion as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable, accrued liabilities, and debt component of convertible preferred shares are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

r) **Share capital:**

Common shares are classified as share capital. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

s) **Provisions:**

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions for environmental restoration, legal claims, onerous leases and other onerous commitments are recognized at the best estimate of the expenditure required to settle the Company's liability.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

t) **Impairment:**

At the end of each reporting period, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Following the recognition of an impairment loss, the depreciation charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. RECEIVABLES

Receivables are comprised of the following:

	December 31, 2014	December 31, 2013
HST receivable	$6,850	$60,696
Other receivables	-	2,234
Total	$6,850	$62,930

(Expressed in Canadian Dollars)

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

Cost	Development Project - Ochoa Property	Furniture and fixtures	Computer equipment	Exploration equipment	Vehicles	Total
As at December 31, 2012	$ -	$ 62,296	$ 106,516	$ 51,929	$ 119,948	$ 340,689
Additions	-	-	48,417	-	-	48,417
Disposals	-	-	(18,969)	(14,585)	-	(33,554)
As at December 31, 2013	-	62,296	135,964	37,344	119,948	355,552
Transfer from exploration and evaluation assets	62,392,160	-	-	-	-	62,392,160
Additions	17,043	-	7,502	-	-	24,545
Disposals	-	(8,929)	(7,592)	-	-	(16,521)
As at December 31, 2014	$ 62,409,203	$ 53,367	$ 135,874	$ 37,344	$ 119,948	$ 62,755,736
Depreciation						
As at December 31, 2012	$ -	$ 10,620	$ 41,460	$ 15,507	$ 30,988	$ 98,575
Additions	-	10,536	39,276	7,944	27,430	85,186
Disposals	-	-	(11,864)	(6,733)	-	(18,597)
As at December 31, 2013	-	21,156	68,872	16,718	58,418	165,164
Additions	-	7,033	30,152	4,891	20,590	62,666
Disposals	-	(2,924)	(6,066)	-	-	(8,990)
As at December 31, 2014	$ -	$ 25,265	$ 92,958	$ 21,609	$ 79,008	$ 218,840
Net book value:						
As at December 31, 2013	$ -	$ 41,140	$ 67,092	$ 20,626	$ 61,530	$ 190,388
As at December 31, 2014	$ 62,409,203	$ 28,102	$ 42,916	$ 15,735	$ 40,940	$ 62,536,896

4. PROPERTY, PLANT AND EQUIPMENT (cont'd...)

Ochoa property

The Company's land holdings consist of approximately 102,000 acres of federal preference right potassium leases, federal subsurface potassium prospecting permits and State of New Mexico potassium mining leases.

Effective November 1, 2014, the Company's wholly-owned subsidiary Intercontinental Potash Corp. (USA) was granted Preference Rights Leases by the U.S. Department of the Interior Bureau of Land Management ("BLM"). The potassium leases, in conjunction with those granted by the New Mexico State Land Office, comprise the entire area of the 50-year Ochoa mine plan approved by the BLM in the Record of Decision ("ROD" dated April 10, 2014.

5. EXPLORATION AND EVALUATION ASSETS

In November 2014, the Ochoa project was reclassified from an exploration and evaluation assets to a development asset within property, plant, and equipment. The reclassification decision was based on completion of a favourable feasibility study supporting the technical feasibility and commercial viability of the project, completion of the environmental impact study and issuance of the related ROD, approval of the Air Quality permit by the New Mexico Environment Department – Air Quality Division and the receipt of Preference Rights Leases from the BLM. As required by IFRS 6, the property was reviewed for possible impairment when transferred. No impairment was recorded.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Year ended December 31, 2014		**Ochoa**
Acquisition costs		
Balance, beginning of year	$	4,802,864
Additions during the year		
Landman costs		8,345
Permit application and acquisition		928,830
Total acquisition costs		5,740,039
Deferred exploration costs		
Balance, beginning of year		53,615,781
Additions during the year		
Bulk sampling		22,046
Detailed engineering		1,095,807
Feasibility study		575,310
Field expenses		5,975
Geology		184,013
Mining engineering		2,560
Office support		1,254,928
Water reclamation costs		(104,299)
Total deferred exploration costs		56,652,121
Transfer to Property, Plant and Equipment		(62,392,160)
TOTAL	$	-

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Year ended December 31, 2013	**Ochoa**
Acquisition costs	
Balance, beginning of year	$ 3,563,280
Additions during the year	
Landman costs	32,117
Permit application and acquisition	1,207,467
Total acquisition costs	4,802,864
Deferred exploration costs	
Balance, beginning of year	33,661,934
Additions during the year	
Bulk sampling	15,742
Drilling	2,670,959
Feasibility study	13,377,688
Field expenses	8,474
Geology	227,968
Mining engineering	759,632
Office support	2,370,513
Water reclamation costs	522,871
Total deferred exploration costs	53,615,781
TOTAL	$ 58,418,645

(Expressed in Canadian Dollars)

6. DEPOSITS

	December 31, 2014	December 31, 2013
BLM permit bond	$ 58,005	$ 53,180
MegaBond	29,003	26,590
Office security deposits	13,868	9,754
Total	$ 100,876	$ 89,524

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2014	December 31, 2013
Trade payables	$ 458,165	$ 792,734
Accrued liabilities	97,423	655,620
Other	67,868	17,999
Total	$ 623,456	$ 1,466,353

8. CONTINGENT LIABILITY

In January 2013, the Company signed an Advanced Works Agreement with Veolia Water Solutions and Technologies North America, Inc. (the "Contractor") in which the Company would have to pay the Contractor USD$522,533 to terminate the contract for convenience or if the Company fails to award a contract to the Contractor for the purchase of the evaporation and/or crystallization equipment for the Ochoa Project within twelve (12) months of the completion of the Services.

The Company amended the terms of the Advanced Works Agreement, which extended the completion date specified under the Agreement. In exchange for this extension, the Company paid a fee of USD$104,507 in December 2014. Also, under the terms of this amendment, a fee of USD$418,026 is payable if the Company fails to award a contract to the Contractor for the purchase of the evaporation and/or crystallization equipment for the Ochoa Project by December 31, 2015.

(Expressed in Canadian Dollars)

9. DECOMMISSIONING LIABILITIES

	December 31, 2014	December 31, 2013
Reclamation obligation		
Balance beginning of year	$ 764,659	$ 268,299
Change in estimate	(267,828)	525,365
Accretion expense	-	-
Payments during the year	(364,603)	(61,626)
Effect of foreign exchange	27,238	32,621
Balance end of year	$ 159,466	$ 764,659

Site Restoration: Ochoa Project – New Mexico

The Company completed drilling two water wells during fiscal 2012. The decommissioning of these water wells and associated drilling pits and drilling pads in New Mexico is subject to legal and regulatory requirements. The drilling pits were reclaimed and decommissioned in the first quarter of 2014 at a cost of $364,603. Estimates of the costs of decommissioning are calculated based on guidance from the New Mexico Department of Energy Minerals and Natural Resources, Mining and Minerals Division. Estimates of the costs of decommissioning are reviewed periodically by authorized officers of the Company. The long-term liability represents the Company's best estimate of the present value of future decommissioning costs, discounted at 5%.

As at December 31, 2014, the undiscounted amount of estimated future decommissioning costs in 2066 based on today's costs with 3% inflation after 50 years production is USD$1,627,810 (2013 - $1,298,548). Decommissioning costs are expected to be incurred in 2066.

10. SHARE CAPITAL AND RESERVES

Common shares

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

Please refer to the Consolidated Statements of Changes in Equity for a summary of changes in share capital and reserves for the year ended December 31, 2014. Reserves relate to stock options, agent or finder's warrants, and compensatory warrants that have been issued by the Company (note 11).

During the year ended December 31, 2014 the Company issued the following common shares:

- On May 27, 2014, the Company issued 246,570 common shares of the Company at $0.287 per share to an arm's length consultant for consulting services at a value of $70,766. The costs associated with this share issuance were $5,120.
- On December 15, 2014, the Company issued 100,000 common shares of the Company at $0.26 per share pursuant to the exercise of warrants for gross proceeds of $26,000.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES (cont'd...)

During the year ended December 31, 2013 the Company issued the following common shares:

- On April 5, 2013, the Company issued 1,121,700 common shares at $0.65 per share pursuant to the exercise of warrants for gross proceeds of $729,105.
- On December 18, 2013, the Company issued 20,000,000 units pursuant to a non-brokered private placement at $0.25 per unit for gross proceeds of $5,000,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company for $0.35 per share until June 18, 2015. The Company paid a cash fee equal to 8% of the amount raised by eligible finders in connection with certain subscribers under the offering and issued 1,336,000 finder's warrants valued at $72,178 to such finders. Each finder's warrant entitles the holder to acquire one common share for a period of 12 months at an exercise price equal to $0.26 per share.
- The Company wrote off $406,729 of costs related to a financing that did not complete during fiscal 2013.

Convertible preferred shares

On November 25, 2014, Intercontinental Potash Corp. (USA) ("ICP(USA)"), an indirectly wholly-owned subsidiary of IC Potash Corp., issued 500,000 convertible Class A Preferred Shares (the "Preferred Shares") at a purchase price of USD$10,000,000. The Preferred Shares accrue dividends at a rate of 12% per year and mature on November 21, 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).

Since the Preferred Shares contain a contractual obligation whereby ICP(USA) can be required to repay the Preferred Share proceeds, they are considered a financial liability. In addition, the conversion feature is considered an embedded derivative. The Preferred Shares collectively are considered a hybrid instrument for which the debt component should be presented separately. The difference between the fair value of the derivative and the face value of the debt will be allocated to the Preferred Shares financial liability. Upon initial recognition, the fair value of the derivative was determined to be immaterial using the Black-Scholes option pricing model. This amount must be revalued at period end. At period end the fair value was also determined to be immaterial using the Black-Scholes model with the following assumptions:

	December 31, 2014
Share Price	$0.22
Exercise Price	$0.93
Risk-free interest rate	0.7%
Expected life	1.9 years
Expected volatility	65%

The embedded derivative is a level 3 financial liability. The Preferred Shares are accounted for using the effective interest rate method. The effective interest rate of the Preferred Share debt is 20%.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES (cont'd...)

	Year-ended December 31, 2014	Year-ended December 31, 2013
Amount at date of issue	$ 11,261,000	$ -
Issuance costs allocated	(1,532,843)	-
Amortization of issuance costs	76,133	-
Accrued dividends payable	134,417	-
Foreign exchange	299,271	-
Balance end of year	$ 10,237,978	$ -

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 December 31, 2014, the Company had stock options outstanding, enabling the holders to acquire the following number of common shares:

Number of Options	Exercise Price	Average Contractual Life Remaining (years)	Expiry Date
250,000	$ 0.58	0.25	March 31, 2015
500,000	0.45	0.31	April 22, 2015
335,000	1.06	0.41	May 31, 2015
1,102,245	0.40	0.59	August 4, 2015
172,255	0.40	0.72	September 19, 2015
850,000	0.50	0.72	September 19, 2015
56,000	0.35	0.81	October 24, 2015
200,000	0.58	0.85	November 8, 2015
100,000	0.80	0.89	November 22, 2015
900,000	1.40	1.21	March 17, 2016
306,250	1.07	1.80	October 17, 2016
100,000	1.03	2.15	February 23, 2017
1,200,000	0.90	2.32	April 26, 2017
100,000	0.71	2.93	December 5, 2017
200,000	0.35	4.32	April 24, 2019 *
3,025,500	0.40	4.47	June 18, 2019
600,000	0.35	4.67	September 2, 2019
9,997,250			

* 100,000 options will vest on April 24, 2015

(Expressed in Canadian Dollars)

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

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2012	13,803,250	$ 0.75
Cancelled/expired	(640,000)	0.81
Outstanding at December 31, 2013	13,163,250	0.75
Cancelled/expired	(7,047,500)	0.73
Granted	3,881,500	0.39
Outstanding December 31, 2014	9,997,250	$ 0.62
Number of options exercisable at December 31, 2014	9,897,250	$ 0.62

During the year ended December 31, 2014, the Company granted 3,881,500 (2013 - nil) options to consultants, officers, employees, and directors of the Company, of which 3,781,500 options vested immediately and with the remaining 100,000 vesting in one year from date of grant.

The fair value of the options granted and vested, as determined by the Black-Scholes option pricing model, was $578,593 (2013 - $nil) or $0.15 per option (2013 - $nil).

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended December 31, 2014 and December 31, 2013:

	Year ended December 31, 2014	Year ended December 31, 2013
Risk-free interest rate	1.52%	-
Expected life of options	4.67 years	-
Annualized volatility	62%	-
Dividend rate	-	-
Forfeiture rate	-	-

Volatility was determined using weekly closing share prices over the expected life of the options.

(Expressed in Canadian Dollars)

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

Warrants

As at December 31, 2014, the Company had warrants outstanding, enabling the holders to acquire the following number of common shares:

Number of Warrants	Exercise Price	Average Contractual Life Remaining	Expiry Date
10,000,000	$ 0.35	0.46 years	June 18, 2015

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Outstanding as at December 31, 2012	16,996,701	$	0.65
Exercised	(1,121,700)		0.65
Expired	(15,875,001)		0.65
Granted	10,000,000		0.35
Outstanding as at December 31, 2013 and 2014	10,000,000	$	0.35

Finder's warrants

As at December 31, 2014, the Company had nil finder's warrants outstanding.

Finder's warrants are summarized as follows:

	Number of Unit Options		Weighted Average Exercise Price
Outstanding at December 31, 2012	_	$	0.00
Granted	1,336,000		0.26
Outstanding at December 31, 2013	1,336,000		0.26
Exercised	(100,000)		0.26
Expired	(1,236,000)		0.26
Outstanding at December 31, 2014	_	$	0.00

(Expressed in Canadian Dollars)

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

The following weighted-average assumptions were used for the Black-Scholes valuation of finder's warrants granted during the year ended December 31, 2014 and 2013:

	Year ended December 31, 2014	Year ended December 31, 2013
Risk-free interest rate	-	1.08%
Expected life of finder warrants	-	1 year
Annualized volatility	-	57.69%
Dividend rate	-	-
Forfeiture rate	-	-

12. FINANCE COSTS

During the year ended December 31, 2014, the Company incurred the following finance expense related to the Preferred Shares:

		2014
Amortization of issuance costs	$	76,133
Accrued dividends payable on the convertible preferred shares		134,417
	$	210,550

13. RELATED PARTY TRANSACTIONS AND BALANCES

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

	December 31, 2014	December 31, 2013
Key management personnel	$ 17,980	$ 141,252
	$ 17,980	$ 141,252

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

	Year ended December 31, 2014	Year ended December 31, 2013
Short-term employee benefits	$ 1,669,447	$ 2,017,383
Directors' fees (included in administration costs)	200,750	229,167
Share-based compensation	575,521	-
		-
Total remuneration	$ 2,479,896	$ 2,246,550

(Expressed in Canadian Dollars)

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Supplemental disclosure with respect to cash flows		Year ended Decmeber 31, 2014		Year ended Decmeber 31, 2013
Accrued exploration and evaluation assets	$	-	$	1,003,316
Accrued for property, plant and equipment assets	$	359,965	$	-
Advances reclassified to exploration and evaluation assets	$	101,937	$	111,237
Finder's fees in accounts payable	$	-	$	90,304
Transfer of exploration and evaluation assets to property, plant and equipment assets	$	62,392,160	$	-
Reclamation obligation	$	159,331	$	764,659
Warrants for finder's fees	$	-	$	72,178

15. COMMITMENTS

Lease

The Company has entered into four operating lease agreements for premises, with annual lease commitments as follows:

2015	$	143,171	USD	$	34,962	CAD
2016	$	1,500	USD	$	-	CAD
Total	$	144,671	USD	$	34,962	CAD

Production

After commencement of commercial production, the Company shall deliver and sell to Yara Balderton Ltd. (“Yara”) and Yara will buy from the Company 30% of all products produced by the Ochoa project annually for a period of 15 years and will automatically extend every five years thereafter unless either party elects not to extend. Under certain circumstances, Yara has the option to purchase up to an additional 20% (for an aggregate maximum of 50%) of annual production during the term of the agreement. All products will be sold to Yara based on market prices, subject to terms of the off-take agreement dated March 30, 2012.

(Expressed in Canadian Dollars)

16. SEGMENTED INFORMATION

The Company has one reportable business segment being the exploration, evaluation and development of mineral property assets. Geographical information is as follows:

	December 31, 2014			December 31, 2013		
	Canada	USA	Total	Canada	USA	Total
Property, plant, and equipment	$ 2,368	$ 62,534,528	$ 62,536,896	$ 4,306	$ 186,082	$ 190,388
Exploration and evaluation assets	-	-	-	-	58,418,645	58,418,645
	$ 2,368	$ 62,534,528	$ 62,536,896	$ 4,306	$ 58,604,727	$ 58,609,033

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 sourcing, exploration, and development of its mineral property assets. The Company does not have any externally imposed capital requirements to which it is subject. The capital of the Company consists of common shares, convertible preferred shares, options and warrants. The Company had no bank indebtedness at December 31, 2014. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies 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 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 intends to raise additional funds during the next year so that all project plans can be fully executed. There were no significant changes in the Company's approach to capital management during the year ended December 31, 2014.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

International Financial Reporting Standards 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, receivables, deposits, accounts payable, and accrued liabilities and the liability component of convertible Preferred Shares.

Financial instruments

Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy. The Preferred Share conversion feature derivative is categorized as level three. The carrying value of receivables, deposits, payables and accrued liabilities approximate fair value because of the short-term nature of these instruments. The Preferred Shares are designated as non-current liabilities, which are measured at amortized cost, using the effective interest rate.

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.

Liquidity risk

The Company intends to raise additional funds during the next year so that all project plans can be fully executed during the next 12 months. As at December 31, 2014, the Company had a cash balance of $11,717,178 to settle current liabilities of $623,456. The Company has a contractual maturity for the USD$10,000,000 face amount of the preferred shares plus accrued interest in less than 2 years.

Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest 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. A 1% change in the interest rate would have had a $30,000 impact on interest income for the year.

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

Foreign currency risk

The Company's functional currency is the Canadian dollar; however there are transactions in US 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 1% change in the foreign exchange rate would have had an approximate $8,400 impact on foreign exchange gain or loss.

Price risk

The Company is exposed to price risk with respect to commodity prices, specifically potash and other fertilizer products. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future mining operations will be significantly affected by changes in the market prices for potash and other fertilizer products. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities, economic growth in developed and developing countries and stability of exchange rates can all cause significant fluctuations in commodity prices.

19. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2014, was based on the loss attributable to common shareholders of $6,463,898 (2013 – $6,403,341) and the weighted average number of common shares outstanding of 172,679,734 (2013 – 152,948,463). The diluted loss per share did not include the effect of share purchase options or warrants as they are anti-dilutive.

20. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2014	2013
Loss for the year	$ (6,463,898)	$ (6,403,341)
Expected income tax (recovery)	$ (1,681,000)	$ (1,617,000)
Change in statutory, foreign tax, foreign exchange rates and other	(644,000)	(608,000)
Permanent difference	564,000	(19,000)
Share issue costs	(1,000)	(142,000)
Adjustment to prior years provision versus statutory returns and expiry of non-capital losses	117,000	-
Change in unrecognized deductible temporary differences	1,645,000	2,386,000
Total income tax expense (recovery)	$ -	$ -

The Canadian income tax rate increased during the year due to changes in the law that increased corporate income tax rates in Canada/British Columbia.

(Expressed in Canadian Dollars)

20. INCOME TAXES (cont'd…)

The significant components of the Company's deferred tax assets that have not been recognized on the consolidated statement of financial position are as follows:

	2014	2013
Deferred tax assets (liabilities)		
Exploration and evaluation assets	$ 29,000	$ 2,156,000
Property and equipment	3,000	74,000
Share issue costs	461,000	770,000
Debt	463,000	-
Allowable capital losses	35,000	151,000
Non-capital losses available for future period	11,411,000	9,430,000
	12,402,000	12,581,000
Unrecognized deferred tax assets	$ (12,402,000)	$ (12,581,000)
Net deferred tax assets	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2014	Expiry Date Range	2013	Expiry Date Range
Temporary differences				
Exploration and evaluation assets	$ -	-	$ 6,255,000	No expiry date
Investment tax credit	40,000	2026 to 2027	40,000	2020 to 2033
Property and equipment	11,000	No expiry date	219,000	No expiry date
Share issue costs	1,771,000	2035 to 2038	2,963,000	2034 to 2037
Debt	1,363,000	No expiry date	-	-
Allowable capital losses	134,000	No expiry date	584,000	No expiry date
Non-capital losses available for future period	39,715,000	2015 to 2034	32,894,000	2015 to 2033
Canada	26,155,000	2015 to 2034	21,916,000	2014 to 2033
USA	13,560,000	2020 to 2034	10,978,000	2020 to 2033

Tax attributes are subject to review, and potential adjustment, by tax authorities.

SCHEDULE "E"

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.

IC POTASH CORP

Q2

Condensed Consolidated Interim Financial Statements

for the six months ended June 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.

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NOTICE TO READER

The Company has re-filed the interim consolidated balance sheet as at June 30, 2017 and the interim consolidated statement of operations, comprehensive loss and deficit, and the interim statement of cash flows for the six month period then ended.

The Company's previously filed financial statements posted on SEDAR on July 27, 2017 had an error in the column heading of the Condensed Consolidated Interim Statements of Cash Flows for the prior year comparative column. It should read "Six Month Period Ended June 30, 2016" instead of "Three Month Period Ended June 30, 2016".

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

		June 30, 2017		December 31, 2016
ASSETS				
Current				
Cash	$	873,163	$	3,114,540
Investment (note 4)		52,015		-
Receivables		29,769		14,386
Prepaid expenses		152,168		104,631
		1,107,115		3,233,557
Property, plant and equipment (note 5)		1,403		19,775,768
Deposits		9,045		76,170
Investment in associate (note 3)		1		-
	$	1,117,564	$	23,085,495
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (note 6,13)	$	179,629	$	854,662
Decommissioning liabilities (note 8)		-		700,000
Employment liability (note 7)		375,665		521,338
Warrant liability (note 11)		139,169		569,152
		694,463		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
		694,463		23,096,479
Shareholders' equity (deficiency)				
Share capital (note 9)		96,444,039		95,442,483
Reserves (note 9)		9,671,557		9,434,365
Currency translation adjustment reserve		(1,610,057)		(9,273,273)
Deficit		(104,082,438)		(95,614,559)
		423,101		(10,984)
	$	1,117,564	$	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 June 30, 2017	Three Month Period Ended June 30, 2016	Six Month Period Ended June 30, 2017	Six Month Period Ended June 30, 2016
EXPENSES				
Administration (note 13)	$ 42,488	$ 84,380	$ 102,273	$ 112,703
Business and market development	105,631	3,077	321,501	8,020
Consulting fees (note 13)	39,677	116,000	141,823	219,100
Depreciation	192	8,222	4,931	16,439
Fundraising activities	108,539	7,529	252,285	152,680
Foreign exchange (gain) loss	(7,095)	2,996	(14,804)	54,690
Investor relations	69,841	5,741	167,298	12,995
Professional fees	88,571	41,489	127,186	76,365
Regulatory fees	6,456	5,422	40,445	33,320
Rent and storage	17,681	14,474	26,872	28,866
Royalties and property leases	-	18,050	-	257,139
Share-based compensation (note 11,13)	-	234,840	246,988	234,840
Travel	18,870	2,736	79,119	15,604
Wages and benefits (note 13)	127,558	190,824	373,221	554,813
Operating loss	(618,409)	(735,780)	(1,869,138)	(1,777,574)
Interest income	1,102	15	2,165	33
Unrealized investment gain (note 4)	13,012	-	13,012	-
Warrant Derivatives gain (loss) (note 11)	383,162	(46,816)	597,355	(49,666)
Finance costs (note 12)	-	(550,225)	(661,313)	(1,070,519)
Gain (loss) on deconsolidation of ICP(USA) (note 3)	(3,679)	-	1,113,256	-
Deconsolidation adjustment (note 3)	-	-	(7,663,216)	-
Loss on asset disposal	-	-	-	(226)
Loss for the period	(224,812)	(1,332,806)	(8,467,879)	(2,897,952)
Other Comprehensive Income				
Deconsolidation adjustment (note 3)	-	-	7,663,216	-
Comprehensive loss for the period	$ (224,812)	$ (1,332,806)	$ (804,663)	$ (2,897,952)
Basic and diluted loss per common share	$ (0.001)	$ (0.007)	$ (0.039)	$ (0.016)
Weighted average number of common shares outstanding basic and diluted	220,630,744	181,209,319	217,911,142	177,041,987

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)

	Six Month Period Ended June 30, 2017	Six Month Period Ended June 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (8,467,879)	$ (2,897,952)
Items not affecting cash:		
Accretion	4,653	4,655
Broker warrants	-	13,676
Depreciation	4,931	16,439
Derivative (gain) loss	(597,355)	49,666
Investment unrealized gain	(13,012)	
Loss on asset disposal	-	226
Interest expense on convertible preferred shares	564,935	916,910
Interest expense on secured notes	91,725	148,954
Share-based compensation	237,192	234,840
Gain on deconsolidation of ICP(USA)	(1,113,254)	-
Deconsolidation adjustment	7,663,216	-
Unrealized foreign exchange gain	(12,459)	(65,136)
Changes in non-cash working capital items:		
Increase in receivables	(25,774)	(6,740)
(Increase) decrease in prepaid expenses	(47,537)	23,664
Increase (decrease) in accounts payable and accrued liabilities	358,859	(15,440)
Decrease in employment liability	(145,673)	(170,607)
Net cash used in operating activities	(1,497,432)	(1,746,845)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment expenditures	(1,045,213)	(800,640)
Deposit	(9,045)	-
Investments	(37,566)	-
Cash removed on deconsolidation	(832,072)	-
Net cash used in investing activities	(1,923,896)	(800,640)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	1,139,776	648,002
Proceeds from warrants exercise	70,480	-
Common shares issuance costs	(36,787)	(61,308)
Proceeds from issuance of secured notes	-	2,500,000
Secured notes issuance costs	-	(338,090)
Net cash provided by financing activities	1,173,469	2,748,604
Change in cash for the period	(2,247,859)	201,119
Effect of foreign exchange rate changes on cash	6,482	64,301
Cash, beginning of period	3,114,540	741,338
Cash, end of period	$ 873,163	$ 1,006,758

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	-	-	234,840	-	-	234,840
Grant of broker warrants	-	-	13,676	-	-	13,676
Loss and comprehensive loss	-	-	-	-	(2,897,952)	(2,897,952)
Balances as at June 30, 2016	191,373,545	94,385,015	9,347,574	(9,273,273)	(52,102,654)	42,356,662
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	-	(36,787)	-	-	-	(36,787)
Share-based compensation	-	-	246,988	-	-	246,988
Loss and comprehensive loss	-	-	-	7,663,216	(8,467,879)	(804,663)
Balances as at June 30, 2017	237,152,275	$96,444,039	$9,671,557	$ (1,610,057)	$(104,082,438)	$ 423,101

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 July 26, 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 through its ability to govern their financial and operating policies. 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.

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 June 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		500,740
Non-current assets		21,984,898
Current liabilities		(1,421,079)
Non-current liabilities		(21,981,158)
Net loss for period after deconsolidation		(1,565,762)
The Company's ownshership percentage		81.4%
The Company's share of loss for the period	$	Nil

As at June 30, 2017, the Company's investment in ICP(USA) was $1. The Company's equity loss of $532,869 included an unrecognized share of the losses of ICP(USA) since deconsolidation totaling $1,317,835 less a dilution gain of $784,966. 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 June 30, 2017, value of the investments was $52,015. During the period ended June 30, 2017, the Company recorded an unrealized investment gain of $13,012 and foreign currency adjustment of $1,437.

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	-	6,306	-	-	1,045,212
Deconsolidation (note 3)	(61,198,153)	(6,841)	(108,033)	(32,190)	(103,394)	(61,448,611)
As at June 30, 2017	$ 0	$ 0	$ 3,717	$ 0	$ 0	$ 3,717
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	2,865	473	1,332	4,934
Deconsolidation (note 3)	(40,426,247)	(4,657)	(85,973)	(25,475)	(91,616)	(40,633,968)
As at June 30, 2017	$ -	$ -	$ 2,314	$ -	$ -	$ 2,314
Net book value:						
As at December 31, 2016	$ 19,733,000	$ 2,448	$ 20,022	$ 7,188	$ 13,110	$ 19,775,768
As at June 30, 2017	$ 0	$ 0	$ 1,403	$ 0	$ 0	$ 1,403

(Unaudited - Expressed in US Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2017	December 31, 2016
Trade payables	$ 116,973	$ 395,366
Accrued liabilities	55,127	442,650
Other	7,529	16,646
Total	$ 179,629	$ 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 June 30, 2017, the balance of employment liability is $375,665 (2016 - $768,699) (CAD$487,500; 2016 - CAD$1,000,000).

8. DECOMMISSIONING LIABILITIES

	June 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 June 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 six-month period ended June 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 six-month period ended June 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	$ 5,000,000	$ 15,718,590
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 June 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 June 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 June 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	0.54	January 12, 2018
250,000	0.08	2.03	July 12, 2019
250,000	0.12	2.38	November 14, 2019
500,000	0.10	2.40	November 24, 2019
2,150,000	0.10	2.63	February 14, 2020
200,000	0.10	2.67	March 1, 2020
9,650,000	0.08	3.94	June 6, 2021
300,000	0.08	4.04	July 12, 2021
200,000	0.09	4.18	September 2, 2021
3,900,000	0.10	4.63	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 June 30, 2017	17,500,000	$ 0.09
Number of options exercisable at June 30, 2017	17,500,000	$ 0.09

During the period ended June 30, 2017 the Company granted 6,250,000 (2016 – 9,650,000) 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 - $234,840) or $0.04 per option (2016 - $0.02).

Share-based compensation recognized during the period was $246,988 (2016 - $234,840).

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

	Period ended June 30, 2017	Period ended June 30, 2016
Risk-free interest rate	1.07%	0.65%
Expected life of options	3.57 years	4.20 years
Annualized volatility	66.92%	62.17%
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 June 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	0.31 years	October 20, 2017
16,950,000	0.11	0.46 years	December 14, 2017
3,286,666	0.16	0.67 years	March 1, 2018
12,360,000	0.08	0.99 years	June 27, 2018
4,378,808	0.08	0.99 years	June 28, 2018
50,274,365			

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 exercise price (old price)	(13,298,891)	0.08
Amended exercise price (new price)	13,298,891	0.08
Outstanding June 30, 2017	50,274,365	$ 0.10
Number of warrants exercisable as at June 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	-	(597,355)
Balance, June 30, 2017	50,274,365	$ 139,169

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

	June 30 2017	June 30 2016
Risk free rate	1.10%	0.62%
Expected term of liability	0.61 years	1.00 years
Annualized volatility	75.55%	84.69%
Dividend rate	0.00%	0.00%

Broker warrants

During period ended June 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 June 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	0.46 years	December 14, 2017
280,000	$ 0.06	0.99 years	June 27, 2018
1,351,000		0.57 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 June 30, 2017	1,351,000	$ 0.100

12. FINANCE COSTS

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

	March 16, 2017	June 30, 2016
Amortization of issuance costs - preferred shares Series A (note 9) (*)	$ 51,774	$ 194,774
Accrued dividends payable on preferred shares Series A (note 9) (*)	389,873	722,136
Amortization of issuance costs - secured notes (note 10) (*)	35,218	57,287
Accrued interests on the secured notes (note 10) (*)	56,507	91,667
Accrued dividends payable on preferred shares Series B (note 9) (*)	123,288	-
Accretion on decommissioning liabilities (note 8) (*)	4,653	4,655
	$ 661,313	$ 1,070,519

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

(Unaudited - Expressed in US Dollars)

13. RELATED PARTY TRANSACTIONS AND BALANCES

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

	June 30, 2017	June 30, 2016
Key management personnel	$ 37,706	$ 2,484
	$ 37,706	$ 2,484

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

	June 30, 2017	June 30, 2016
Key management personnel	$ 65,167	$ nil
	$ 65,167	$ nil

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

	Six months ended	
	June 30, 2017	June 30, 2016
Short-term benefits *	$ 203,823	$ 381,457
Consulting fees	87,500	-
Directors' fees **	52,585	51,198
Share-based compensation	171,626	231,711
Total remuneration	$ 515,534	$ 664,366

* 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	Six months ended June 30, 2017	Six months ended June 30, 2016
Development project costs included in accounts payable	$ -	$ 471,248
Warrant liability	$ 596,027	$ 246,198
Reversal of warrant liability upon exercise	$ 6,342	$ -

(Unaudited - Expressed in US Dollars)

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 balance sheet 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
June 30, 2017	$	1,403	$	-	$	1,403

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 June 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.

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

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.

Liquidity risk

As at June 30, 2017, the Company had a cash balance of $873,163 to settle current liabilities of $694,463. 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 June 30, 2017, was based on the loss attributable to common shareholders of $804,663 (2016 – $2,897,952) and the weighted average number of common shares outstanding of 217,911,142 (2016 – 177,041,987). The diluted loss per share did not include the effect of share purchase options or warrants as they are anti-dilutive.

20. SUBSEQUENT EVENT

On July 10, 2017, IC Potash was served with a lawsuit commenced by Pangaea Two Acquisition Holdings XI, LLC and Pangaea Two Acquisition Holdings XIB, LLC, investment companies sponsored by Cartesian Capital Group, LLC ("Cartesian") on behalf of Cartesian investors in the State of New York asking for at least $10 million in damages. This New York lawsuit, which will be vigorously defended by IC Potash, alleges on the most general of grounds that, among other things, IC Potash breached its fiduciary responsibility and breached two agreements. Prior to that, on May 30, 2017, IC Potash initiated a Colorado lawsuit against ICP(USA) and two LLCs controlled by Cartesian asking the court to set aside a 'capital contribution call' in the amount of $800,000, alleging that the capital contribution call was not properly authorized by operative agreements and the board of directors of ICP(USA), nor did it comply with Colorado law. The Colorado lawsuit was amended and expanded on July 11, 2017 to add new claims and ask for unspecified damages.

IC POTASH CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2017

(Unaudited – expressed in US dollars)

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

		March 31, 2017		December 31, 2016
ASSETS				
Current				
Cash	$	906,973	$	3,114,540
Investment (note 4)		37,566		-
Receivables		22,453		14,386
Prepaid expenses		72,064		104,631
		1,039,056		3,233,557
Property, plant and equipment (note 5)		1,598		19,775,768
Deposits		-		76,170
Investment in associate (note 3)		1		-
	$	1,040,655	$	23,085,495
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (note 6,13)	$	85,268	$	854,662
Decommissioning liabilities (note 8)		-		700,000
Employment liability (note 7)		428,249		521,338
Warrant liability (note 11)		403,535		569,152
		917,052		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
		917,052		23,096,479
Shareholders' equity (deficiency)				
Share capital (note 9)		95,909,932		95,442,483
Reserves (note 9)		9,681,353		9,434,365
Currency translation adjustment reserve		(1,610,057)		(9,273,273)
Deficit		(103,857,625)		(95,614,559)
		123,603		(10,984)
	$	1,040,655	$	23,085,495

Nature of operations and going concern (note 1)
Deconsolidation (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 March 31, 2017	Three Month Period Ended March 31, 2016
EXPENSES		
Administration (note 13)	$ 59,785	$ 28,323
Business and market development	215,870	4,943
Consulting fees (note 13)	102,146	103,100
Depreciation	4,739	8,217
Fundraising activities	143,746	145,151
Foreign exchange loss	(7,710)	51,694
Investor relations	97,457	7,254
Professional fees	38,615	34,876
Regulatory fees	33,989	27,898
Rent and storage	9,191	14,392
Royalties and property leases	-	239,089
Share-based compensation (note 11,13)	246,988	-
Travel	60,249	12,868
Wages and benefits (note 13)	245,663	363,989
Operating loss	(1,250,728)	(1,041,794)
Interest income	1,063	18
Derivative loss (note 11)	214,193	(2,850)
Finance costs (note 12)	(661,313)	(520,294)
Gain on deconsolidation of ICP(USA) (note 3)	1,116,935	-
Deconsolidation adjustment (note 3)	(7,663,216)	-
Loss on asset disposal	-	(226)
Loss for the period	(8,243,066)	(1,565,146)
Other Comprehensive Income		
Deconsolidation adjustment (note 3)	7,663,216	-
Comprehensive loss for the period	$ (579,850)	$ (1,565,146)
Basic and diluted loss per common share	$ (0.038)	$ (0.009)
Weighted average number of common shares outstanding basic and diluted	215,161,323	172,874,654

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)

	Three Month Period Ended March 31, 2017	Three Month Period Ended March 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (8,243,066)	$ (1,565,146)
Items not affecting cash:		
Accretion	4,653	2,328
Depreciation	4,739	8,217
Derivative (gain) loss	(214,193)	2,850
Loss on asset disposal	-	226
Interest expense on convertible preferred shares	564,935	480,117
Interest expense on secured notes	91,725	37,849
Share-based compensation	246,988	-
Gain on deconsolidation of ICP(USA)	(1,116,935)	-
Deconsolidation adjustment	7,663,216	-
Unrealized foreign exchange loss	5,180	(27,795)
Changes in non-cash working capital items:		
Increase in receivables	(14,779)	(731)
Decrease in prepaid expenses	32,567	30,228
Increase in accounts payable and accrued liabilities	264,497	12,458
Decrease in employment liability	(98,269)	(52,713)
Net cash used in operating activities	(808,742)	(1,072,112)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment expenditures	(1,045,212)	(382,889)
Investments	(37,566)	-
Cash removed on deconsolidation	(832,072)	-
Net cash used in investing activities	(1,914,850)	(382,889)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	517,469	-
Proceeds from warrants exercise	12,165	-
Common shares issuance costs	(13,609)	-
Proceeds from issuance of secured notes	-	2,500,000
Secured notes issuance costs	-	(336,007)
Net cash provided by financing activities	516,025	2,163,993
Change in cash for the period	(2,207,567)	708,992
Effect of foreign exchange rate changes on cash	-	27,795
Cash, beginning of period	3,114,540	741,338
Cash, end of period	$ 906,973	$ 1,478,125

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
Loss and comprehensive loss	-	-	-	-	(1,565,146)	(1,565,146)
Balances as at March 31, 2016	172,874,654	94,044,519	9,099,058	(9,273,273)	(50,769,848)	43,100,456
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	6,573,333	517,469	-	-	-	517,469
Warrant exercised	200,000	18,507	-	-	-	18,507
Warrant liability	-	(54,918)	-	-	-	(54,918)
Share issuance costs	-	(13,609)	-	-	-	(13,609)
Share-based compensation	-	-	246,988	-	-	246,988
Loss and comprehensive loss	-	-	-	7,663,216	(8,243,066)	(579,850)
Balances as at March 31, 2017	219,596,878	$95,909,932	$9,681,353	$ (1,610,057)	$(103,857,625)	$ 123,603

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 May 3, 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.

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 and derivatives that are linked to such unquoted equity investments 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 through its ability to govern their financial and operating policies. The Company deconsolidated the operations of 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…)

e) **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 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.

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	$	838,784
Non-current assets		20,890,813
Current liabilities		(1,733,891)
Non-current liabilities		(21,112,640)
Net liabilities of former subsidiary		(1,116,934)
Investment in associate		1
Gain on deconsolidation	$	1,116,935

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 has reclassified $7,663,216 (Dec 31, 2016 - $nil) from accumulated other comprehensive income and recorded a loss through profit or loss.

As at March 31, 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	$ 539,339
Non-current assets	21,660,140
Current liabilities	(1,392,325)
Non-current liabilities	(21,184,352)
Net loss for period after deconsolidation	(216,361)
The Company's ownshership percentage	93.4%
The Company's share of loss for the period	$ Nil

As at March 31, 2017, the Company's investment in ICP(USA) was $1, The Company's unrecognized share of the loss was $202,081. 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. The Company's effective ownership of ICP(USA) is 64.5% due to convertible preferred shares issued by ICP(USA) (note 9).

(Unaudited - Expressed in US Dollars)

4. INVESTMENTS

The Company has made an investment in a private company and has purchased share subscriptions of a Canadian publicly traded company that will include common shares and other equity instruments listed on Toronto Stock Exchange – Venture (TSX-V), for a total of $37,566 (CAD$50,000).

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist 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	-	6,306	-	-	1,045,212
Deconsolidation (note 3)	(61,198,153)	(6,841)	(108,033)	(32,190)	(103,394)	(61,448,611)
As at March 31, 2017	$ 0	$ 0	$ 3,717	$ 0	$ 0	$ 3,717
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	2,670	473	1,332	4,739
Deconsolidation (note 3)	(40,426,247)	(4,657)	(85,973)	(25,475)	(91,616)	(40,633,968)
As at March 31, 2017	$ -	$ -	$ 2,119	$ -	$ -	$ 2,119
Net book value:						
As at December 31, 2016	$ 19,733,000	$ 2,448	$ 20,022	$ 7,188	$ 13,110	$ 19,775,768
As at March 31, 2017	$ 0	$ 0	$ 1,598	$ 0	$ 0	$ 1,598

(Unaudited - Expressed in US Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2017	December 31, 2016
Trade payables	$ 66,728	$ 395,366
Accrued liabilities	8,171	442,650
Other	10,369	16,646
Total	$ 85,268	$ 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 ($2,100,000 CAD) was expensed during the year ended December 31, 2015 (note 13). As at March 31, 2017, the balance of employment liability is $428,249 (2016 - $886,593) ($570,000 CAD; 2016 - $1,150,000 CAD).

8. DECOMMISSIONING LIABILITIES

	March 31, 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 March 31, 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 period ended March 31, 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.

During the period ended March 31, 2016 the Company did not issue any common shares.

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 are considered a financial liability. In addition, the conversion features are considered embedded derivatives.

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

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

(Unaudited - Expressed in US Dollars)

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

Convertible preferred shares (cont'd…)

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%

The embedded derivatives were a level three financial liability.

	Series A	Series B	Total
Balance as at December 31, 2015	$ 10,718,590	$ 5,000,000	$ 15,718,590
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 (note 3)	(13,135,125)	(5,296,239)	(18,431,364)
Balance as at March 31, 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 2 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), participate in future financings on an anti-dilutive basis, and approve certain subsequent debt and equity financings and certain other activities of ICP(USA).

(Unaudited - Expressed in US Dollars)

10. SECURED NOTES (cont'd…)

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.

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 (note 3)	(2,622,546)
Balance as at March 31, 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 March 31, 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
30,000	$ 0.71	0.68	December 5, 2017 (*)
100,000	0.08	0.79	January 12, 2018
500,000	0.08	2.28	July 12, 2019
250,000	0.12	2.62	November 14, 2019
500,000	0.10	2.65	November 24, 2019
2,150,000	0.10	2.88	February 14, 2020
200,000	0.10	2.92	March 1, 2020
9,650,000	0.08	4.19	June 6, 2021
300,000	0.08	4.28	July 12, 2021
200,000	0.09	4.43	September 2, 2021
3,900,000	0.10	4.88	February 14, 2022
17,780,000			

(*) Cancelled subsequent to March 31, 2017.

(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	(250,000)	0.09
Granted	6,250,000	0.10
Outstanding March 31, 2017	17,780,000	$ 0.09
Number of options exercisable at March 31, 2017	17,780,000	$ 0.09

During the period ended March 31, 2017 the Company granted 6,250,000 (2016 – nil) 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 - $nil) or $0.04 per option (2016 - $nil).

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

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended March 31, 2017:

	Period ended March 31, 2017	Year ended December 31, 2016
Risk-free interest rate	1.07%	0.67%
Expected life of options	3.57 years	4.13 years
Annualized volatility	66.92%	62.52%
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 March 31, 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
13,798,891	$ 0.08	0.14 years	May 20, 2017
9,760,000	0.11	0.22 years	June 18, 2017
16,950,000	0.11	0.71 years	December 14, 2017
3,286,666	0.16	0.92 years	March 1, 2018
43,795,557			

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
Exercised	(200,000)	0.08
Outstanding March 31, 2017	43,795,557	$ 0.10
Number of warrants exercisable as at March 31, 2017	43,795,557	$ 0.10

3,286,666 warrants were issued as part of a private placement completed in March 2017, valued at $0.01 per warrant based on the residual value method.

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
Exercised	(200,000)	(6,342)
Change in fair value	-	(214,193)
Balance, March 31, 2017	43,795,557	$ 403,535

The following weighted average assumptions were used for the Black-Scholes valuation of the derivative warrant liabilities for the period ended March 31:

	March 31 2017	March 31 2016
Risk free rate	0.75%	0.54%
Expected term of liability	0.43 years	0.72 years
Annualized volatility	66.25%	102.24%
Dividend rate	0.00%	0.00%

Broker warrants

During period ended March 31, 2017, the Company issued nil broker warrants.

During period ended March 31, 2016, the Company issued nil broker warrants.

As at March 31, 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
855,478	$ 0.065	0.14 years	May 20, 2017
1,071,000	$ 0.11	0.71 years	December 14, 2017
1,926,478		0.45 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	0.11
Outstanding as at December 31, 2016 and March 31, 2017	1,926,478	$ 0.09

12. FINANCE COSTS

During the period ended March 31, 2017, the Company incurred the following finance expenses:

	March 16, 2017	March 31, 2016
Amortization of issuance costs - preferred shares Series A (note 9) (*)	$ 51,774	$ 131,954
Accrued dividends payable on preferred shares Series A (note 9) (*)	389,873	348,163
Amortization of issuance costs - secured notes (note 10) (*)	35,218	14,557
Accrued interests on the secured notes (note 10) (*)	56,507	23,292
Accrued dividends payable on preferred shares Series B (note 9) (*)	123,288	-
Accretion on decommissioning liabilities (note 8) (*)	4,653	2,328
	$ 661,313	$ 520,294

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

(Unaudited - Expressed in US Dollars)

13. RELATED PARTY TRANSACTIONS AND BALANCES

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

	March 31, 2017	March 31, 2016
Key management personnel	$ 2,497	$ 185
	$ 2,497	$ 185

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

	March 31, 2017	March 31, 2016
Key management personnel	$ 46,061	$ nil
	$ 46,061	$ nil

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

	Three months ended			
	March 31, 2017		March 31, 2016	
Short-term benefits *	$	141,364	$	259,687
Consulting fees		87,500		-
Directors' fees **		27,852		-
Share-based compensation		171,626		-
Total remuneration	$	428,342	$	259,687

* 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		Three months ended March 31, 2017		Three months ended March 31, 2016
Deferred financing costs in account payable	$	-	$	2,083
Development project costs included in accounts payable	$	-	$	367,777
Warrant liability	$	54,918	$	-
Reversal of warrant liability upon exercise	$	6,342	$	-

(Unaudited - Expressed in US Dollars)

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 balance sheet 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
March 31, 2017	$	1,598	$	-	$	1,598

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 March 31, 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.

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.

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

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.

Liquidity risk

As at March 31, 2017, the Company had a cash balance of $906,973 to settle current liabilities of $917,052. 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 $30,000 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 March 31, 2017, was based on the loss attributable to common shareholders of $579,851 (2016 – $1,565,146) and the weighted average number of common shares outstanding of 215,161,323 (2016 – 172,874,654). The diluted loss per share did not include the effect of share purchase options or warrants as they are anti-dilutive.

20. SUBSEQUENT EVENT

On April 28, 2017, ICP(USA) issued 1,010,764 common shares to Cartesian for $512,500. This decreased the Company's common share ownership of ICP(USA) to 85.3% and effective ownership, due to convertible preferred shares held by Cartesian (note 9), to 56.4%.

Subsequent to March 31, 2017, 816,589 broker warrants were exercised for 816,589 common shares, for gross proceeds of CAD$53,078, or CAD$0.065 per share.