

IC POTASH CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

March 31, 2012

(Unaudited – expressed in Canadian dollars)

IC POTASH CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited - Expressed in Canadian Dollars)

	March 31, 2012	December 31, 2011
ASSETS		
Current		
Cash and equivalents (note 10)	\$ 20,863,176	\$ 26,403,834
Receivables (note 3)	49,741	18,245
Prepaid expenses	144,867	92,668
	<u>21,057,784</u>	<u>26,514,747</u>
Property, plant, and equipment (note 4)	174,081	161,392
Ochoa project advances (note 5)	89,767	110,400
Deposits (note 5)	82,503	84,081
Exploration and evaluation assets (note 5)	19,467,738	15,702,568
Deferred Financing Costs	219,387	-
	<u>\$ 41,091,260</u>	<u>\$ 42,573,188</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities (note 6)	\$ 1,966,663	\$ 1,886,430
Shareholders' equity		
Share capital (note 7)	52,407,364	52,389,928
Reserves (note 7)	6,228,596	5,920,664
Deficit	(19,511,363)	(17,623,834)
	<u>39,124,597</u>	<u>40,686,758</u>
	<u>\$ 41,091,260</u>	<u>\$ 42,573,188</u>

Nature of operations and going concern (note 1)**Basis of presentation** (note 2)**Commitments** (note 11)**Subsequent event** (note 16)**On behalf of the Board:***Signed "George Poling"*

Director

Signed "Sidney Himmel"

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 Canadian Dollars)

	Three Months Ended March 31,	
	2012	2011
EXPENSES		
Administration	\$ 184,265	\$ 142,766
Business and market development	241,477	88,633
Consulting fees	93,703	111,047
Depreciation	13,344	5,475
Foreign exchange loss	296,765	336,188
Investor relations	161,352	65,656
Professional fees	168,104	179,078
Regulatory fees	31,454	29,713
Rent and storage	21,523	17,821
Share-based compensation (note 8)	313,368	2,030,668
Travel	30,010	31,209
Wages and benefits	354,946	241,211
Loss before other items	(1,910,311)	(3,279,465)
OTHER ITEMS		
Interest income	22,782	19,446
Loss on disposal of equipment	-	(4,350)
	22,782	15,096
Loss and comprehensive loss for the quarter	\$ (1,887,529)	\$ (3,264,369)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.03)
Weighted average number of common shares outstanding	121,256,404	105,729,603

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 Canadian Dollars)

	Three Months Ended March 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,887,529)	\$ (3,264,369)
Items not affecting cash:		
Depreciation	13,344	5,475
Loss on disposal of equipment	-	4,350
Share-based compensation	313,368	2,030,668
Unrealized foreign exchange loss (gain)	(295,159)	347,410
Changes in non-cash working capital items:		
Decrease in receivables	(31,496)	(58,971)
Decrease in prepaid expenses	(52,199)	(28,067)
Increase in accounts payable and accrued liabilities	183,414	18,656
Net cash used in operating activities	<u>(1,756,257)</u>	<u>(944,848)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	(28,128)	(42,655)
Deposits	(28)	7,594
Expenditures on exploration and evaluation assets	(4,016,921)	(1,830,388)
Net cash used in investing activities	<u>(4,045,077)</u>	<u>(1,865,449)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	12,000	26,729,637
Deferred financing costs	(48,089)	-
Share issuance costs	-	(1,461,860)
Net cash provided by (used in) financing activities	<u>(36,089)</u>	<u>25,267,777</u>
Increase (decrease) in cash and equivalents for the period	(5,837,423)	22,457,480
Effect of foreign exchange rate changes on cash and equivalents	296,765	(336,188)
Cash and equivalents, beginning of period	<u>26,403,834</u>	<u>14,040,043</u>
Cash and equivalents, end of period	\$ 20,863,176	\$ 36,161,335

Supplemental disclosure with respect to cash flows (note 10)

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

IC POTASH CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**

(Unaudited - Expressed in Canadian Dollars)

	Share Capital				
	Number of Shares	Amount	Reserves	Accumulated Deficit	Total
		\$	\$	\$	\$
Balances as at December 31, 2010	97,454,765	26,662,667	2,374,363	(9,830,501)	19,206,529
Shares issued for cash	12,500,000	20,000,000	-	-	20,000,000
Share issue costs	-	(1,704,851)	-	-	(1,704,851)
Grant of stock option	-	-	2,030,668	-	2,030,668
Exercise of warrants and stock options	10,691,749	6,959,865	(230,228)	-	6,729,637
Net loss and comprehensive loss	-	-	-	(3,264,369)	(3,264,369)
Balances as at March 31, 2011	120,646,514	51,917,681	4,174,803	(13,094,870)	42,997,614
Balances as at December 31, 2011	121,246,514	52,389,928	5,920,664	(17,623,834)	40,686,758
Shares issued for cash	-	-	-	-	-
Share issue costs	-	-	-	-	-
Grant of stock options	-	-	313,368	-	313,368
Exercise of warrants and stock options	30,000	17,436	(5,436)	-	12,000
Net loss and comprehensive loss	-	-	-	(1,887,529)	(1,887,529)
Balances as at March 31, 2012	121,276,514	52,407,364	6,228,596	(19,511,363)	39,124,597

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

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****MARCH 31, 2012**

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's primary business is the acquisition and exploration of exploration and evaluation assets and it is considered to be in the exploration stage. The Company is involved in exploration for 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 Condensed Consolidated Interim Financial Statements ("Interim Financial Statements") are comprised of the Company and its subsidiaries (Note 2). To date, the Company has not earned operating revenue.

The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and 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.

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 the normal course of business and at amounts different from those reflected in these Financial Statements.

The Company estimates that it has sufficient working capital to continue operations for the upcoming year.

2. SIGNIFICANT ACCOUNTING POLICIES**a) Statement of compliance:**

These Interim Financial Statements are unaudited and 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 Financial Statements were authorized by the audit committee and board of directors of the Company on April 26, 2012.

b) Basis of presentation:

The Interim Financial Statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 2. 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 full annual financial statements.

IC POTASH CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2012

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

b) Basis of presentation (cont'd...):

The accounting policies set out below have been applied consistently to all periods presented in these Interim Financial Statements.

The significant accounting policies for the quarter are consistent with those disclosed in the audited annual financial statements for the year-ended December 31, 2011 except as specified below. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year-ended December 31, 2011.

c) New standards, amendments and interpretations not yet effective:

A number of new standards, amendments to standards and interpretations are not yet effective as of March 31, 2012 and have not been applied in preparing these Financial Statements. None of these are expected to have a material effect on the Financial Statements of the Company.

Financial instruments disclosure

In October 2010, the IASB issued amendments to IFRS 7 – Financial Instruments: Disclosures that improve the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after July 1, 2011, with earlier adoption permitted. This amendment has no impact to the Company at this time as no Company assets have been collateralized or transferred and the Company holds no collateralized or transferred financial assets.

Income taxes

In December 2010, the IASB issued an amendment to IAS 12 – Income taxes that provides a practical solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes. This amendment is effective for annual periods beginning on or after July 1, 2011, with earlier adoption permitted. The Company does not anticipate this amendment to have a significant impact on its consolidated financial statements.

Joint ventures

The IASB issued IFRS 11 – Joint Arrangements on May 12, 2011. IFRS 11 eliminates the Company's choice to proportionately consolidate jointly controlled entities and requires such entities to be accounted for using the equity method and proposes to establish a principles-based approach to the accounting for joint arrangements which focuses on the nature, extent and financial effects of the activities that an entity carries out through joint arrangements and its contractual rights and obligations to assets and liabilities, respectively, of the joint arrangements. The Company is currently evaluating the impact IFRS 11 is expected to have on its Financial Statements.

Consolidation

The IASB issued IFRS 10 - Consolidated Financial Statements in May 2011. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and replaces current standards on consolidation, IAS 27 - Consolidated and Separate Financial Statements and SIC-12, with a single standard on consolidation. IFRS 10 has an effective date of January 1, 2013. The Company is currently evaluating the impact the final standard is expected to have on its Financial Statements.

IC POTASH CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**c) New standards, amendments and interpretations not yet effective (cont'd):***Financial instruments*

IFRS 9 - Financial Instruments: Classification and Measurement, effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning April 1, 2013, and has not yet considered the potential impact of the adoption of IFRS 9.

Fair-value measurement

IFRS 13 - Fair Value Measurement: effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, sets out in a single IFRS a framework for measuring fair value and new required disclosures about fair value measurements. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning April 1, 2013, and has not yet considered the potential impact of the adoption of IFRS 13.

3. RECEIVABLES

Trade and other receivables are comprised of the following:

	March 31, 2012	December 31, 2011
HST receivable	\$43,962	\$18,245
Other receivables	<u>5,779</u>	<u>-</u>
Total	<u>\$49,741</u>	<u>\$18,245</u>

IC POTASH CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2012

4. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consists of the following:

Cost	Furniture and fixtures	Computer equipment	Exploration equipment	Vehicles	Total
As at December 31, 2010	\$ 23,287	38,538	5,970	22,633	\$ 90,428
Additions	11,241	42,224	47,614	48,164	149,243
Disposals	(10,857)	(15,012)	(1,655)	(15,497)	(43,021)
As at December 31, 2011	23,671	65,750	51,929	55,300	196,650
Additions	5,749	20,284	0	0	26,033
Disposals	-	-	-	-	-
As at March 31, 2012	\$ 29,420	\$ 86,034	\$ 51,929	\$ 55,300	\$ 222,683
Depreciation	Furniture and fixtures	Computer equipment	Exploration equipment	Vehicles	Total
As at December 31, 2010	\$ 5,401	11,128	2,120	7,350	25,999
Additions	2,474	17,524	5,410	8,176	33,584
Disposals	(5,227)	(10,095)	(1,654)	(7,349)	(24,325)
As at December 31, 2011	2,648	18,557	5,876	8,177	35,258
Additions	1,180	6,227	2,410	3,527	13,344
Disposals	-	-	-	-	-
As at March 31, 2012	\$ 3,828	\$ 24,784	\$ 8,286	\$ 11,704	\$ 48,602
Net book value:	Furniture and fixtures	Computer equipment	Exploration equipment	Vehicles	Total
As at December 31, 2010	\$ 17,886	\$ 27,410	\$ 3,850	\$ 15,283	\$ 64,429
As at December 31, 2011	21,023	47,193	46,053	47,123	161,392
As at March 31, 2012	\$ 25,592	\$ 61,250	\$ 43,643	\$ 43,596	\$ 174,081

IC POTASH CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2012**5. EXPLORATION AND EVALUATION ASSETS**

Three months ended March 31, 2012	Ochoa
Acquisition costs	
Balance, beginning of period	\$ 1,873,932
Additions during the period	
Landman costs	168
Permit application and acquisition	505,580
Total acquisition costs	2,379,680
Deferred exploration costs	
Balance, beginning of period	13,828,636
Additions during the period	
Analytical	-
Archaeological studies	2,087
Bulk Sampling	31,801
Data acquisition	9,596
Drilling	41,402
Environment work	65,360
Feasibility study	492,409
Field expenses	1,458
Geological reports	1,488
Geology	51,189
Land surveys	3,954
Metallurgical	34,229
Mining engineering	1,832,881
Office support	496,386
Pre-Feasibility study	101,952
SOP marketing	93,230
Total deferred exploration costs	17,088,058
Write-down during the period	-
TOTAL	\$ 19,467,738

IC POTASH CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2012

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Year ended December 31, 2011	Ochoa
Acquisition costs	
Balance, beginning of year	\$ 477,478
Additions during the year	
Landman costs	48,330
Permit application and acquisition	1,348,124
Total acquisition costs	1,873,932
Deferred exploration costs	
Balance, beginning of year	5,040,527
Additions during the year	
Analytical	153,060
Archaeological studies	34,735
Bulk Sampling	5,914
Data acquisition	58,533
Drilling	1,727,847
Environment work	549,358
Field expenses	161,425
Geological reports	42,247
Geology	250,227
Land surveys	5,866
Metallurgical	117,463
Mining engineering	340,334
Office support	964,103
Pre-Feasibility	4,272,817
SOP marketing	104,180
Total deferred exploration costs	13,828,636
Write-down during the year	-
TOTAL	\$ 15,702,568

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****MARCH 31, 2012**

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and to the best of its knowledge, title to the properties are in good standing.

a) Ochoa property

During 2008, the Company acquired certain federal sub-surface potassium prospecting permits ("Permits") located in Lea County, New Mexico with the next annual rent due on December 1, 2012. During 2010, the Company acquired additional Permits with the next annual rent due on March 1, 2013 and New Mexico state mining leases with the next annual rent due on May 24, 2012. During 2011, the Company acquired additional Permits with the next annual rent due on April 1, 2013. The Company paid US\$50,000 into a Permit Bond and US\$25,000 into a MegaBond for performance and surface or improvement damage that may be refundable if certain prospecting and reclamation requirements are satisfied, thus these amounts are recorded as deposits on the statement of financial position. The Permits are valid for two years and are renewable after two years if the Company meets performance criteria. The Company has applied to convert 26 Permits to Preference Right Leases, which do not expire. The leases are valid for ten years, with subsequent renewals as long as minerals are produced in paying quantities. As part of the acquisition of the Ochoa permits, the Company issued 500,000 common shares valued at \$30,000 during fiscal 2009.

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

A minimum advance royalty payment of \$8 per acre is payable on the state mining leases beginning in 2011. Once the Ochoa Project comes into production, minimum royalties of \$8 per acre or 2.5% of the gross value of production after processing, whichever is greater, will be owed on the state mining leases. In addition, once the Ochoa Project comes into production, and no later than six years from obtaining federal Bureau of Land Management ("BLM") preference right leases, minimum royalty payments of \$3.00 per acre or 2% of the gross value at the point of shipment to market, whichever is greater, are expected to be imposed on the federal BLM leases.

As at March 31, 2012, the Company has made an advance of \$10,400 (December 31, 2011 - \$10,400) towards the pre-feasibility study and an advance of \$79,367 (December 31, 2011 - \$100,000) towards the regulatory review of the environmental impact statement.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2012	December 31, 2011
Trade payables	\$ 1,190,050	\$ 1,487,523
Accrued liabilities	736,480	374,571
Other	<u>40,133</u>	<u>24,336</u>
Total	<u>\$ 1,966,663</u>	<u>\$ 1,886,430</u>

The average credit period of purchases is 1 month. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****MARCH 31, 2012**

7. SHARE CAPITAL AND RESERVES

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

Issued and outstanding: 121,276,514 (December 31, 2011 – 121,246,514) common shares

Please refer to the Condensed Consolidated Interim Statement of Changes in Equity for a summary of changes in share capital and reserves for the three months ended March 31, 2012. Reserves relate to stock options, agent's unit options, and compensatory warrants that have been issued by the Company.

During 2012, the Company issued the following common shares;

- On March 1, the Company issued 30,000 common shares of the Company at \$0.40 per share pursuant to the exercise of options.

During 2011, the Company issued the following common shares;

- On March 17, the Company issued 12,500,000 common shares of the Company at \$1.60 per share pursuant to a Short Form Prospectus Offering bought deal for aggregate gross proceeds of \$20,000,000. The Company paid the underwriters a commission of \$1,200,000.

Escrow

Included in the shares outstanding at March 31, 2012, are 2,262,186 (December 31, 2011 – 2,262,186) common shares held in escrow. The escrowed shares may not be transferred, assigned or otherwise dealt without the consent of the regulators.

The common shares will be released from escrow or become freely trading as follows:

Date	Number of Common Shares
June 16, 2012	702,187
December 16, 2012	1,559,999

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****MARCH 31, 2012**

8. 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 provisions.

As at March 31, 2012, 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
150,000	1.16	1.41	August 28, 2013
2,940,000	0.40	2.21	June 14, 2014
650,000	0.45	3.06	April 22, 2015
1,102,245	0.40	3.35	August 4, 2015
272,255	0.40	3.47	September 19, 2015
950,000	0.50	3.47	September 19, 2015
700,000	0.58	3.61	November 8, 2015
100,000	0.80	3.65	November 22, 2015
500,000	1.42	3.79	January 13, 2016
1,100,000	1.40	3.96	March 17, 2016
335,000	1.06	4.11	May 9, 2016
500,000	1.13	4.29	July 14, 2016
1,263,750	1.07	4.55	October 17, 2016
400,000	1.03	4.90	February 23, 2017
<u>10,963,250</u>			

IC POTASH CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2012

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

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2010	8,043,250	\$ 0.49
Exercised	(980,000)	0.44
Cancelled/expired	(405,000)	1.32
Granted	<u>3,988,750</u>	1.23
Outstanding at December 31, 2011	10,647,000	0.74
Exercised	(30,000)	0.40
Cancelled/expired	(53,750)	3.62
Granted	<u>400,000</u>	1.03
Outstanding at March 31, 2012	<u>10,963,250</u>	\$ 0.74
Number of options exercisable at March 31, 2012	<u>10,963,250</u>	\$ 0.74

Share-based compensation

During the period ended March 31, 2012 and year ended December 31, 2011, the Company granted 400,000 and 3,988,750 options respectively to consultants, officers, employees, and directors of the Company. All options vested at the grant date. The fair value of the options granted in the three months ended March 31, 2012 determined by the Black-Scholes option pricing model, was \$313,368 (2011 - \$3,843,775) or \$0.78 per option (2011 - \$1.30)

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended March 31, 2012 and the year ended December 31, 2011:

	Period ended March 31, 2012	Year ended December 31, 2011
Risk-free interest rate	1.47%	2.18%
Expected life of options	4.46 years	4.50 years
Annualized volatility	110%	116%
Dividend rate	-	-
Forfeiture rate	-	-

Volatility was determined using weekly closing share prices over a term equivalent to the expected life of the options.

IC POTASH CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2012

8. STOCK OPTIONS AND WARRANTS (cont'd...)**Warrants**

As at March 31, 2012, 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
16,996,701	\$ 0.65	1.46 years	September 15, 2013

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Outstanding at December 31, 2010	27,308,450	\$	0.65
Exercised	<u>(10,311,749)</u>		0.65
Outstanding at December 31, 2011	16,996,701		0.65
Outstanding as at March 31, 2012	16,996,701	\$	0.65

Agents' unit options

As at March 31, 2012, the Company had no agents' unit options outstanding.

IC POTASH CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2012

9. RELATED PARTY TRANSACTIONS AND BALANCES

During the three month period ended March 31, 2012, the Company entered into the following transactions with related parties:

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

	Three months ended	
	March 31, 2012	March 31, 2011
Short-term employee benefits	\$278,750	\$117,000
Directors' fees (included in administrative costs)	112,500	45,000
Share-based payments	156,684	571,000
Total remuneration	\$547,934	\$733,000

The liabilities of the Company include the following amounts due to related parties:

	At March 31, 2012	At March 31, 2011
Accounts payable and accrued liabilities	\$14,203	\$15,633

IC POTASH CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2012

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Cash and equivalents are comprised of:

	March 31, 2012		March 31, 2011	
Cash	\$	7,863,176	\$	4,395,219
CAD Term Deposits		7,000,000		24,005,096
US Term Deposits		6,000,000		7,761,020
	\$	20,863,176	\$	36,161,335

Supplemental disclosure with respect to cash flows	Quarter ending March 31, 2012	Quarter ending March 31, 2011
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Accrued exploration and evaluation assets	\$ 1,324,429	\$ 1,291,046
Accrued property, plant and equipment	\$ 5,333	\$ 35,167
Accrued share issue costs	\$ -	\$ 276,161
Accrual of deferred financing costs	\$ 171,298	\$ -
Advances reclassified to exploration and evaluation assets	\$ 20,633	\$ -
Reserves transferred on exercise of options and warrants	\$ 5,436	\$ 230,228

11. COMMITMENTS

The Company has entered into four operating lease agreements for premises, with annual lease commitments as follows:

2012	\$	95,177 USD	\$	18,855 CAD
2013		88,803		6,285
	\$	183,980 USD	\$	25,140 CAD

The Company entered into a consulting agreement dated September 20, 2010 that terminates on May 31, 2012. Two monthly payments of \$15,000 are required until the termination date for a total remaining commitment of \$30,000.

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****MARCH 31, 2012****12. SEGMENTED INFORMATION**

The Company has one reportable business segment being the acquisition and exploration of exploration and evaluation assets. Geographical information is as follows:

	March 31, 2012			December 31, 2011		
	Canada	USA	Total	Canada	USA	Total
Property, plant, and equipment	\$ 13,503	\$ 160,578	\$ 174,081	\$ 13,146	\$ 148,246	\$ 161,392
Exploration and Evaluation Assets	-	19,467,738	19,467,738	-	15,702,568	15,702,568
	<u>\$ 13,503</u>	<u>\$ 19,628,316</u>	<u>\$ 19,641,819</u>	<u>\$ 13,146</u>	<u>\$ 15,850,814</u>	<u>\$ 15,863,960</u>

13. 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 exploration and evaluation assets. The Company does not have any externally imposed capital requirements to which it is subject. The capital of the Company consists of share capital, warrants and options. The Company had no bank indebtedness at year-end. 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.

As at March 31, 2012, the Company had capital resources consisting of cash and equivalents and receivables. 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 or dispose of assets or adjust the amount of cash.

The Company's investment policy is to invest its cash and equivalents in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating year. There were no significant changes in the Company's approach to capital management during the quarter and year ended March 31, 2012.

IC POTASH CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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14. 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 and equivalents, receivables, deposits, and accounts payable and accrued liabilities.

Financial instruments

Cash and equivalents and deposits are measured at fair value using level one as the basis for measurement in the fair value hierarchy. The carrying value of receivables and payables and accrued liabilities 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 equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. Cash and equivalents consists of chequing accounts at reputable financial institutions, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada and up to \$100,000 in the United States. Financial instruments included in receivables consist of amounts due from government agencies, and receivables from related and unrelated companies. The Company limits its exposure to credit loss for cash and equivalents by placing its cash and equivalents with high quality financial institutions and for receivables by standard credit checks.

Liquidity risk

The Company's ability to remain liquid over the long term depends on its ability to obtain additional financing through the issuance of additional securities, the entering into credit facilities or the entering into joint ventures, partnerships or other similar arrangements. As at March 31, 2012, the Company had cash and equivalents balance of \$20,863,176 to settle current liabilities of \$1,966,663.

Interest rate risk

The Company has cash and equivalents balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade 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 investments have maturities of three months or less and the Company currently does not carry interest bearing debt at floating rates. A 1% change in the interest rate would have had a \$70,000 impact on interest income.

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****MARCH 31, 2012**

14. 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 a \$118,306 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, and stability of exchange rates can all cause significant fluctuations in commodity prices.

15. LOSS PER SHARE

The loss per share for the three months ended March 31, 2012 was \$0.02 (March 2011 – \$0.03).

The calculation of basic and diluted loss per share for the three months ended March 31, 2012 was based on the loss attributable to common shareholders of \$1,887,529 (2011 – \$3,264,369) and the weighted average number of common shares outstanding of 121,256,404 (2011 – 105,729,603). The diluted loss per share did not include the effect of share purchase options or warrants as they are anti-dilutive.

16. SUBSEQUENT EVENT

On April 12, 2012, the Company issued, through a non-brokered private placement, 30,129,870 common shares to a wholly-owned subsidiary of Yara International ASA ("Yara") at a price of \$1.32 per common share for total gross proceeds of \$39,771,428 resulting in Yara owning 19.9% of the issued and outstanding common shares of the Company on a non-diluted basis. The Company and Yara have also entered into a committed off-take agreement for the purchase of 30% of all products produced by the Company's Ochoa project in New Mexico for a period of 15 years.