

IC POTASH CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2015

(Unaudited – expressed in US dollars)

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

	March 31, 2015	December 31, 2014
ASSETS		
Current		
Cash	\$ 7,445,370	\$ 10,100,145
Receivables (note 3)	108,212	5,905
Prepaid expenses	108,745	209,808
	<u>7,662,327</u>	<u>10,315,858</u>
Property, plant and equipment (note 4)	62,111,312	61,569,434
Project advances	2,044	2,222
Deposits (note 5)	86,955	86,955
	<u>\$ 69,862,638</u>	<u>\$ 71,974,469</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 416,822	\$ 537,416
Non-current		
Convertible preferred shares (note 9)	9,287,675	8,824,196
Decommissioning liabilities (note 8)	137,459	137,459
	<u>9,841,956</u>	<u>9,499,071</u>
Shareholders' equity		
Share capital (note 9)	94,044,519	94,044,519
Reserves (note 9)	9,065,946	9,062,922
Currency translation adjustment reserve	(10,657,020)	(10,657,020)
Deficit	(32,432,763)	(29,975,023)
	<u>60,020,682</u>	<u>62,475,398</u>
	<u>\$ 69,862,638</u>	<u>\$ 71,974,469</u>

Nature of operations and going concern (note 1)

Basis of presentation (note 2 b)

Commitments (note 14)

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**

(Expressed in US Dollars)

	Three Month Period Ended March 31, 2015	Three Month Period Ended March 31, 2014
EXPENSES		
Administration	\$ 144,642	\$ 124,479
Business and market development	57,045	255,339
Consulting fees	45,175	21,346
Depreciation (note 4)	10,442	14,663
Fundraising activities	518,907	-
Foreign exchange loss (gain)	44,350	(79,240)
Investor relations	136,508	172,115
Professional fees	108,970	101,616
Regulatory fees	31,888	34,787
Rent and storage	18,389	20,525
Royalties and property leases	233,017	-
Share-based compensation	3,024	-
Travel	27,405	91,958
Wages and benefits	616,651	437,396
Operating loss	(1,996,413)	(1,194,984)
Interest income	2,152	17,913
Finance costs (note 11)	(463,479)	-
Loss on asset disposal	-	(2,926)
Loss for the period	(2,457,740)	(1,179,997)
Other comprehensive loss		
Currency translation adjustment	-	(381,851)
Comprehensive loss for the period	(2,457,740)	(1,561,848)
Basic and diluted loss per common share	(0.01)	(0.01)
Weighted average number of common shares outstanding	172,874,654	172,528,084

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

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

	Three Month Period Ended March 31, 2015	Three Month Period Ended March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (2,457,740)	\$ (1,179,997)
Items not affecting cash:		
Depreciation	10,442	14,663
Loss on disposal of equipment	-	2,926
Interest expense on convertible preferred shares	463,479	-
Share-based compensation	3,024	-
Unrealized foreign exchange loss (gain)	23,594	188,163
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(101,810)	39,513
(Increase) decrease in prepaid expenses	101,063	(101,395)
Increase in accounts payable and accrued liabilities	(276,090)	(200,485)
Net cash used in operating activities	<u>(2,234,038)</u>	<u>(1,236,612)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment expenditures	(396,646)	-
Deposits	-	(421)
Disposal of asset for cash	-	3,500
Expenditures on exploration and evaluation assets	-	(1,949,620)
Reclamation payments	-	(330,466)
Net cash used in investing activities	<u>(396,646)</u>	<u>(2,277,007)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Change in cash for the period	(2,630,684)	(3,513,619)
Effect of foreign exchange rate changes on cash	(24,091)	(186,591)
Currency translation adjustment	-	(381,851)
Cash, beginning of period	<u>10,100,145</u>	<u>11,900,143</u>
Cash, end of period	<u>\$ 7,445,370</u>	<u>\$ 7,818,082</u>

Supplemental disclosure with respect to cash flows (note 13)

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**

(Expressed in US Dollars)

	Share Capital					
	Number of Shares	Amount	Reserves	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balances as at December 31, 2013	172,528,084	\$93,961,766	\$8,565,423	\$ (8,528,563)	\$(25,865,537)	\$68,133,089
Loss and comprehensive loss	-	-	-	(381,851)	(1,179,997)	(1,561,848)
Balances as at March 31, 2014	172,528,084	\$93,961,766	\$8,565,423	\$ (8,910,414)	\$(27,045,534)	\$66,571,241
Balance as at December 31, 2014	172,874,654	\$94,044,519	\$9,062,922	\$(10,657,020)	\$(29,975,023)	\$62,475,398
Share-based compensation	-	-	3,024	-	-	3,024
Loss and comprehensive loss	-	-	-	-	(2,457,740)	(2,457,740)
Balances as at March 31, 2015	172,874,654	\$94,044,519	\$9,065,946	\$(10,657,020)	\$(32,432,763)	\$60,020,682

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, 2015

(Expressed in US Dollars)

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 Condensed Consolidated Interim 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 Interim Financial Statements. 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 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 Financial Statements were authorized by the audit committee and board of directors of the Company on May 7, 2015.

b) Basis of presentation:

The 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 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.

IC POTASH CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2015

(Expressed in US Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**b) Basis of presentation (cont'd...)**

The significant accounting policies for the quarter are consistent with those disclosed in the audited annual financial statements for the year-ended December 31, 2014 except for the change in functional and presentation currencies as discussed below. The Interim Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the year-ended December 31, 2014.

c) Change in presentation currency

Prior to December 31, 2014, 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 periods presented have been translated into U.S. dollars. The statement of loss and comprehensive loss, and cash flows for each period have been translated in to the presentation currency using the average exchange rate prevailing during each period. 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 period in which they occur.

e) 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. There was no impact on the Company's consolidated financial statements upon adoption of this amendment.

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

MARCH 31, 2015

(Expressed in US Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**e) New standards, amendments and interpretations: (cont'd...)**

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.

f) Significant accounting estimates and judgments:

The preparation of these Interim 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. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected. The most significant estimates relate to the recoverability of capitalized amounts regarding the Ochoa project and decommissioning liabilities.

3. RECEIVABLES

Receivables are comprised of the following:

	March 31, 2015	December 31, 2014
HST receivable	\$ 11,169	\$ 5,905
Other receivables	<u>97,043</u>	<u>-</u>
Total	<u>\$108,212</u>	<u>\$ 5,905</u>

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

MARCH 31, 2015

(Expressed in US 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, 2013	\$ -	\$ 61,766	\$ 132,579	\$ 39,006	\$ 119,947	\$ 353,298
Additions	61,438,114	-	6,626	-	-	61,444,740
Disposals	-	(9,077)	(7,443)	-	-	(16,520)
As at December 31, 2014	61,438,114	52,689	131,762	39,006	119,947	61,781,518
Additions	549,134	-	3,186	-	-	552,320
Disposals	-	-	-	-	-	-
As at March 31, 2015	\$ 61,987,248	\$ 52,689	\$ 134,948	\$ 39,006	\$ 119,947	\$ 62,333,838

Depreciation

As at December 31, 2013	\$ -	\$ 20,854	\$ 67,816	\$ 16,871	\$ 57,816	\$ 163,357
Additions	-	6,367	27,285	4,427	18,640	56,719
Disposals	-	(2,651)	(5,341)	-	-	(7,992)
As at December 31, 2014	-	24,570	89,760	21,298	76,456	212,084
Additions	-	1,406	4,889	886	3,261	10,442
Disposals	-	-	-	-	-	-
As at March 31, 2015	\$ -	\$ 25,976	\$ 94,649	\$ 22,184	\$ 79,717	\$ 222,526

Net book value:

As at December 31, 2013	\$ -	\$ 40,912	\$ 64,763	\$ 22,135	\$ 62,131	\$ 189,941
As at December 31, 2014	\$ 61,438,114	\$ 28,119	\$ 42,002	\$ 17,708	\$ 43,491	\$ 61,569,434
As at March 31, 2015	\$ 61,987,248	\$ 26,713	\$ 40,299	\$ 16,822	\$ 40,230	\$ 62,111,312

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

MARCH 31, 2015

(Expressed in US Dollars)

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

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.

5. DEPOSITS

	March 31, 2015	December 31, 2014
BLM Permit Bond	\$ 50,000	\$ 50,000
Mega Bond	25,000	25,000
Office security deposits	11,955	11,955
Total	<u>\$ 86,955</u>	<u>\$ 86,955</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2015	December 31, 2014
Trade payables	\$ 90,120	\$ 394,936
Accrued liabilities	294,010	83,978
Other	32,692	58,502
Total	<u>\$ 416,822</u>	<u>\$ 537,416</u>

7. 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.

IC POTASH CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2015

(Expressed in US Dollars)

8. DECOMMISSIONING LIABILITIES

	March 31, 2015	December 31, 2014
Reclamation obligation		
Balance beginning of year	\$ 137,459	\$ 718,935
Change in estimate	-	(241,476)
Accretion expense	-	-
Payments during the period	-	(340,000)
Balance end of period	\$ 137,459	\$ 137,459

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 \$340,000. 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 March 31, 2015, the undiscounted amount of estimated future decommissioning costs in 2067 based on today's costs with 3% inflation after 50 years production is \$1,627,810 (2013 - \$1,298,548). Decommissioning costs are expected to be incurred in 2067.

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 Statements of Changes in Equity for a summary of changes in share capital and reserves for the period ended March 31, 2015. Reserves relate to stock options, agent or finder's warrants, and compensatory warrants that have been issued by the Company (note 10).

During the period ended March 31, 2015, the Company did not issue any common shares.

During the period ended March 31, 2014, the Company did not issue any common shares.

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 \$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 was considered an embedded derivative in fiscal 2014. 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.

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

MARCH 31, 2015

(Expressed in US Dollars)

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

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
Balance as at December 31, 2014		8,824,196
Amortization of issuance costs		167,589
Accrued dividends payable		295,890
Balance as at March 31, 2015	\$	9,287,675

10. 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.

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

MARCH 31, 2015

(Expressed in US Dollars)

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

As at March 31, 2015, 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
500,000	\$ 0.45	0.06	April 22, 2015
335,000	1.06	0.17	May 31, 2015
602,245	0.40	0.35	August 4, 2015
172,255	0.40	0.47	September 19, 2015
350,000	0.50	0.47	September 19, 2015
56,000	0.35	0.57	October 24, 2015
200,000	0.58	0.61	November 8, 2015
100,000	0.80	0.65	November 22, 2015
900,000	1.40	0.96	March 17, 2016
306,250	1.07	1.55	October 17, 2016
100,000	1.03	1.90	February 23, 2017
1,200,000	0.90	2.07	April 26, 2017
100,000	0.71	2.68	December 5, 2017
200,000	0.35	4.07	April 24, 2019 *
2,275,500	0.40	4.22	June 18, 2019
600,000	0.35	4.43	September 2, 2019
<u>7,997,250</u>			

* 100,000 options will vest on April 24, 2015

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	<u>3,881,500</u>	0.39
Outstanding December 31, 2014	9,997,250	0.62
Cancelled/expired	<u>(2,000,000)</u>	0.42
Outstanding March 31, 2015	<u>7,997,250</u>	\$ 0.67
Number of options exercisable at March 31, 2015	<u>7,897,250</u>	\$ 0.68

During the three month period ended March 31, 2015, the Company granted nil (2014 – nil) stock options to consultants, officers, employees, and directors of the Company.

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

MARCH 31, 2015

(Expressed in US Dollars)

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

As at March 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	0.21 years	June 18, 2015

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price (CAD)
Outstanding as at December 31, 2014 and March 31, 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 warrant derivative 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 and expected term. The fair value of the derivative warrant liability at January 1, 2015 and March 31, 2015 was immaterial.

11. FINANCE COSTS

During the period ended March 31, 2015, the Company incurred the following finance expense related to the Preferred Shares:

	March 31 2015	December 31 2014
Amortization of issuance costs (note 9)	\$ 167,589	\$ 67,036
Accrued dividends payable on the convertible preferred shares	295,890	118,356
	\$ 463,479	\$ 185,392

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

MARCH 31, 2015

(Expressed in US Dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES

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

	March 31, 2015	December 31, 2014
Key management personnel	\$ 6,878	\$ 17,980
	<u>\$ 6,878</u>	<u>\$ 17,980</u>

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

	Three month period ended	
	March 31, 2015	March 31, 2014
Short-term employee benefits	\$ 298,117	\$ 302,541
Directors' fees (included in administration costs)	81,771	42,478
Share-based compensation	3,024	-
Total remuneration	<u>\$ 382,912</u>	<u>\$ 345,019</u>

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Supplemental disclosure with respect to cash flows	Period ended March 31, 2015	Period ended March 31, 2014
Accrued for property in development phase	\$ 154,792	\$ -
Accrued exploration and evaluation assets	\$ -	\$ 381,185
Advances reclassified to property in development phase	\$ 178	\$ -
Advances reclassified to exploration and evaluation assets	\$ -	\$ 61,847
Reclamation obligation	\$ -	\$ (94,534)

14. COMMITMENTS**Lease**

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

2015	\$ 96,636	USD	\$ 25,473	CAD
2016	\$ 8,700	USD	\$ -	CAD
Total	<u>\$ 105,336</u>	<u>USD</u>	<u>\$ 25,473</u>	<u>CAD</u>

IC POTASH CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

MARCH 31, 2015

(Expressed in US Dollars)

14. COMMITMENTS (cont'd...)**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.

15. SEGMENTED INFORMATION

The Company has one reportable business segment being the development of mineral property assets. Geographical information is as follows:

	March 31, 2015			December 31, 2014		
	Canada	USA	Total	Canada	USA	Total
Property, plant, and equipment	\$ 1,827	\$ 62,109,485	\$ 62,111,312	\$ 2,041	\$ 61,567,393	\$ 61,569,434

16. 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 March 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 during this 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 period ended March 31, 2015.

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17. 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 warrant derivative liability is categorized as level two. 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 this year so that all project plans can be fully executed during the next 12 months. As at March 31, 2015, the Company had a cash balance of \$7,445,370 to settle current liabilities of \$416,822. The Company has a contractual maturity for the \$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 \$17,750 impact on interest income for the period.

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

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 \$2,000 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.

18. LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended March 31, 2015, was based on the loss attributable to common shareholders of \$2,457,740 (2014 – \$1,179,997) and the weighted average number of common shares outstanding of 172,874,654 (2014 – 172,528,084). The diluted loss per share did not include the effect of share purchase options or warrants as they are anti-dilutive.