

IC POTASH CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2013

(Unaudited – expressed in Canadian dollars)

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

(Unaudited - Expressed in Canadian Dollars)

	March 31, 2013	December 31, 2012
ASSETS		
Current		
Cash	\$ 24,773,356	\$ 36,394,591
Receivables (note 3)	88,965	60,217
Prepaid expenses	99,274	151,539
	<u>24,961,595</u>	<u>36,606,347</u>
Property, plant and equipment (note 4)	225,318	242,114
Project advances (note 5)	132,478	133,200
Deposits (note 6)	83,755	82,093
Exploration and evaluation assets (note 5)	46,732,606	37,225,214
Deferred financing costs	262,983	87,491
	<u>\$ 72,398,735</u>	<u>\$ 74,376,459</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 3,056,911	\$ 3,490,946
Decommissioning liabilities (note 8)	618,435	268,299
	<u>3,675,346</u>	<u>3,759,245</u>
Shareholders' equity		
Share capital (note 9)	89,456,817	89,456,817
Reserves (note 9)	8,502,712	8,502,712
Deficit	(29,236,140)	(27,342,315)
	<u>68,723,389</u>	<u>70,617,214</u>
	<u>\$ 72,398,735</u>	<u>\$ 74,376,459</u>

Nature of operations and going concern (note 1)**Basis of presentation** (note 2 b)**Commitments** (note 13)**Subsequent Event** (note 18)**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,	
	2013	2012
EXPENSES		
Administration	\$ 159,112	\$ 184,265
Business and market development	416,656	241,477
Consulting fees	262,508	93,703
Depreciation	18,546	13,344
Foreign exchange (gain) loss	(305,624)	296,765
Investor relations	143,675	161,352
Professional fees	386,666	168,104
Regulatory fees	38,207	31,454
Rent and storage	23,937	21,523
Share-based compensation (note 10)	-	313,368
Travel	163,171	30,010
Wages and benefits	620,851	354,946
Operating loss	(1,927,705)	(1,910,311)
Interest income	33,880	22,782
Loss and comprehensive loss for the period	\$ (1,893,825)	\$ (1,887,529)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding	151,406,384	121,256,404

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,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,893,825)	\$ (1,887,529)
Items not affecting cash:		
Depreciation	18,546	13,344
Share-based compensation	-	313,368
Unrealized foreign exchange loss (gain)	(305,624)	(295,159)
Changes in non-cash working capital items:		
Increase in receivables	(28,748)	(31,496)
Decrease (increase) in prepaid expenses	52,265	(52,199)
Increase (decrease) in accounts payable and accrued liabilities	(213,727)	183,414
Net cash used in operating activities	<u>(2,371,113)</u>	<u>(1,756,257)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	(1,750)	(28,128)
Deposits	(1,662)	(28)
Expenditures on exploration and evaluation assets	(9,384,135)	(4,016,921)
Net cash used in investing activities	<u>(9,387,547)</u>	<u>(4,045,077)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	12,000
Deferred financing costs	(168,199)	(48,089)
Net cash used in financing activities	<u>(168,199)</u>	<u>(36,089)</u>
Increase in cash for the period	(11,926,859)	(5,837,423)
Effect of foreign exchange rate changes on cash	305,624	296,765
Cash, beginning of period	<u>36,394,591</u>	<u>26,403,834</u>
Cash, end of period	\$ <u>24,773,356</u>	\$ <u>20,863,176</u>

Supplemental disclosure with respect to cash flows (note 12)

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, 2011	121,246,514	52,389,928	5,920,664	(17,623,834)	\$ 40,686,758
Grant of stock options	-	-	313,368	-	313,368
Exercise of warrants and stock options	30,000	17,436	(5,436)	-	12,000
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
Balances as at December 31, 2012	151,406,384	89,456,817	8,502,712	(27,342,315)	70,617,214
Loss and comprehensive loss	-	-	-	(1,893,825)	(1,893,825)
Balances as at March 31, 2013	151,406,384	\$ 89,456,817	\$ 8,502,712	\$ (29,236,140)	\$ 68,723,389

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

IC POTASH CORP.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2013

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 advanced 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 Consolidated Financial Statements ("Financial Statements") are comprised of the Company and its subsidiaries (Note 2). To date, the Company has not earned operating revenue.

The Company is working on a feasibility study to determine 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 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 estimates that it has sufficient working capital to continue operations for the upcoming year.

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 April 25, 2013.

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. 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 quarter are consistent with those disclosed in the audited annual financial statements for the year-ended December 31, 2012. The Interim Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the year-ended December 31, 2012.

IC POTASH CORP.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2013

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

c) New standards, amendments and interpretations:

Financial instruments

IFRS 9 - Financial Instruments: Classification and Measurement, effective for annual periods beginning on or after January 1, 2015, 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 January 1, 2015, and has not yet considered the potential impact of the adoption of IFRS 9.

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's subsidiaries are all 100% wholly owned and the Company is in compliance with IFRS 10. There was no change to the financial presentation as a result of this change.

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 currently has no joint ventures and therefore the financial statements are unaffected by IFRS 11.

Interests in other entities

The IASB issued IFRS 12 - Disclosure of Interests in Other Entities in May 2011 and it applies to annual periods beginning on or after January 1, 2013. IFRS 12 requires disclosure of an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated 'structured entities'. The Company's subsidiaries are all 100% wholly owned and the Company is in compliance with IFRS 12. There was no change to the financial presentation as a result of this change.

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. IFRS 13 deals with financial securities and derivatives. The Company's financial assets are all in cash or demand deposits and the Company does not have any derivatives, thus IFRS 13 did not affect these Interim Financial Statements.

d) Significant accounting judgements and estimates:

The preparation of these Interim Financial Statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Actual results could 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. Based on a favorable pre-feasibility study, the Company has completed a phase 3 drilling program and the detailed work has commenced on a feasibility study and environmental permitting.

IC POTASH CORP.**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2013****3. RECEIVABLES**

Trade and other receivables are comprised of the following:

	March 31, 2013	December 31, 2012
HST receivable	\$84,085	\$50,595
Interest receivable	1,224	-
Other receivable	<u>3,656</u>	<u>9,622</u>
Total	<u>\$88,965</u>	<u>\$60,217</u>

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

Cost	Furniture and fixtures	Computer equipment	Exploration equipment	Vehicles	Total
As at December 31, 2011	\$ 23,671	\$ 65,750	\$ 51,929	\$ 55,300	\$ 196,650
Additions	38,625	59,847	-	71,783	170,255
Disposals	-	(19,081)	-	(7,135)	(26,216)
As at December 31, 2012	62,296	106,516	51,929	119,948	340,689
Additions	-	1,750	-	-	1,750
Disposals	-	-	-	-	-
As at March 31, 2013	\$ 62,296	\$ 108,266	\$ 51,929	\$ 119,948	\$ 342,439
Depreciation	Furniture and fixtures	Computer equipment	Exploration equipment	Vehicles	Total
As at December 31, 2011	\$ 2,648	\$ 18,557	\$ 5,876	\$ 8,177	\$ 35,258
Additions	7,972	31,957	9,631	24,781	74,341
Disposals	-	(9,054)	-	(1,970)	(11,024)
As at December 31, 2012	10,620	41,460	15,507	30,988	98,575
Additions	2,579	7,306	1,945	6,716	18,546
Disposals	-	-	-	-	-
As at March 31, 2013	\$ 13,199	\$ 48,766	\$ 17,452	\$ 37,704	\$ 117,121
Net book value:	Furniture and fixtures	Computer equipment	Exploration equipment	Vehicles	Total
As at December 31, 2011	\$ 21,023	\$ 47,193	\$ 46,053	\$ 47,123	\$ 161,392
As at December 31, 2012	\$ 51,676	\$ 65,056	\$ 36,422	\$ 88,960	\$ 242,114
As at March 31, 2013	\$ 49,097	\$ 59,500	\$ 34,477	\$ 82,244	\$ 225,318

IC POTASH CORP.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2013

5. EXPLORATION AND EVALUATION ASSETS

Period ended March 31, 2013	Ochoa
Acquisition costs	
Balance, beginning of period	\$ 3,563,280
Additions during the period	
Landman costs	12,742
Permit application and acquisition	368,902
Total acquisition costs	3,944,924
Deferred exploration costs	
Balance, beginning of period	33,661,934
Additions during the period	
Drilling	2,452,343
Feasibility study	4,925,112
Field expenses	3,414
Geology	102,727
Mining engineering	659,938
Office support	639,934
Water reclamation costs	342,280
Total deferred exploration costs	42,787,682
TOTAL	\$ 46,732,606

IC POTASH CORP.NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2013

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

Year ended December 31, 2012	Ochoa
Acquisition costs	
Balance, beginning of year	\$ 1,873,932
Additions during the year	
Landman costs	172,643
Permit application and acquisition	1,516,705
Total acquisition costs	3,563,280
Deferred exploration costs	
Balance, beginning of year	13,828,636
Additions during the year	
Archaeological studies	2,087
Bulk sampling	699,463
Data acquisition	9,596
Drilling	6,304,476
Environment work	65,360
Feasibility study	5,243,164
Field expenses	5,781
Geological reports	1,488
Geology	446,965
Land surveys	3,954
Metallurgical	44,177
Mining engineering	4,359,275
Office support	2,087,437
Pre-feasibility study	179,279
SOP marketing	108,371
Water reclamation costs	272,425
Total deferred exploration costs	33,661,934
TOTAL	\$ 37,225,214

IC POTASH CORP.**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****MARCH 31, 2013**

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 that expired on December 1, 2012 (ten of which are protected by a Preference Rights Lease ("PRL") application, five of which are protected for 60 days to allow the Company to apply for Preference Rights Leases, and one of which was relinquished in Q4 2012). Annual rent is no longer payable on these expired Permits. During 2010, the Company acquired additional Permits which expire on March 1, 2014 (all of which were included in the PRL application) and New Mexico state mining leases with the next annual rent due on May 24, 2014. During 2011, the Company acquired additional Permits with the next annual rent due on April 1, 2014. The annual rent payments due on March 1, 2013, April 1, 2013, and May 24, 2013 were made. 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 state mining leases are valid for ten years, with subsequent renewals as long as minerals are produced in paying quantities.

Pursuant to private agreements, a 3% Overriding Royalty ("ORR") 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 ORR 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 US\$8 per acre is payable on the state mining leases annually. Once the Ochoa Project comes into production, minimum royalties of US\$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 US\$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, 2013, the Company has made an advance of \$111,887 (December 31, 2012 - \$112,609) towards the regulatory review of the environmental impact statement, an advance of \$10,400 (December 31, 2012 - \$10,400) towards the feasibility study, and an advance of \$10,191 (December 31, 2012 - \$10,191) towards landman work.

IC POTASH CORP.NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2013**6. DEPOSITS**

	March 31, 2013	December 31, 2012
BLM Permit Bond	\$ 50,780	\$ 49,745
MegaBond	25,390	24,873
Office security deposits	<u>7,585</u>	<u>7,475</u>
Total	<u>\$ 83,755</u>	<u>\$ 82,093</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2013	December 31, 2012
Trade payables	\$ 1,312,597	\$ 1,954,991
Accrued liabilities	1,706,729	1,502,383
Other	<u>37,585</u>	<u>33,572</u>
Total	<u>\$ 3,056,911</u>	<u>\$ 3,490,946</u>

8. DECOMMISSIONING LIABILITIES

	March 31, 2013	December 31, 2012
Decommissioning liabilities		
Current	\$ 573,814	\$ 224,588
Non-current	44,621	43,711
	<u>\$ 618,435</u>	<u>\$ 268,299</u>

Site Restoration: Ochoa Project – New Mexico

The Company completed drilling twelve core holes during fiscal 2012 and completed the last of the holes during the quarter. The related reclamation costs are expected to be incurred in the second and third quarters of 2013 and are recorded as current decommissioning liabilities.

The Company completed drilling two water wells during fiscal 2012. The decommissioning of these water wells in New Mexico is subject to legal and regulatory requirements. 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 above accrual represents the Company's best estimate of the present value of future decommissioning costs, discounted at 8% (based on discount rates used in our pre-feasibility study). As at March 31, 2013, the undiscounted amount of estimated future decommissioning costs in 2056 based on today's costs with 6% inflation for 44 years is USD\$1,298,548 (December 31, 2012 - \$1,298,548). Decommissioning costs are expected to be incurred between 2013 and 2056.

IC POTASH CORP.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2013

9. SHARE CAPITAL AND RESERVES

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

Please refer to the Condensed Consolidated Interim Statements of Changes in Equity for a summary of changes in share capital and reserves for the three month period ended March 31, 2013. Reserves relate to stock options, agent warrants, and compensatory warrants that have been issued by the Company (note 10).

During the three month period ended March 31, 2013, the Company did not issue any common shares;

During the three month period ended March 31, 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 for gross proceeds of \$12,000.

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 provisions.

As at March 31, 2013, the Company had stock options outstanding, enabling the holders to acquire the following number of common shares:

IC POTASH CORP.NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2013**10. STOCK OPTIONS AND WARRANTS (cont'd...)**

Number of Options	Exercise Price	Average Contractual Life Remaining (years)	Expiry Date
335,000	\$ 1.06	0.33	July 31, 2013 *
150,000	1.16	0.41	August 28, 2013
2,940,000	0.40	1.21	June 14, 2014
250,000	1.00	1.24	June 28, 2014
250,000	0.58	2.00	March 31, 2015
650,000	0.45	2.06	April 22, 2015
1,102,245	0.40	2.35	August 4, 2015
272,255	0.40	2.47	September 19, 2015
950,000	0.50	2.47	September 19, 2015
450,000	0.58	2.61	November 8, 2015
100,000	0.80	2.65	November 22, 2015
500,000	1.42	2.79	January 13, 2016
1,000,000	1.40	2.96	March 17, 2016
1,263,750	1.07	3.55	October 17, 2016
400,000	1.03	3.90	February 23, 2017
2,400,000	0.90	4.07	April 26, 2017
200,000	0.76	4.59	October 31, 2017
590,000	0.71	4.68	December 5, 2017
13,803,250			

*Expiration date changed from May 9, 2016 to July 31, 2013 due to the related consulting agreement being cancelled.

IC POTASH CORP.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2013

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

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2011	10,647,000	\$ 0.74
Exercised	(30,000)	0.40
Cancelled/expired	(853,750)	1.26
Granted	<u>4,040,000</u>	0.88
Outstanding at December 31, 2012 and March 31, 2013	13,803,250	\$ 0.75
Number of options exercisable at March 31, 2013	<u>13,803,250</u>	<u>\$ 0.75</u>

Share-based compensation

During the three month period ended March 31, 2013, the Company granted nil (March 31, 2012: 400,000) options to consultants, officers, employees, and directors of the Company.

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the three month period ended March 31, 2013 and March 31, 2012:

	Three month period ended March 31, 2013	Three month period ended March 31, 2012
Risk-free interest rate	-	1.47%
Expected life of options	-	4.46 years
Annualized volatility	-	110%
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 UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2013**10. STOCK OPTIONS AND WARRANTS (cont'd...)****Warrants**

As at March 31, 2013, 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	5.5 months	September 15, 2013

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at March 31, 2013 and December 31, 2012	16,996,701	\$ 0.65

11. RELATED PARTY TRANSACTIONS AND BALANCES

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

	March 31, 2013	December 31, 2012
Accounts payable and accrued liabilities	\$55,159	\$30,323

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

	Three month period ended	
	March 31, 2013	March 31, 2012
Short-term employee benefits	\$490,048	\$278,750
Directors' fees (included in administration costs)	62,500	112,500
Share-based compensation	0	156,684
Total remuneration	\$552,548	\$547,934

IC POTASH CORP.NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2013**12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Cash is comprised of:

		March 31, 2013		December 31, 2012
Cash	\$	24,773,356	\$	36,394,591
	\$	24,773,356	\$	36,394,591

Supplemental disclosure with respect to cash flows	Three month period ended March 31, 2013	Three month period ended March 31, 2012
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Accrued exploration and evaluation assets	\$ 2,726,514	\$ 1,324,429
Accrued deferred financing costs	\$ 7,293	\$ 171,298
Accrued property, plant and equipment	\$ -	\$ 5,333
Advances reclassified to exploration and evaluation assets	\$ 722	\$ 20,633
Reserves transferred on exercise of options and agents' unit options	\$ -	\$ 5,436
Reclamation obligation	\$ 350,136	\$ -

13. COMMITMENTS

Lease

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

2013	\$	125,414 USD	\$	22,500 CAD
2014	\$	25,200 USD	\$	22,500 CAD
2015	\$	1,500 USD	\$	- CAD
Total	\$	152,114 USD	\$	45,000 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.

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14. 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, 2013			December 31, 2012		
	Canada	USA	Total	Canada	USA	Total
Property, plant, and equipment	\$ 6,753	\$ 218,565	\$ 225,318	\$ 7,608	\$ 234,506	\$ 242,114
Exploration and evaluation assets	-	46,732,606	46,732,606	-	37,225,214	37,225,214
	<u>\$ 6,753</u>	<u>\$ 46,951,171</u>	<u>\$ 46,957,924</u>	<u>\$ 7,608</u>	<u>\$ 37,459,720</u>	<u>\$ 37,467,328</u>

15. 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 quarter-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, 2013, the Company had capital resources consisting of cash 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 in demand investment instruments in high credit quality financial institutions to provide liquidity over 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 period. There were no significant changes in the Company's approach to capital management during the three month period ended March 31, 2013.

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16. 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, and accounts payable and accrued liabilities.

Financial instruments

Cash 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 receivables. The Company has no significant concentration of credit risk arising from operations. Cash 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 \$250,000 in the United States. Receivables consist of amounts due from government agencies and financial institutions.

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, 2013, the Company had a cash balance of \$24,773,356 to settle current liabilities of \$3,056,911.

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 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 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 \$20,000 impact on interest income for the three month period.

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16. 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 \$133,990 impact on foreign exchange gain or loss for the three month period.

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.

17. LOSS PER SHARE

The loss per share for the three month period ended March 31, 2013 was \$0.01 (2012 – \$0.02).

The calculation of basic and diluted loss per share for the three month period ended March 31, 2013 was based on the loss attributable to common shareholders of \$1,893,825 (2012 – \$1,887,529) and the weighted average number of common shares outstanding of 151,406,384 (2012 – 121,256,404). The diluted loss per share did not include the effect of share purchase options or warrants as they are anti-dilutive.

18. SUBSEQUENT EVENT

On April 5, 2013, the Company issued 1,121,700 common shares on the exercise of warrants at a price of \$0.65 per common share for total gross proceeds of \$729,105.