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Condensed Consolidated Interim Financial Statements

for the six months ended June 30, 2017

(Unaudited – Expressed in US dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NOTICE TO READER

The Company has re-filed the interim consolidated balance sheet as at June 30, 2017 and the interim consolidated statement of operations, comprehensive loss and deficit, and the interim statement of cash flows for the six month period then ended.

The Company's previously filed financial statements posted on SEDAR on July 27, 2017 had an error in the column heading of the Condensed Consolidated Interim Statements of Cash Flows for the prior year comparative column. It should read "Six Month Period Ended June 30, 2016" instead of "Three Month Period Ended June 30, 2016".

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

		June 30, 2017		December 31, 2016
ASSETS				
Current				
Cash	$	873,163	$	3,114,540
Investment (note 4)		52,015		-
Receivables		29,769		14,386
Prepaid expenses		152,168		104,631
		1,107,115		3,233,557
Property, plant and equipment (note 5)		1,403		19,775,768
Deposits		9,045		76,170
Investment in associate (note 3)		1		-
	$	1,117,564	$	23,085,495
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (note 6,13)	$	179,629	$	854,662
Decommissioning liabilities (note 8)		-		700,000
Employment liability (note 7)		375,665		521,338
Warrant liability (note 11)		139,169		569,152
		694,463		2,645,152
Non-current				
Convertible preferred shares - Series A (note 9)		-		12,693,478
Convertible preferred shares - Series B (note 9)		-		5,172,951
Decommissioning liabilities (note 8)		-		54,077
Secured notes (note 10)		-		2,530,821
		694,463		23,096,479
Shareholders' equity (deficiency)				
Share capital (note 9)		96,444,039		95,442,483
Reserves (note 9)		9,671,557		9,434,365
Currency translation adjustment reserve		(1,610,057)		(9,273,273)
Deficit		(104,082,438)		(95,614,559)
		423,101		(10,984)
	$	1,117,564	$	23,085,495

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

On behalf of the Board:

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

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

IC POTASH CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in US Dollars)

	Three Month Period Ended June 30, 2017	Three Month Period Ended June 30, 2016	**Six Month Period Ended June 30, 2017**	Six Month Period Ended June 30, 2016
EXPENSES				
Administration (note 13)	**$ 42,488**	$ 84,380	**$ 102,273**	$ 112,703
Business and market development	**105,631**	3,077	**321,501**	8,020
Consulting fees (note 13)	**39,677**	116,000	**141,823**	219,100
Depreciation	**192**	8,222	**4,931**	16,439
Fundraising activities	**108,539**	7,529	**252,285**	152,680
Foreign exchange (gain) loss	**(7,095)**	2,996	**(14,804)**	54,690
Investor relations	**69,841**	5,741	**167,298**	12,995
Professional fees	**88,571**	41,489	**127,186**	76,365
Regulatory fees	**6,456**	5,422	**40,445**	33,320
Rent and storage	**17,681**	14,474	**26,872**	28,866
Royalties and property leases	**-**	18,050	**-**	257,139
Share-based compensation (note 11,13)	**-**	234,840	**246,988**	234,840
Travel	**18,870**	2,736	**79,119**	15,604
Wages and benefits (note 13)	**127,558**	190,824	**373,221**	554,813
Operating loss	**(618,409)**	(735,780)	**(1,869,138)**	(1,777,574)
Interest income	**1,102**	15	**2,165**	33
Unrealized investment gain (note 4)	**13,012**	-	**13,012**	-
Warrant Derivatives gain (loss) (note 11)	**383,162**	(46,816)	**597,355**	(49,666)
Finance costs (note 12)	**-**	(550,225)	**(661,313)**	(1,070,519)
Gain (loss) on deconsolidation of ICP(USA) (note 3)	**(3,679)**	-	**1,113,256**	-
Deconsolidation adjustment (note 3)	**-**	-	**(7,663,216)**	-
Loss on asset disposal	**-**	-	**-**	(226)
Loss for the period	**(224,812)**	(1,332,806)	**(8,467,879)**	(2,897,952)
Other Comprehensive Income				
Deconsolidation adjustment (note 3)	**-**	-	**7,663,216**	-
Comprehensive loss for the period	**$ (224,812)**	$ (1,332,806)	**$ (804,663)**	$ (2,897,952)
Basic and diluted loss per common share	**$ (0.001)**	$ (0.007)	**$ (0.039)**	$ (0.016)
Weighted average number of common shares outstanding basic and diluted	**220,630,744**	181,209,319	**217,911,142**	177,041,987

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

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

	Six Month Period Ended June 30, 2017	Six Month Period Ended June 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (8,467,879)	$ (2,897,952)
Items not affecting cash:		
Accretion	4,653	4,655
Broker warrants	-	13,676
Depreciation	4,931	16,439
Derivative (gain) loss	(597,355)	49,666
Investment unrealized gain	(13,012)	
Loss on asset disposal	-	226
Interest expense on convertible preferred shares	564,935	916,910
Interest expense on secured notes	91,725	148,954
Share-based compensation	237,192	234,840
Gain on deconsolidation of ICP(USA)	(1,113,254)	-
Deconsolidation adjustment	7,663,216	-
Unrealized foreign exchange gain	(12,459)	(65,136)
Changes in non-cash working capital items:		
Increase in receivables	(25,774)	(6,740)
(Increase) decrease in prepaid expenses	(47,537)	23,664
Increase (decrease) in accounts payable and accrued liabilities	358,859	(15,440)
Decrease in employment liability	(145,673)	(170,607)
Net cash used in operating activities	(1,497,432)	(1,746,845)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment expenditures	(1,045,213)	(800,640)
Deposit	(9,045)	-
Investments	(37,566)	-
Cash removed on deconsolidation	(832,072)	-
Net cash used in investing activities	(1,923,896)	(800,640)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	1,139,776	648,002
Proceeds from warrants exercise	70,480	-
Common shares issuance costs	(36,787)	(61,308)
Proceeds from issuance of secured notes	-	2,500,000
Secured notes issuance costs	-	(338,090)
Net cash provided by financing activities	1,173,469	2,748,604
Change in cash for the period	(2,247,859)	201,119
Effect of foreign exchange rate changes on cash	6,482	64,301
Cash, beginning of period	3,114,540	741,338
Cash, end of period	$ 873,163	$ 1,006,758

Supplemental disclosure with respect to cash flows (note 14)

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

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

	Share Capital					
	Number of Shares	Amount	Reserves	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balances as at December 31, 2015	172,874,654	$94,044,519	$9,099,058	$ (9,273,273)	$ (49,204,702)	$44,665,602
Units issued for cash	18,498,891	648,002	-	-	-	648,002
Warrant liability	-	(246,198)	-	-	-	(246,198)
Share issuance costs	-	(61,308)	-	-	-	(61,308)
Share-based compensation	-	-	234,840	-	-	234,840
Grant of broker warrants	-	-	13,676	-	-	13,676
Loss and comprehensive loss	-	-	-	-	(2,897,952)	(2,897,952)
Balances as at June 30, 2016	191,373,545	94,385,015	9,347,574	(9,273,273)	(52,102,654)	42,356,662
Balance as at December 31, 2016	212,823,545	$95,442,483	$9,434,365	$ (9,273,273)	$ (95,614,559)	$ (10,984)
Units issued for cash	23,312,141	1,139,776	-	-	-	1,139,776
Warrant exercised	200,000	18,507	-	-	-	18,507
Warrant liability	-	(171,913)	-	-	-	(171,913)
Broker warrant exercised	816,589	51,973	-	-	-	51,973
Reserves broker warrants	-	-	(9,796)	-	-	(9,796)
Share issuance costs	-	(36,787)	-	-	-	(36,787)
Share-based compensation	-	-	246,988	-	-	246,988
Loss and comprehensive loss	-	-	-	7,663,216	(8,467,879)	(804,663)
Balances as at June 30, 2017	237,152,275	$96,444,039	$9,671,557	$ (1,610,057)	$(104,082,438)	$ 423,101

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) **Statement of compliance:**

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

The Interim Financial Statements were authorized by the audit committee and board of directors of the Company on July 26, 2017.

b) **Basis of presentation:**

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

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

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

c) **Financial Instruments**

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

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

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

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

Effective January 1, 2018

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

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

Effective January 1, 2019

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

e) **Basis of consolidation:**

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

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

The Company consolidates the subsidiaries on the basis that it controls these subsidiaries through its ability to govern their financial and operating policies. The Company deconsolidated the operations of Intercontinental Potash Corp. (USA) ("ICP(USA)") in quarter 1 of 2017 (note 3).

All intercompany transactions and balances are eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

f) Significant accounting estimates and judgments:

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

3. INVESTMENT IN ASSOCIATE

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

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

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

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

		ICP(USA)
Current assets		500,740
Non-current assets		21,984,898
Current liabilities		(1,421,079)
Non-current liabilities		(21,981,158)
Net loss for period after deconsolidation		(1,565,762)
The Company's ownshership percentage		81.4%
The Company's share of loss for the period	$	Nil

As at June 30, 2017, the Company's investment in ICP(USA) was $1. The Company's equity loss of $532,869 included an unrecognized share of the losses of ICP(USA) since deconsolidation totaling $1,317,835 less a dilution gain of $784,966. The Company has a minority position on the board of its associated company ICP(USA) and does not control operation decisions. The Company's judgment is that it has significant influence, but not control and therefore equity accounting is appropriate.

4. INVESTMENTS

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

As at June 30, 2017, value of the investments was $52,015. During the period ended June 30, 2017, the Company recorded an unrealized investment gain of $13,012 and foreign currency adjustment of $1,437.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

Cost	Development Project - Ochoa Property	Furniture and fixtures	Computer equipment	Other equipment	Vehicles	Total
As at December 31, 2015	$ 56,122,518	$ 6,841	$ 110,871	$ 32,190	$ 103,394	$ 56,375,814
Additions	4,036,729	-	1,954	-	-	4,038,683
Disposals	-	-	(7,381)	-	-	(7,381)
As at December 31, 2016	60,159,247	6,841	105,444	32,190	103,394	60,407,116
Additions	1,038,906	-	6,306	-	-	1,045,212
Deconsolidation (note 3)	(61,198,153)	(6,841)	(108,033)	(32,190)	(103,394)	(61,448,611)
As at June 30, 2017	$ 0	$ 0	$ 3,717	$ 0	$ 0	$ 3,717
Depreciation and impairment						
As at December 31, 2015	$ -	$ 2,808	$ 72,621	$ 22,169	$ 81,151	$ 178,749
Additions	-	1,585	19,770	2,833	9,133	33,321
Disposals	-	-	(6,969)	-	-	(6,969)
Impairment	40,426,247	-	-	-	-	40,426,247
As at December 31, 2016	40,426,247	4,393	85,422	25,002	90,284	40,631,348
Additions	-	264	2,865	473	1,332	4,934
Deconsolidation (note 3)	(40,426,247)	(4,657)	(85,973)	(25,475)	(91,616)	(40,633,968)
As at June 30, 2017	$ -	$ -	$ 2,314	$ -	$ -	$ 2,314
Net book value:						
As at December 31, 2016	$ 19,733,000	$ 2,448	$ 20,022	$ 7,188	$ 13,110	$ 19,775,768
As at June 30, 2017	$ 0	$ 0	$ 1,403	$ 0	$ 0	$ 1,403

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2017	December 31, 2016
Trade payables	$ 116,973	$ 395,366
Accrued liabilities	55,127	442,650
Other	7,529	16,646
Total	$ 179,629	$ 854,662

7. EMPLOYMENT LIABILITY

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

The full amount of the severance of $1,603,910 (CAD$2,100,000) was expensed during the year ended December 31, 2015 (note 13). As at June 30, 2017, the balance of employment liability is $375,665 (2016 - $768,699) (CAD$487,500; 2016 - CAD$1,000,000).

8. DECOMMISSIONING LIABILITIES

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

9. SHARE CAPITAL AND RESERVES

Common shares

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

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

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

During the six-month period ended June 30, 2017, the Company issued the following common shares:

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

During the six-month period ended June 30, 2016 the Company issued the following common shares:

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

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

Convertible preferred shares

Authorized: ICP(USA) is authorized to issue:

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

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

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

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

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

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

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

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

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

Convertible preferred shares (cont'd…)

The embedded derivatives were a level three financial liability.

	Series A	Series B	Total
Balance as at December 31, 2015	$ 10,718,590	$ 5,000,000	$ 15,718,590
Amortization of issuance costs	321,795	-	321,795
Accrued dividends payable	1,653,093	172,951	1,826,044
Balance as at December 31, 2016	12,693,478	5,172,951	17,866,429
Amortization of issuance costs	51,774	-	51,774
Accrued dividends payable	389,873	123,288	513,161
Deconsolidation on March 16, 2017 (note 3)	(13,135,125)	(5,296,239)	(18,431,364)
Balance as at June 30, 2017	$ -	$ -	$ -

10. SECURED NOTES

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

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

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

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

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

10. SECURED NOTES (cont'd…)

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

11. STOCK OPTIONS AND WARRANTS

Stock options

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

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

Number of Options	Exercise Price (CAD)	Average Contractual Life Remaining (years)	Expiry Date
100,000	$ 0.08	0.54	January 12, 2018
250,000	0.08	2.03	July 12, 2019
250,000	0.12	2.38	November 14, 2019
500,000	0.10	2.40	November 24, 2019
2,150,000	0.10	2.63	February 14, 2020
200,000	0.10	2.67	March 1, 2020
9,650,000	0.08	3.94	June 6, 2021
300,000	0.08	4.04	July 12, 2021
200,000	0.09	4.18	September 2, 2021
3,900,000	0.10	4.63	February 14, 2022
17,500,000			

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

Stock options (cont'd…)

Stock option transactions are summarized as follows:

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

During the period ended June 30, 2017 the Company granted 6,250,000 (2016 – 9,650,000) stock options to consultants, officers, employees and directors of the Company. All options vested at the grant date.

The fair value of the options granted, as determined by the Black-Scholes option pricing model, was $246,988 (2016 - $234,840) or $0.04 per option (2016 - $0.02).

Share-based compensation recognized during the period was $246,988 (2016 - $234,840).

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

	Period ended June 30, 2017	Period ended June 30, 2016
Risk-free interest rate	1.07%	0.65%
Expected life of options	3.57 years	4.20 years
Annualized volatility	66.92%	62.17%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

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

Warrants

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

Number of Warrants	Exercise Price (CAD)	Average Contractual Life Remaining	Expiry Date
13,298,891	$ 0.08	0.31 years	October 20, 2017
16,950,000	0.11	0.46 years	December 14, 2017
3,286,666	0.16	0.67 years	March 1, 2018
12,360,000	0.08	0.99 years	June 27, 2018
4,378,808	0.08	0.99 years	June 28, 2018
50,274,365			

Warrant transactions are summarized as follows:

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

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

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

Warrants (cont'd...)

	Number of warrants	Warrant liability (USD)
Balance, January 1, 2016	10,000,000	$ 4,088
Warrants issued on May 20, 2016	18,498,891	246,198
Warrants issued on December 14, 2016	16,950,000	320,016
Exercised	(4,500,000)	(188,865)
Expired	(240,000)	-
Change in fair value	-	187,715
Balance, December 31, 2016	40,708,891	569,152
Warrants issued on March 1, 2017	3,286,666	54,918
Warrants issued on June 27, 2017	12,360,000	82,323
Warrants issued on June 28, 2017	4,378,808	36,473
Exercised	(200,000)	(6,342)
Expired	(10,260,000)	-
Change in fair value	-	(597,355)
Balance, June 30, 2017	50,274,365	$ 139,169

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

	June 30 2017	June 30 2016
Risk free rate	1.10%	0.62%
Expected term of liability	0.61 years	1.00 years
Annualized volatility	75.55%	84.69%
Dividend rate	0.00%	0.00%

Broker warrants

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

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

Number of Warrants	Exercise Price (CAD)	Average Contractual Life Remaining	Expiry Date
1,071,000	$ 0.11	0.46 years	December 14, 2017
280,000	$ 0.06	0.99 years	June 27, 2018
1,351,000		0.57 years	

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

Broker warrants (cont'd...)

Broker warrants transactions are summarized as follows:

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

12. FINANCE COSTS

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

	March 16, 2017	June 30, 2016
Amortization of issuance costs - preferred shares Series A (note 9) (*)	$ 51,774	$ 194,774
Accrued dividends payable on preferred shares Series A (note 9) (*)	389,873	722,136
Amortization of issuance costs - secured notes (note 10) (*)	35,218	57,287
Accrued interests on the secured notes (note 10) (*)	56,507	91,667
Accrued dividends payable on preferred shares Series B (note 9) (*)	123,288	-
Accretion on decommissioning liabilities (note 8) (*)	4,653	4,655
	$ 661,313	$ 1,070,519

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

13. RELATED PARTY TRANSACTIONS AND BALANCES

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

	June 30, 2017	June 30, 2016
Key management personnel	$ 37,706	$ 2,484
	$ 37,706	$ 2,484

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

	June 30, 2017	June 30, 2016
Key management personnel	$ 65,167	$ nil
	$ 65,167	$ nil

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

	Six months ended	
	June 30, 2017	June 30, 2016
Short-term benefits *	$ 203,823	$ 381,457
Consulting fees	87,500	-
Directors' fees **	52,585	51,198
Share-based compensation	171,626	231,711
Total remuneration	$ 515,534	$ 664,366

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

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

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Supplemental disclosure with respect to cash flows	Six months ended June 30, 2017	Six months ended June 30, 2016
Development project costs included in accounts payable	$ -	$ 471,248
Warrant liability	$ 596,027	$ 246,198
Reversal of warrant liability upon exercise	$ 6,342	$ -

15. COMMITMENTS

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

16. SEGMENTED INFORMATION

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

Property, plant, and equipment		Canada		USA		Total
December 31, 2016	$	1,794	$	19,773,974	$	19,775,768
June 30, 2017	$	1,403	$	-	$	1,403

17. MANAGEMENT OF CAPITAL

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

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

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

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

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

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

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

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

Financial instruments

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

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

Credit risk

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

Liquidity risk

As at June 30, 2017, the Company had a cash balance of $873,163 to settle current liabilities of $694,463. The Company is subject to significant liquidity risk.

Interest rate risk

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

Foreign currency risk

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

Equity Price risk

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

19. LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended June 30, 2017, was based on the loss attributable to common shareholders of $804,663 (2016 – $2,897,952) and the weighted average number of common shares outstanding of 217,911,142 (2016 – 177,041,987). The diluted loss per share did not include the effect of share purchase options or warrants as they are anti-dilutive.

20. SUBSEQUENT EVENT

On July 10, 2017, IC Potash was served with a lawsuit commenced by Pangaea Two Acquisition Holdings XI, LLC and Pangaea Two Acquisition Holdings XIB, LLC, investment companies sponsored by Cartesian Capital Group, LLC ("Cartesian") on behalf of Cartesian investors in the State of New York asking for at least $10 million in damages. This New York lawsuit, which will be vigorously defended by IC Potash, alleges on the most general of grounds that, among other things, IC Potash breached its fiduciary responsibility and breached two agreements. Prior to that, on May 30, 2017, IC Potash initiated a Colorado lawsuit against ICP(USA) and two LLCs controlled by Cartesian asking the court to set aside a 'capital contribution call' in the amount of $800,000, alleging that the capital contribution call was not properly authorized by operative agreements and the board of directors of ICP(USA), nor did it comply with Colorado law. The Colorado lawsuit was amended and expanded on July 11, 2017 to add new claims and ask for unspecified damages.