IC POTASH CORP.
(FORMERLY TRIGON URANIUM CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2009

AUDITORS' REPORT

To the Shareholders of
IC Potash Corp.
(formerly Trigon Uranium Corp.)

We have audited the consolidated balance sheets of IC Potash Corp. (formerly Trigon Uranium Corp.) as at December 31, 2009 and 2008 and the consolidated statements of operations and deficit and cash flows for the year ended December 31, 2009 and for the period from incorporation on March 25, 2008 to December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the year ended December 31, 2009 and for the period from incorporation on March 25, 2008 to December 31, 2008 in accordance with Canadian generally accepted accounting principles.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

March 25, 2010

IC POTASH CORP. (formerly Trigon Uranium Corp.)
CONSOLIDATED BALANCE SHEETS

		December 31, 2009		December 31, 2008
ASSETS				
Current				
Cash and equivalents	$	7,358,172	$	4,213,952
Receivables		46,672		9,493
Prepaid expenses		63,238		12,228
		7,468,082		4,235,673
Equipment (note 5)		149,686		-
Deposits (note 6)		52,697		61,140
Mineral properties (note 6)		3,175,862		1,169,873
	$	10,846,327	$	5,466,686
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	1,324,260	$	154,343
Shareholders' equity				
Capital stock (note 7)		12,305,072		5,733,472
Contributed surplus (note 7)		683,838		478,304
Obligation to issue shares (note 7)		-		30,000
Deficit		(3,466,843)		(929,433)
		9,522,067		5,312,343
	$	10,846,327	$	5,466,686

Nature of operations and going concern (note 1)
Reverse takeover transaction (note 4)
Commitments (note 11)

On behalf of the Board:

Signed "Sidney Himmel" **Director** *Signed "George Poling"* **Director**

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

IC POTASH CORP. (formerly Trigon Uranium Corp.)
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT

	Year Ended 31-Dec-2009	Period from incorporation on 25-Mar-2008 to 31-Dec-2008
EXPENSES		
Administration	**$ 138,355**	$ 23,147
Amortization	**5,647**	-
Business and market development	**119,860**	23,461
Consulting fees	**229,110**	286,679
Foreign exchange (gain) loss	**40,045**	(25,970)
Investigation costs	**8,036**	-
Investor relations	**50,452**	8,905
Professional fees	**198,912**	98,545
Rent and storage	**125,950**	-
Regulatory fees	**32,245**	920
Stock-based compensation (note 8)	**135,622**	478,304
Travel	**152,358**	28,101
Wages and benefits	**878,924**	62,012
Loss before other items	**(2,115,516)**	(984,104)
OTHER ITEMS		
Interest income	**16,854**	54,671
Cost of public listing (note 4)	**(409,778)**	-
	(392,924)	54,671
Loss and comprehensive loss for the period	**(2,508,440)**	(929,433)
Deficit, begining of the period	**(929,433)**	-
Adjustment for cost of public listing (note 4)	**(28,970)**	-
Deficit, end of period	**$ (3,466,843)**	$ (929,433)
Basic and diluted loss per common share	**$ (0.09)**	$ (0.04)
Weighted average number of common shares outstanding	**28,555,346**	25,800,001

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

IC POTASH CORP. (formerly Trigon Uranium Corp.)
CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended 31-Dec-2009	Period from incorporation on 25 Mar 2008 to 31-Dec-2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	**$ (2,508,440)**	$ (929,433)
Items not affecting cash:		
Amortization	**5,647**	-
Foreign exchange loss on note payable	**-**	3,945
Stock-based compensation	**135,622**	478,304
Changes in non-cash working capital items:		
(Increase) decrease in receivables	**1,250**	(9,493)
Increase in prepaid expenses	**(50,760)**	(12,228)
Increase in accounts payable and accrued liablilities	**188,044**	143,554
Net cash used in operating activities	**(2,228,637)**	(325,351)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	**(13,002)**	-
Deposits	**8,443**	(61,140)
Cash acquired (note 4)	**28,970**	-
Expenditures on mineral properties	**(1,270,057)**	(1,129,084)
Net cash used in investing activities	**(1,245,646)**	(1,190,224)
CASH FLOWS FROM FINANCING ACTIVITIES		
Adjustment to deficit for public listing	**(28,970)**	-
Proceeds from capital stock	**7,136,760**	5,750,000
Proceeds from note payable	**-**	49,040
Repayment of note payable	**-**	(52,985)
Share issuance costs	**(489,287)**	(16,528)
Net cash provided by financing activities	**6,618,503**	5,729,527
Increase in cash and equivalents for the period	**3,144,220**	4,213,952
Cash and equivalents, beginning of period	**4,213,952**	-
Cash and equivalents, end of period	**$ 7,358,172**	$ 4,213,952

Supplemental disclosure with respect to cash flows (note 10)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

IC Potash Corp. ("IC Potash"), formerly Trigon Uranium Corp., was incorporated under the Canada Business Corporations Act on November 8, 2002. IC Potash's primary business is the acquisition and exploration of mineral properties and it is considered to be in the exploration stage. To date IC Potash has not earned operating revenue.

On November 30, 2009, IC Potash acquired 100% percent of the outstanding common shares of Intercontinental Potash Corp. ("ICP"), a company involved in exploration for potash and potash-related minerals, by issuing 25,800,001 common shares (note 4). The acquisition constituted a Reverse Take-over ("RTO") and, although IC Potash is the legal parent of ICP, ICP was deemed to have acquired IC Potash for accounting purposes. Accordingly, the consolidated statements of operations and deficit and cash flows for the period ended December 31, 2008 are those of ICP and include the accounts of IC Potash from November 30, 2009.

IC Potash has not yet determined whether its mineral properties contain economically recoverable ore reserves. The recovery of the amounts comprising mineral properties and deferred exploration costs are dependent upon the confirmation of economically recoverable reserves, the ability of IC Potash to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon IC Potash's ability to dispose of its interest on an advantageous basis.

These consolidated financial statements have been prepared on a going concern basis which assumes that IC Potash will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of IC Potash are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. IC Potash has incurred ongoing losses and there is uncertainty about its ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should IC Potash be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These consolidated financial statements contained herein include the accounts of IC Potash and its wholly-owned subsidiaries ICP and Trigon Exploration Utah Inc. (collectively referred to as the "Company"). All inter-company accounts and transactions have been eliminated on consolidation.

These consolidated financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and are presented on a comparative and consistent basis with the preceding year. All amounts, unless specifically indicated otherwise, are presented in Canadian dollars.

b) Equipment

Equipment is recorded at cost. Amortization is recorded at the following annual rates and methods:

Furniture and fixtures	20% declining balance
Computer equipment	30% declining balance
Equipment	30% declining balance
Exploration equipment	20% declining balance
Vehicle	30% declining balance

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

c) **Mineral properties**

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

d) **Asset retirement obligation**

The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. Upon settlement of the liability, the Company either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. There were no Asset Retirement Obligations (site reclamation costs) in 2008 or 2009.

e) **Estimates**

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the fair value of financial instruments, the assessment of possible impairment of its mineral properties, useful lives of equipment, future income taxes, and stock-based compensation. Actual results could differ from those estimates.

f) **Foreign currency translation**

The accounts of subsidiaries, which are integrated operations, are translated using the temporal method. Under this method, monetary assets and liabilities are translated at the year-end exchange rates. Non-monetary assets and liabilities are translated using historical rates of exchange. Revenue and expenses are translated at the rates of exchange prevailing on the dates such items are recognized in earnings. Exchange gains and losses are included in the statement of operations.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

g) **Stock-based compensation**

The Company has a stock option plan. The Company uses the fair value based method to recognize compensation costs for direct awards of stock and for the granting of all stock options which are valued using the Black-Scholes option pricing model. The fair value of stock options is amortized over the period of vesting. Any consideration paid on the exercise of stock options is credited to capital stock and the fair value of the options is reclassified from contributed surplus to share capital.

h) **Future income taxes**

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset would be recovered, it provides a valuation allowance against the excess.

i) **Flow-through shares**

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Recording these expenditures for accounting purposes gives rise to taxable temporary differences. When flow-through expenditures are renounced, a portion of the future income tax assets that were not recognized in previous years, due to the recording of a valuation allowance, is recognized as a recovery of income taxes in the statement of operations.

j) **Loss per share**

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options and warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the periods presented, this calculation was anti-dilutive. Basic loss per share is calculated using the weighted average number of common shares outstanding during the year.

k) **Comparative figures**

Comparative figures have been reclassified to conform with the current year's presentation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

l) Financial instruments

Financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income for the period, unless the instrument is a cash flow hedge and hedge accounting is applied, in which case changes in fair value are recognized in other comprehensive income. For the periods presented, the Company had no derivatives or embedded derivatives.

m) Comprehensive income

Comprehensive income, composed of net income and other comprehensive income, is defined as the change in shareholders' equity from transactions and other events from non-owner sources. Other comprehensive income ("OCI") includes unrealized gains and losses on available-for-sale securities and changes in the fair market value of derivatives designated as cash flow hedges, all net of related income taxes. The components of comprehensive income are disclosed in the statement of operations and comprehensive income. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income ("AOCI") which is presented as a new category in shareholders' equity. The Company does not currently have any OCI items or AOCI. Therefore, comprehensive loss is equal to net loss for the periods ended December 31, 2009 and 2008.

3. CHANGES IN ACCOUNTING POLICIES

The Company adopted the following new accounting policies of the Canadian Institute of Chartered Accountants ("CICA") Handbook:

(i) Goodwill and Intangible Assets

On January 1, 2009, the Company adopted CICA Handbook Section 3064 "Goodwill and Intangible Assets", which replaced the existing Goodwill and Intangible Asset standard. The new standard revises the requirement for recognition, measurement, presentation and disclosure of intangible assets and is effective for years beginning on or after January 1, 2009. This accounting change had no significant impact on the Company's financial statements.

(ii) Deferred acquisition costs

Costs such as legal, accounting, due diligence, sponsorship, and filing fees related to potential business acquisitions are deferred and applied towards the cost of the acquisition when completed. Such costs are expensed if the potential acquisition is no longer considered viable by management.

3. CHANGES IN ACCOUNTING POLICIES (cont'd…)

(iii) Mining exploration expenses

In March of 2009, the Emerging Issues Committee (EIC") issued EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties. It also provides guidance for development and exploration stage entities that cannot estimate future cash flows from their properties in assessing whether impairment in such properties is required. EIC-174 also provides additional discussion on recognition for long-lived assets. EIC-174 is to be applied in interim and annual financial statements for periods ended on or after the date of issuance of EIC-174. The Company has adopted this recommendation retrospectively effective January 1, 2008 and determined that there was no impact on the financial statements.

(iv) Financial Instruments – Disclosures

During 2009, the CICA amended Section 3862 to enhance fair value and liquidity disclosures. The standard now requires that all financial instruments measured at fair value be categorized into one of three hierarchy levels. Each level is based on the transparency of inputs to the valuation of the financial asset or liability as of the measurement date. Adoption of this standard did not have any material effect on the consolidated financial statements. The disclosures required by this amendment are disclosed in Note 14.

Recent accounting pronouncements and future accounting changes

(i) International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board ("AcSB") announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. A changeover plan is being established to convert to the new standards within the allotted timeline. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

(ii) Business Combinations

In January 2009, the CICA issued Handbook Sections 1582 – *Business Combinations*, 1601 – *Consolidated Financial Statements*, and 1602 – *Non-Controlling Interests*, which replace Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements" effective January 1, 2011 with earlier adoption permitted. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 requires net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests to be reported as a component of equity. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These Sections are applicable for the Company's interim and annual consolidated financial statements for the fiscal year beginning on or after January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently. The Company is evaluating the future impact on its financial statements.

4. REVERSE TAKEOVER

During 2009, IC Potash entered into a share exchange agreement with the shareholders of ICP. In anticipation of the closing of the RTO, IC Potash consolidated all of its issued and outstanding common shares on the basis of one new share for each four existing shares on October 30, 2009. Both companies have directors and an officer in common. On November 30, 2009, IC Potash exchanged 25,800,001 common shares for 100% of the issued and outstanding shares of ICP that it did not already own on a one for one basis, and exchanged 3,750,000 options of ICP for equivalent options of IC Potash. As a result of the share exchange, ICP obtained control of IC Potash. Legally, IC Potash is the parent of ICP, however, as a result of the share exchange, control of the combined companies passed to shareholders of ICP, which for accounting purposes is deemed to be the acquirer. For financial reporting purposes, the share exchange is considered to be an RTO and recapitalization and IC Potash is considered to be a continuation of ICP. The net assets of ICP are included in the balance sheet at book values and the acquisition of IC Potash is accounted for by the purchase method, with the net assets of IC Potash recorded at carrying values. The net assets value of IC Potash on the date of acquisition, was as follows:

Net assets:	
Cash	$ 28,970
Receivables	38,429
Prepaid expenses	250
Equipment	142,331
Accounts payable and accrued liabilities	(80,289)
	$ 129,691

Transaction costs of $438,748 have been charged as to $28,970 to deficit, being cash acquired, and the balance to cost of public listing in the statement of operations.

5. EQUIPMENT

	December 31, 2009			December 31, 2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	$ 22,031	$ 1,019	$ 21,012	$ -	$ -	$ -
Computer equipment	50,519	1,959	48,560	-	-	-
Equipment	21,042	526	20,516	-	-	-
Exploration equipment	38,801	791	38,010	-	-	-
Vehicle	22,940	1,352	21,588	-	-	-
	$ 155,333	$ 5,647	$ 149,686	$ -	$ -	$ -

6. MINERAL PROPERTIES

Year ended December 31, 2009	Ochoa	Dove Creek	Sinbad	Pine Ridge	Other	Total
Acquisition costs						
Balance, beginning of period	$ 479,666	$ 115,584	$ 23,358	$ 7,633	$ 54	$ 626,295
Additions during the period						
Landman costs	44,991	-	-	-	-	44,991
Permit application and acquisition	131,863	(9,950)	(249)	236	17,896	139,796
Total acquisition costs	656,520	105,634	23,109	7,869	17,950	811,082
Deferred exploration costs						
Balance, beginning of period	447,366	16,030	17,454	16,030	46,698	543,578
Additions during the period						
Data Acquisition	1,949	-	-	-	-	1,949
Analytical	16,740	-	-	-	-	16,740
Summer Interns	10,136	-	-	-	-	10,136
Geology	650,732	-	-	-	32,239	682,971
Archaeological studies	8,306	-	-	-	-	8,306
Land surveys	45,915	-	-	-	-	45,915
Environment work	26,871	-	-	-		26,871
Metallurgical	3,579	-	-	-	-	3,579
Field expenses	201,469	-	-	-	-	201,469
Drilling	723,990					723,990
Mining Engineering	66,846	-	-	-	-	66,846
Bulk Sampling	32,430	-	-	-	-	32,430
Total deferred exploration costs	2,236,329	16,030	17,454	16,030	78,937	2,364,780
TOTAL	$ 2,892,849	$ 121,664	$ 40,563	$ 23,899	$ 96,887	$ 3,175,862

Period ended December 31, 2008	Ochoa	Dove Creek	Sinbad	Pine Ridge	Other	Total
Acquisition costs						
Balance, beginning of period	$ -	$ -	$ -	$ -	$ -	$ -
Additions during the period						
Landman costs	283,582	71,491	-	-	-	355,073
Permit application and acquisition	196,084	44,093	23,358	7,633	54	271,222
Total acquisition costs	$ 479,666	$ 115,584	$ 23,358	$ 7,633	$ 54	$ 626,295
Deferred exploration costs						
Balance, beginning of period	$ -	$ -	$ -	$ -	$ -	$ -
Additions during the period						
Geology / Consulting	405,742	13,706	17,454	13,706	46,698	497,306
Environmental work	41,624	2,324	-	2,324	-	46,272
Total deferred exploration costs	$ 447,366	$ 16,030	$ 17,454	$ 16,030	$ 46,698	$ 543,578
TOTAL	$ 927,032	$ 131,614	$ 40,812	$ 23,663	$ 46,752	$ 1,169,873

6. MINERAL PROPERTIES (cont'd…)

Title to mineral properties 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 mineral properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge, title to the properties are in good standing.

a) Ochoa property

During the year 2008, the Company acquired certain permits located in Lea County, New Mexico. The permits are valid for two years with the next annual rent due on December 1, 2010. The permits are renewable every two years if the Company meets performance criteria. The Company also paid US$50,000 into a Permit Bond that may be refundable if certain prospecting permit and reclamation requirements are satisfied, thus this amount is recorded in deposits on the balance sheet. The Ochoa Property is subject to a royalty of US$1.00 per ton of polyhalite mined for the first 1,000,000 tons and US$0.50 per ton thereafter. A 5% gross royalty is expected to be imposed by the federal government. The Company signed a royalty agreement on September 28, 2009 for an additional 3% net profits royalty (the "Profit Royalty") for a term of 25 years commencing from the initiation of production of which 1% of the NSR is payable to a director of the Company. The Company may acquire, at its option, up to one-half of the Profit Royalties at a price of $3,000,000 per 0.5%.

As part of the acquisition of the Ochoa permits, the Company issued 500,000 (2008 – nil) common shares valued at $30,000 (2008 – $nil) during fiscal 2009.

b) Dove Creek property

During 2008, the Company applied for certain permits located in San Juan County, Utah.

c) Sinbad Valley property

During 2008, the Company applied for certain permits located in Mesa and Montrose Counties, Colorado.

d) Pine Ridge property

During 2008, the Company applied for certain permits located in San Juan County, Utah.

e) Other

The Company is identifying and pursuing rights to explore other properties.

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus
Authorized			
Unlimited common shares			
Common shares issued			
Balance as at December 31, 2007	-	$ -	$ -
Private placements	40,300,001	5,750,000	-
Share issue costs	-	(16,528)	-
Stock-based compensation	-	-	478,304
Balance as at December 31, 2008	40,300,001	5,733,472	478,304
Issued for mineral properties	500,000	30,000	-
Shares of ICP as at November 30, 2009	(40,800,001)	129,690	-
Shares of IC Potash as at November 30, 2009	41,555,590	-	-
Private placements	17,841,900	7,136,760	-
Share issue costs	-	(724,850)	69,912
Stock-based compensation	-	-	135,622
Balance as at December 31, 2009	59,397,490	$ 12,305,072	$ 683,838

Share Issuances

(i) On May 14, 2008, the Company issued 30,000,001 common shares at $0.02 per common share pursuant to a non-brokered private placement for gross proceeds of $600,000.

(ii) On June 30, 2008, the Company issued 10,300,000 common shares at $0.50 per common share pursuant to a non-brokered private placement for gross proceeds of $5,150,000.

(iii) On February 9, 2009, the Company issued 500,000 common shares valued at $30,000 pursuant to an obligation to issue shares on a mineral property acquisition (note 6).

(iv) On November 30, 2009, the Company issued 25,800,001 common shares valued at $129,690 as consideration for the acquisition of all shares of ICP that it did not already own (note 4). Prior to the acquisition, the Company held 15,755,589 common shares of ICP.

(v) On December 2, 2009, the Company issued 17,704,400 units pursuant to a brokered private placement at $0.40 per unit for gross proceeds of $7,081,760. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitled the holder to purchase one common share of the Company for $0.65 per share until December 2, 2011. The Company paid $556,468 and issued 398,300 agent unit options valued at $69,912 in connection with the financing. Each agent unit option entitled the holder to purchase one common share of the Company at $0.40 for one year.

(vi) On December 3, 2009, the Company issued 137,500 units pursuant to a brokered private placement at $0.40 per unit for gross proceeds of $55,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitled the holder to purchase one common share of the Company for $0.65 per share until December 3, 2011.

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Escrow

Included in the shares outstanding at December 31, 2009, are 4,784,685 (2008 – nil) common shares held in escrow. These escrowed shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

8. STOCK OPTIONS AND WARRANTS

Stock options

The Company has an incentive stock option plan (the "Plan") whereby the Company may grant stock options to eligible employees, officers, directors and consultants at an exercise price to be determined by the board of directors, provided the exercise price is not lower than the market value at time of issue. 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 five years. The board of directors has the exclusive power over the granting of options and their vesting provisions.

As at December 31, 2009, the Company had stock options outstanding, enabling the holders to acquire the following number of common shares:

Number of Options	Exercise Price	Expiry Date	
87,500	2.20	January 17, 2010	(Subsequently expired)
125,000	1.34	November 6, 2011	
62,500	4.20	January 9, 2012	
150,000	1.16	August 28, 2013	
3,750,000	0.40	June 14, 2014	
4,175,000			

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2007	-	$ -
Granted	3,750,000	0.40
Outstanding at December 31, 2008	3,750,000	0.40
Granted during year	100,000	0.40
Granted on RTO	512,500	1.97
Cancelled/expired	(187,500)	0.67
Outstanding at December 31, 2009	4,175,000	$ 0.55
Number of options exercisable at December 31, 2009	4,175,000	$ 0.55

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

Stock-based compensation

During the year ended December 31, 2009, the Company granted 100,000 (2008 – 3,750,000) stock options, which all vested at the grant date. The fair value of the options granted as determined by the Black-Scholes option pricing model, was $11,820 (2008 - $478,304) or $0.12 (2008 - $0.13) per option. Additionally 3,850,000 options were re-priced resulting in stock-based compensation of $61,028. A total of 512,500 stock options were granted to former IC Potash option holders resulting in stock-based compensation of $62,774.

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

	December 31, 2009	December 31, 2008
Risk-free interest rate	2.37%	2.40%
Expected life of options	4.5 years	5 years
Annualized volatility	115%	125%
Dividend rate	0%	0%

Warrants

As at December 31, 2009, the Company had warrants outstanding, enabling the holders to acquire the following number of common shares:

Number of Warrants	Exercise Price	Expiry Date
8,852,200	$ 0.65	December 2, 2011
68,750	$ 0.65	December 3, 2011
8,920,950		

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at December 31, 2008 and 2007	-	$ -
Issued	8,920,950	0.65
Outstanding at December 31, 2009	8,920,950	$ 0.65

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

Agents' unit options

As at December 31, 2009, the Company had agents' unit options outstanding, enabling the holders to acquire the following number of units:

Number of Unit Options	Exercise Price	Expiry Date
398,300	$ 0.40	December 2, 2010
398,300		

Agents' unit option transactions are summarized as follows:

	Number of Unit Options		Weighted Average Exercise Price
Outstanding at December 31, 2008 and 2007	-	$	-
Issued	398,300		0.40
Outstanding at December 31, 2009	398,300	$	0.40

The following weighted-average assumptions were used for the Black-Scholes valuation of agents' unit options granted during the period:

	December 31, 2009
Risk-free interest rate	1.13
Expected life of options	1.00
Annualized volatility	125%
Dividend rate	-

9. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2009, the Company entered into the following transactions with related parties:

a) Paid or accrued consulting fees of $13,000 (2008 - $105,495) to directors and corporations controlled by directors.
b) Paid or accrued directors' fees, included in administrative costs, of $20,250 (2008 - $Nil).
c) Paid or accrued geology fees, included in deferred exploration costs, of $13,204 (2008 - $Nil) to a corporation with a common director.
d) Paid or accrued geology consulting fees, included in deferred exploration costs, of $Nil (2008 - $240,000) to a corporation with common directors.
e) Paid or accrued rent of $34,000 (2008 - $Nil) to a corporation with common directors.
f) Entered into a royalty agreement, in respect of NSRs on certain properties with a director totalling 1% of gross profits.

9. RELATED PARTY TRANSACTIONS (cont'd…)

Included in accounts payable as at December 31, 2009 is $36,049 (December 31, 2008 – $41,024) due to directors and corporations controlled by directors.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Cash and equivalents are comprised of:

Cash	$	3,257,172	$	213,952
Guaranteed Investment Certificates		4,101,000		4,000,000
	$	7,358,172	$	4,213,952

The guaranteed investment certificates have an interest yield of 0.45% at December 31, 2009.

Supplemental disclosure with respect to cash flows	Year ending December 31, 2009		Period from incorporation to December 31, 2008	
Cash paid for interest	$	-	$	-
Cash paid for income taxes	$	-	$	-
Accrued mineral property expenditures	$	746,721	$	10,789
Obligation to issue shares	$	(30,000)	$	30,000
Agent unit options for issue costs	$	69,912	$	-
Accrued share issue costs	$	165,652	$	-
RTO acquisition (Note 4)	$	100,720	$	-

11. COMMITMENTS

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

2010	$	41,300	USD
2011 (July expiry)		24,500	USD
	$	65,800	USD

12. SEGMENTED INFORMATION

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

	December 31, 2009			December 31, 2008		
	Canada	USA	Total	Canada	USA	Total
Equipment	$ 75,028	$ 74,658	$ 149,686	$ -	$ -	$ -
Mineral Properties	-	3,175,862	3,175,862	-	1,169,873	1,169,873
	$ 75,028	$ 3,250,520	$ 3,325,548	$ -	$ 1,169,873	$ 1,169,873

13. INCOME TAXES

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

	2009	2008
Loss before income taxes	$ (2,508,440)	$ (929,433)
Expected income tax recovery	$ (752,533)	$ (288,124)
Items not deductible for income tax purposes	44,623	148,346
Items deductible for income tax purposes	(4,267)	(1,025)
Effect of foreign tax rates	(28,681)	(2,826)
Unrecognized benefit of operating loss carry forward and change in rates	740,858	143,629
Future income tax recovery	$ -	$ -

The significant components of the Company's future income tax assets (liabilities) are as follows:

	2009	2008
Future income tax assets (liabilities)		
Capital assets	$ 1,000	$ -
Non-capital loss carryforwards	3,040,000	126,000
Share issuance costs	163,000	3,000
	3,204,000	129,000
Valuation allowance	(3,204,000)	(129,000)
Net future income tax asset	$ -	$ -

13. INCOME TAXES (cont'd…)

The Company has non-capital losses of approximately $7,400,000 available to offset against taxable income in future years, which if unutilized will expire through to 2029. Subject to certain restrictions, the Company also has resource exploration expenditures of approximately $3,176,000 available to offset taxable income in future years. Future tax benefits which may arise as a result of these losses, resource deductions and other tax assets have not been recognized in these financial statements and have been offset by a valuation allowance due to the uncertainty of their realization.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The Company has designated its cash and equivalents and deposits as held-for-trading, measured at fair value using level one as the basis for measurement in the fair value hierarchy. Receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. The carrying value of receivables and accounts payable and accrued liabilities approximate fair value because of the short-term nature of these instruments.

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

Credit risk

The Company's credit risk is primarily attributable to cash and equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. Cash and equivalents consist of savings accounts and guaranteed investment certificates 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. After January 1, 2010, the federal deposit insurance goes back down to $100,000 per account in the United States. Financial instruments included in receivables consist of amounts due from government agencies, and receivables from related and unrelated companies. The Company limits its exposure to credit loss for cash and equivalents by placing its cash with high quality financial institutions and for receivables by standard credit checks. The Company's credit risk has not changed significantly from the prior period.

Liquidity risk

The Company's ability to remain liquid over the long term depends on its ability to obtain additional financing. The Company has in place planning and budgeting processes to help determine the funds required to support normal operating requirements on an ongoing basis as well as its planned development and capital expenditures. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2009, the Company had cash and equivalents balance of $7,358,172 to settle current liabilities of $1,324,260.

Interest rate risk

The Company has cash and equivalents balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as investments have maturities of three months or less and the Company currently does not carry interest bearing debt at floating rates.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Foreign currency risk

The Company's functional currency is the Canadian dollar, however most major transactions are 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.

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. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities, and stability of exchange rates can all cause significant fluctuations in commodity prices.

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:
(a) To safeguard its ability to continue as a going concern;
(b) Continue the exploration of its mineral properties; and
(c) Maintain a capital structure which optimizes the cost of capital at acceptable risk.

The Company manages and adjusts its capital structure based on available funds in order to support its operations and the acquisition, exploration and development of mineral properties. The capital of the Company consists of share capital and options. The Company had no bank indebtedness at period-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.

The Company must rely on capital markets to support continued growth. There can be no assurance that the Company will be able to obtain sufficient capital in the case of operating cash deficits. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. The Company is not subject to externally imposed capital requirements. The Company does not pay dividends.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2009.