

AMENDED

ICN RESOURCES LTD.
(formerly Icon Industries Limited)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2010

ICN RESOURCES LTD
(formerly Icon Industries Limited)

Interim Consolidated Financial Statements
Three Months Ended March 31, 2010

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, the statements 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 the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ICN RESOURCES LTD.
(formerly Icon Industries Limited)
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
THREE MONTHS ENDED MARCH 31,
(Unaudited – Prepared by Management)

	2010	2009
EXPENSES		
Accounting and audit	\$ 3,000	\$ 5,000
Advertising and promotion	600	-
Amortization	454	560
Consulting fees	15,250	15,890
Investor relations	15,000	-
Legal	437	-
Management fees (Note 6)	(3,379)	15,000
Office and miscellaneous	12,723	17,549
Property investigation	10,586	-
Rent	5,842	3,870
Stock-based compensation (Note 5)	91,931	28,542
Transfer agent and regulatory fees	8,277	9,141
Travel and accommodation	<u>2,379</u>	<u>4,651</u>
	(163,100)	(100,203)
OTHER ITEMS		
Interest income	-	1,279
Foreign exchange	(1,230)	-
Write-off of accounts payable	<u>-</u>	<u>22,908</u>
	<u>(1,230)</u>	<u>24,187</u>
Loss for the period	(164,330)	(76,016)
Deficit, beginning of period	<u>(14,884,459)</u>	<u>(14,063,661)</u>
Deficit, end of period	\$(15,048,789)	\$(14,139,677)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	29,209,357	20,319,024

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

ICN RESOURCES LTD.
(formerly Icon Industries Limited)
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31,
(Unaudited – Prepared by Management)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (164,330)	\$ (76,016)
Items not affecting cash:		
Amortization	454	560
Foreign exchange	790	-
Stock-based compensation	91,931	28,542
Changes in non-cash working capital items:		
Increase in receivables	(4,818)	(3,092)
Decrease in prepaid expenses and advances	17,417	-
Decrease in accounts payable and accrued liabilities	<u>(231,073)</u>	<u>(69,476)</u>
Net cash used in operating activities	<u>(289,629)</u>	<u>(119,482)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral property investment	(74,294)	(16,590)
Acquisition of equipment	<u>(1,399)</u>	<u>(1,200)</u>
Net cash used in investing activities	<u>(75,693)</u>	<u>(17,790)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	96,625	-
Share subscription received	<u>17,000</u>	<u>-</u>
Net cash provided by financing activities	<u>113,625</u>	<u>-</u>
Change in cash during the period	(251,697)	(137,272)
Cash position, beginning of the period	<u>994,253</u>	<u>1,352,400</u>
Cash position, end of the period	<u>\$ 742,556</u>	<u>\$ 1,215,128</u>

Supplement disclosure with respect to cash flows (Note 8)

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

ICN RESOURCES LTD.

(formerly Icon Industries Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31,

(Unaudited – Prepared by Management)

1. NATURE OF OPERATIONS AND GOING CONCERN

ICN Resources Ltd. (formerly Icon Industries Limited) (the “Company”) is a public company listed on Tier 2 of the TSX Venture Exchange. The Company is in the business of acquiring, exploring and developing mineral resource properties. During the year ended December 31, 2009, the Company changed its name from Icon Industries Limited to ICN Resources Ltd.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses of \$15,048,789 since inception and further losses are anticipated in the development of its business plan. These circumstances lead to significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

These consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

	March 31, 2010	December 31, 2009
Deficit	\$ (15,048,789)	\$ (14,884,459)
Working capital	748,954	789,949

2. SIGNIFICANT ACCOUNTING POLICIES**Principles of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned U.S. subsidiary, Hog Ranch Nevada Inc. (“HRNI”). HRNI was incorporated on October 20, 2009 in the State of Nevada, United States of America. All inter-company balances and transactions are eliminated on consolidation.

ICN RESOURCES LTD.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31,
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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Basis of presentation

These unaudited interim consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles. Certain information and disclosure normally required to be included in notes to annual consolidated financial statements have been condensed or omitted. The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2009 together with the notes thereto. The interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the year ended December 31, 2009 except as disclosed in below.

Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

Recent Accounting Pronouncements

International financial reporting standards ("IFRS")

The CICA has adopted a strategic plan whereby the Canadian accounting standards will be converged with International Financial Reporting Standards (IFRS) with the requirement to report under the new standards for fiscal years commencing in 2011. The Company's transition date of January 1, 2010 will require the restatement, for comparative purposes, of amounts reported by the Company for the year ended December 31, 2010.

The Company is in the process of assessing the impact of these standards and will be monitoring changes to IFRS as they are implemented. At this time, the most significant impacts appear to be related to the calculation of stock based compensation. However, the resulting effect on the Company's consolidated financial statements has not yet been quantified.

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently. The Company has not yet determined the impact of the adoption of these standards on its consolidated financial statements

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3. EQUIPMENT

	March 31, 2010			December 31, 2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Equipment and machinery	\$ 9,180	\$ 4,156	\$ 5,024	\$ 9,180	\$ 3,892	\$ 5,288
Office furniture and equipment	3,746	2,386	1,360	3,746	2,314	1,432
Computer equipment	<u>10,027</u>	<u>7,866</u>	<u>2,161</u>	<u>8,628</u>	<u>7,748</u>	<u>880</u>
	\$ 22,953	\$ 14,408	\$ 8,545	\$ 21,554	\$ 13,954	\$ 7,600

4. MINERAL PROPERTY INVESTMENT

2010	Hog Ranch and Estill Property	Beresford Lake Property	Total
Acquisition costs			
Cash payments	\$ 1,457	\$ -	\$ 1,457
Deferred exploration expenditures			
Assays	52,659	-	52,659
Consulting – geological	14,485	-	14,485
Equipment rental	299	-	299
Miscellaneous	441	-	441
Project administration	10,377	-	10,377
Surveys	77	-	77
Telecommunication	267	-	267
Travel	<u>2,004</u>	<u>-</u>	<u>2,004</u>
	<u>80,609</u>	<u>-</u>	<u>80,609</u>
Net costs for the year	82,066	-	82,066
Balance, beginning of the year	<u>1,762,146</u>	<u>294,160</u>	<u>2,056,306</u>
Balance, March 31, 2010	\$ 1,844,212	\$ 294,160	\$ 2,138,372

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4. MINERAL PROPERTY INVESTMENT (cont'd...)

2009	Hog Ranch and Estill Property	Beresford Lake Property	Total
Acquisition costs			
Cash payments	\$ 710,090	\$ -	\$ 710,090
Common share issuances	<u>100,000</u>	<u>-</u>	<u>100,000</u>
	<u>810,090</u>	<u>-</u>	<u>810,090</u>
Deferred exploration expenditures			
Assays	42,454	-	42,454
Camp	4,383	-	4,383
Consulting – geological	202,063	-	202,063
Drilling	510,802	-	510,802
Equipment rental	46,609	-	46,609
Freight	11,051	-	11,051
Miscellaneous	3,120	-	3,120
Project administration	84,188	-	84,188
Supplies	9,222	-	9,222
Surveys & maps	3,704	-	3,704
Telecommunication	2,434	-	2,434
Travel	<u>32,026</u>	<u>-</u>	<u>32,026</u>
	<u>952,056</u>	<u>-</u>	<u>952,056</u>
Net costs for the year	1,762,146	-	1,762,146
Balance, beginning of the year	-	754,257	754,257
Write off of property	<u>-</u>	<u>(460,097)</u>	<u>(460,097)</u>
Balance, end of the year	<u>\$ 1,762,146</u>	<u>\$ 294,160</u>	<u>\$ 2,056,306</u>

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

Hog Ranch and Estill Property, Nevada, USA

On April 28, 2009 the Company entered into an option agreement with Seabridge Gold Corporation (“Seabridge”) and its wholly-owned subsidiary, Seabridge Gold Inc. (“SEA”), whereby the Company paid \$500,000 and issued 1,000,000 shares of the Company to SEA, for and in consideration of Seabridge granting the Company an option to acquire a 100% interest in certain unpatented lode mining claims and land, collectively the Hog Ranch and Estill Property in Washoe County, Nevada, subject to the terms of the leases with the owners. To exercise the option, the Company shall pay an additional \$525,000 and issue an additional 1,000,000 common shares of the Company on or before April 17, 2010 (Subsequent Events - Note 11).

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4. MINERAL PROPERTY INVESTMENT (cont'd...)**Hog Ranch and Estill Property, Nevada, USA (cont'd...)**

The Hog Ranch property is subject to an annual advance royalty of US\$20,000, payable on November 15 of each year, and a production royalty to the owner in the amount of 1% of gross proceeds on the sale of minerals from the properties, and pay the owner a further US\$250,000 in cash upon the earlier of (i) confirmation by an independent third party of a measured and indicated gold reserve of more than 1.0 million ounces, (ii) completion of a positive bankable feasibility study which demonstrates a mine capable of producing at least 100,000 ounces of gold per annum.

The Estill property is subject to a 3% NSR with an exception of precious metals production royalty ranging from 1.8% to 3.3% depending on gold price.

The Estill property is subject to a lease payment of US\$17,760 on October 1 of each year, should the total exploration expenditure on the Estill properties be less than \$200,000; or US\$11,840 on October 1 of each year, should the total exploration expenditure on the Estill properties be \$200,000 or more.

In connection with the option agreement, the Company agreed to pay a finder's fee of \$95,000, of which \$56,250 was paid and the remainder of \$38,750 is payable upon the Company's exercise of the option (Subsequent Events - Note 11).

Beresford Lake Property, Manitoba

The Company acquired a 100% interest in the Beresford Lake Property (the "Property") near Bisset, Manitoba pursuant to an option agreement (the "Option") with Stephen Stares, Michael Stares, and Wayne Reid (collectively the "Optionors"). To acquire its 100% interest, the Company paid the Optionors \$82,001 and issued 300,001 common shares of the Company with a value of \$60,750. The Option also included a work commitment which the Company has met. The Property is subject to a 2% NSR with the Company having the right to purchase 1% of the NSR for \$1,000,000 with a right of first refusal to the remaining 1%. The Option contains a provision for the acquisition of additional claim units in an area of interest surrounding the Property.

During the year ended December 31, 2009, the Company let certain claims lapse as the Company has no further plans for these claims. Therefore, the Company wrote off exploration costs of \$460,097 associated with these claims.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. SHARE CAPITAL AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus
Authorized			
Unlimited number of common shares without par value			
Issued :			
Balance, December 31, 2008	20,319,024	15,506,792	643,590
Mineral property acquisition	1,000,000	100,000	-
Private placement	7,444,500	1,265,565	-
Exercise of options	150,000	40,347	(17,847)
Share issuance costs	-	(65,376)	-
Stock-based compensation	-	-	308,839
Balance, December 31, 2009	28,913,524	16,847,328	934,582
Exercise of options	382,500	100,254	(41,129)
Exercise of warrants	150,000	37,500	-
Stock-based compensation	-	-	91,931
Balance, March 31, 2010	29,446,024	\$ 16,985,082	\$ 985,384

Share subscriptions receivable

The Company received share subscription proceeds of \$17,000 outstanding at December 31, 2009 in the three month period ended March 31, 2010.

Share issuances

During the three month period ended March 31, 2010, the Company:

- Issued 382,500 common shares from exercise of options at exercise prices ranging from \$0.15 to \$0.22 per share for proceeds of \$59,125. Accordingly, \$41,129 was transferred from contributed surplus to capital stock.
- Issued 150,000 common shares from exercise of warrants at an exercise price of \$0.25 per share for proceeds of \$37,500.

During the year ended December 31, 2009, the Company:

- Completed a non-brokered private placement of 7,444,500 units ("units") at a price of \$0.17 per unit for gross proceeds of \$1,265,565. Each unit is comprised of one common share and one half of a share purchase warrant; each whole share purchase warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.25 for a period of two years. The Company paid finder's fees of \$65,376.
- Issued 150,000 common shares from exercise of options at an exercise price of \$0.15 per share for proceeds of \$22,500. Accordingly, \$17,847 was transferred from contributed surplus to capital stock.
- Issued 1,000,000 common shares pursuant to mineral property agreements on the Hog Ranch and Estill Property with a total value of \$100,000.

ICN RESOURCES LTD.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31,

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5. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd...)**Stock options**

The Company has a stock option plan (the “Stock Option Plan”) under which it can grant up to a maximum of 20% of the issued and outstanding shares of the Company as determined at the Annual General Meeting of Shareholders. The exercise price of each option shall not be less than the market price of the Company's stock at the date of grant and the options can be granted for a maximum term of 5 years. The vesting period is determined by the board of directors and must be in compliance with the policies of the TSX-V Exchange.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2008	2,035,000	0.50
Granted	3,580,000	0.20
Exercised	(150,000)	0.15
Cancelled/expired	<u>(1,495,000)</u>	0.60
Balance, December 31, 2009	3,970,000	0.20
Granted	100,000	0.22
Exercised	(382,500)	0.15
Cancelled	<u>(187,500)</u>	0.18
Balance, March 31, 2010	3,500,000	\$ 0.21
Exercisable at March 31, 2010	1,642,500	\$ 0.21
Weighted average fair value of options granted during the period		\$0.14 (2009 - \$0.10)

At March 31, 2010, the following stock options were outstanding:

Number of Options	Exercise price	Expiry Date
170,000	\$ 0.15	February 3, 2011
100,000	0.15	September 25, 2011
150,000	0.35	November 3, 2013
580,000	0.15	March 19, 2014
1,100,000	0.22	September 29, 2014
1,050,000	0.22	October 22, 2014
100,000	0.22	December 3, 2014
150,000	0.22	December 8, 2014
100,000	0.22	February 15, 2015

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**THREE MONTHS ENDED MARCH 31,**

(Unaudited – Prepared by Management)

5. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd...)**Stock-based compensation**

For stock options granted to employees, officers, directors and consultants, the Company recognizes as an expense the estimated fair value of the stock options granted. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option-pricing model.

For the three months ended March 31, 2010 an expense of \$91,931 (2009 - \$28,542) was recorded in the consolidated financial statements of the Company as stock-based compensation and the offset was credited to contributed surplus. The fair value of stock options granted was determined using the following weighted average assumptions:

	2010	2009
Risk-free interest rate	1.62%	1.20%
Expected life of options	3 years	3 years
Annualized volatility	173.49 %	86.40 %
Dividend rate	0%	0%

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2008	2,603,333	0.30
Issued	<u>3,722,250</u>	0.25
Balance, December 31, 2009	6,325,583	0.27
Exercised	<u>(150,000)</u>	0.25
Balance, March 31, 2010	6,175,583	\$ 0.27
Exercisable at March 31, 2010	6,175,583	\$ 0.27

At March 31, 2010, the following warrants were outstanding:

Number of Warrants	Exercise price	Expiry Date
2,603,333	\$ 0.30	April 13, 2010 (Subsequently expired unexercised)
3,572,250	\$ 0.25	December 17, 2011

ICN RESOURCES LTD.
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6. RELATED PARTY TRANSACTIONS

The Company paid or accrued amounts to related parties during the three months ended March 31 as follows:

	2010	2009
Consulting and administrative fees to a company controlled by an officer and former director of the Company	\$ 18,291	\$ 18,291
Consulting fees to an officer of the Company	4,000	-
Management & Geological fees to companies controlled by directors of the Company	5,621	4,640
Management fees to a company controlled by a director	-	15,000
Rent to a company with directors in common with the Company	-	3,560

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Included in accounts payable and accrued liabilities at March 31, 2010 is \$nil (December 31, 2009 - \$226,450) owing to related parties for services rendered to the Company.

The Company entered into a consulting agreement effective June 1, 2009 with a company controlled by the President and CEO of the Company for consulting services expiring May 31, 2012. The Company will pay a monthly fee of \$5,000 plus GST and reimburse all reasonable expenses incurred during the performance of the services. If the President is terminated as a result of a change of control of the Company, the Company shall pay a minimum severance compensation of \$330,000. The Company entered into a settlement agreement with the former President and CEO, whereby in consideration of a payment of \$189,000 to the former President, the Company was released from all claims arising from the consulting agreement with the Company controlled by the former President. Of the \$189,000 cash settlement, \$96,625 was provided for the former President to exercise his stock options and warrants (Note 5). The \$189,000 was included in the December 31, 2009 accounts payable. The \$189,000 cash settlement also included \$9,000 GST which was adjusted to operations for the three months ended March 31, 2010.

The Company entered into a consulting agreement effective June 1, 2009 with a company controlled by the CFO of the Company for consulting services expiring May 31, 2011. The Company will pay a monthly fee of \$3,750 plus GST and reimburse all reasonable expenses incurred during the performance of the services. If the CFO is terminated as a result of a change of control of the Company, the Company shall pay a minimum severance compensation of \$90,000.

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7. SEGMENTED INFORMATION

The Company conducts all of its operations in North America in one business segment, being the exploration and development of mineral properties. Geographic information is as follows:

	March 31, 2010	December 31, 2009
Mineral properties and deferred exploration costs in		
- Canada	\$ 950,409	\$ 950,409
- United States	<u>1,187,963</u>	<u>1,105,897</u>
	<u>\$ 2,138,372</u>	<u>\$ 2,056,306</u>

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2010	2009
Cash paid for interest expense during the period	\$ -	\$ -
Cash paid for income taxes during the period	\$ -	\$ -

The significant non-cash transactions during during the three month periods ended March 31, 2010 included:

- a) Included in mineral property costs at March 31, 2010 is \$7,772 incurred through accounts payable and accrued liabilities.

There were no significant non-cash transactions during the three month periods ended March 31, 2009.

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company includes shareholders' equity and working capital in the definition of capital.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

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10. FINANCIAL INSTRUMENTS AND RISK

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

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the balance sheet and arises from the Company's cash and receivables.

The Company's cash is held through a Canadian chartered bank, which is a high-credit quality financial institution. The Company's receivables primarily consist of goods and services tax due from Federal Government of Canada. Management believes that the credit risk concentration with respect to receivables is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2010, the Company had a cash balance of \$742,556 to settle current liabilities of \$37,917. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency rate risk

The Company is exposed to foreign currency risk as it funds its exploration programs and certain administrative expenses in the United States by using US dollars converted from its Canadian bank account. The Company does not enter into any foreign exchange hedging contracts. Notwithstanding, the Company continuously monitors this exposure to determine if any mitigation strategies become necessary. An effect of a plus or minus 10% change in the exchange rate between the Canadian and US dollars on these instruments would have a minimal change to net loss for the year.

Sensitivity analysis

The carrying value of cash, receivables, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturities of these financial instruments.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

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10. FINANCIAL INSTRUMENTS AND RISK (cont'd...)

Fair Value

CICA Handbook Section 3862 “Financial Instruments – disclosures” establishes a fair value hierarchy that prioritizes the inputs used to measure fair value as follows:

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 or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data.

As at March 31, 2010, the Company’s financial instruments are comprised of cash, receivables, reclamation bond and accounts payable and accrued liabilities. The carrying value of receivables, reclamation bond and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturities of these financial instruments.

Financial instruments measured at fair value on the balance sheet are summarized in levels of fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 742,556	\$ -	\$ -	\$ 742,556
Total	\$ 742,556	\$ -	\$ -	\$ 742,556

11. SUBSEQUENT EVENTS

Subsequent to March 31, 2010:

- (a) Under the option agreement with Seabridge Gold Corporation, the Company is required to issue 1,000,000 shares and pay \$525,000 by April 17, 2010. The shares were issued and forwarded to Seabridge on April 13, 2010. In lieu of the cash payment, the Company issued to Seabridge on May 14, 2010, a convertible debenture for \$525,000 for a term of 18 months at 5% interest and convertible at Seabridge’s option at \$0.30 per share (Note 4) approved by the regulatory authorities on April 27, 2010.
- (b) The final Finder’s Fee payable on the completion of the Hog Ranch option agreement (Note 4) was paid on May 5, 2010.