



Consolidated Financial Statements

For the years ended August 31, 2024 and 2023

Expressed in Canadian Dollars

**MILLENNIAL POTASH CORP.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2024**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Millennial Potash Corp.

### *Opinion*

We have audited the accompanying consolidated financial statements of Millennial Potash Corp. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, other comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at August 31, 2024, the Company has not advanced its properties to commercial production and may not be able to finance day to day activities. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

### Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 6 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$9,790,997 as of August 31, 2024. As more fully described in Note 2 and 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.



The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Obtaining, from legal counsel, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

#### Acquisition of Equatorial Potash Pty Ltd.

As described in Note 4 to the consolidated financial statements, the Company's interest in Equatorial Potash Pty Ltd. ("Equatorial") increased from 25% to 51%, and subsequently to 70%, during the current year. As more fully described in Note 2 and 3, judgement is exercised by management to assess whether the acquisition constituted a business combination or an asset acquisition.

The principal considerations for our determination that the acquisition of Equatorial is a key audit matter was that the transaction constituted a significant and material event during the year ended August 31, 2024. In addition, there was judgment by management when determining the fair value of the net assets acquired and the consideration paid, as well as the determination that the acquisition was an asset acquisition. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of fair value of the consideration and net assets acquired, as well as the judgment that the acquisition was an asset acquisition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures include, among others:

- Examining the contractual terms of the option agreement to identify key terms of the acquisition.
- Evaluating management's assessment of whether the transaction constituted an asset acquisition or business combination.
- Evaluating appropriateness of purchase price equation including assessment of methodology used to determine the fair value of the consideration paid and net assets acquired.
- Assessing the adequacy of the financial statement disclosures.

#### ***Other Information***

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:


- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Carmen Newnham.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

December 23, 2024

**MILLENNIAL POTASH CORP.**

Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars)

	Note	August 31, 2024 \$	August 31, 2023 \$
<b>Assets</b>			
<b>Current</b>			
Cash		1,574,029	1,629,036
Amounts receivable		41,288	29,226
Prepaid expenses and deposits		691,898	1,213,279
		<b>2,307,215</b>	<b>2,871,541</b>
<b>Equipment</b>	5	<b>104,711</b>	-
<b>Exploration and evaluation assets</b>	6	<b>9,790,997</b>	-
<b>Equity Investment</b>	7	-	3,994,192
<b>Right-of-use asset</b>	8	<b>63,044</b>	59,193
<b>Total assets</b>		<b>12,265,967</b>	<b>6,924,926</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	9,13	527,472	432,831
Lease liability	8	67,282	63,918
		<b>594,754</b>	<b>496,749</b>
<b>Shareholders' equity</b>			
Share capital	10	16,924,956	13,084,635
Reserves	10	3,615,660	1,977,478
Deficit		(11,079,389)	(8,633,936)
Other comprehensive income		25,219	-
<b>Equity attributable to shareholders of the Company</b>		<b>9,486,446</b>	<b>6,428,177</b>
<b>Non-controlling interest</b>	15	<b>2,184,767</b>	-
		<b>11,671,213</b>	<b>6,428,177</b>
<b>Total liabilities and shareholders' equity</b>		<b>12,265,967</b>	<b>6,924,926</b>

Nature and continuance of operations (Note 1)  
Subsequent events (Note 17)

Approved on behalf of the Board:

"Farhad Abasov"

Farhad Abasov, Director

"Peter MacLean"

Peter MacLean, Director

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

**MILLENNIAL POTASH CORP.**

Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)

		<b>For the years ended August 31,</b>	
	Note	<b>2024</b>	<b>2023</b>
		\$	\$
<b>Expenses</b>			
Advertising and promotion		707,355	825,388
Consulting fees		360,862	515,382
Depreciation expense	8	105,875	101,612
Foreign exchange loss (gain)		(1,486)	(8,532)
General and administrative		62,250	83,996
Interest expense – lease liability	8	10,638	12,913
Insurance		18,420	16,613
Management fees	13	591,701	399,814
Professional fees		148,696	197,876
Property investigation costs		-	175,618
Rent	13	-	3,000
Share-based compensation	10,13	1,159,620	424,851
Transfer agent and filing fees		62,760	105,443
Travel and related		64,536	90,590
		<b>(3,291,227)</b>	<b>(2,944,564)</b>
Write-off of exploration and evaluation asset	6	-	(1,774,969)
Loss on equity investment	7	(7,652)	(10,892)
Recovery (write-off) of prepaid		25,348	(54,511)
Other income	13	79,879	88,524
		<b>97,575</b>	<b>(1,751,848)</b>
<b>Loss for the year</b>		<b>(3,193,652)</b>	<b>(4,696,412)</b>
<b>Loss for the year attributable to:</b>			
Shareholders of the Company		(3,188,563)	(4,696,412)
Non-Controlling Interest	15	(5,089)	-
<b>Loss for the year</b>		<b>(3,193,652)</b>	<b>(4,696,412)</b>
<b>Weighted average number of outstanding shares</b>			
– basic and diluted		<b>58,216,087</b>	<b>42,961,199</b>
<b>Basic and diluted loss per share:</b>			
Attributable to shareholders of the Company		<b>(0.05)</b>	<b>(0.11)</b>
Non-controlling interest		<b>(0.00)</b>	<b>(0.00)</b>

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



**MILLENNIAL POTASH CORP.**

Consolidated Statements of Other Comprehensive Loss  
(Expressed in Canadian Dollars)

	<b>For the years ended August 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Loss for the year</b>	<b>(3,193,652)</b>	<b>(4,696,412)</b>
<b>Other Comprehensive loss</b>		
Foreign currency translation adjustment	<b>36,027</b>	<b>-</b>
<b>Comprehensive loss for the year</b>	<b>(3,157,625)</b>	<b>(4,696,412)</b>
<b>Comprehensive loss attributable to:</b>		
Shareholders of the Company	<b>(3,163,344)</b>	<b>(4,696,412)</b>
Non-controlling interest	<b>5,719</b>	<b>-</b>
<b>Comprehensive loss for the year</b>	<b>(3,157,625)</b>	<b>(4,696,412)</b>

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

**MILLENNIAL POTASH CORP.**

Consolidated Statements of Cash Flows  
(Expressed in Canadian Dollars)

	<b>For the years ended August 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Net loss for the year	(3,193,652)	(4,696,412)
Items not affecting cash:		
Depreciation	105,875	101,612
Share-based compensation	1,159,620	424,851
Interest expense on lease liability	10,638	12,913
Impairment of exploration and evaluation properties	-	1,774,969
Loss on equity investment	7,652	10,892
Changes in non-cash working capital items		
Amounts receivable	(5,780)	10,566
Prepaid expenses	554,248	(1,143,516)
Accounts payable and accrued liabilities	(154,396)	71,448
<b>Cash used in operating activities</b>	<b>(1,515,795)</b>	<b>(3,432,677)</b>
<b>Investing activities</b>		
Exploration and evaluation assets expenditures	(810,245)	(60,976)
Acquisition of Equatorial Potash Pty Ltd.	(1,680,496)	(3,539,518)
Cash acquired on acquisition of Equatorial Potash Pty Ltd.	55,619	-
<b>Cash used in investing activities</b>	<b>(2,435,122)</b>	<b>(3,600,494)</b>
<b>Financing activities</b>		
Proceeds from share issuances	4,086,000	5,591,500
Share issuance cost	(109,117)	(233,728)
Stock options exercised	-	237,000
Warrants exercised	-	75,000
Repayment of lease liability	(117,000)	(111,000)
<b>Cash provided by financing activities</b>	<b>3,859,883</b>	<b>5,558,772</b>
<b>Effect of foreign exchange on cash</b>	<b>36,027</b>	<b>-</b>
<b>Net change in cash</b>	<b>(55,007)</b>	<b>(1,474,399)</b>
<b>Cash, beginning of the year</b>	<b>1,629,036</b>	<b>3,103,435</b>
<b>Cash, end of the year</b>	<b>1,574,029</b>	<b>1,629,036</b>
<b>Supplemental cash flow information</b>		
Shares issued for acquisition of investment and increase in ownership of subsidiary	342,000	237,250
Exploration and evaluation assets in accounts payable and accrued liabilities	166,868	-
Advances for equity investment in accounts payable and accrued liabilities	-	228,316
Residual value of warrants issued in private placement	460,350	605,980
Value of finders' warrants issued in private placement	18,212	45,512
Fair value reversal of options exercised	-	209,551
Modification of right-of-use asset and lease liability	109,726	109,243

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

**MILLENNIAL POTASH CORP.**

## Consolidated Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Share Capital				Other Comprehensive Income	Non- Controlling Interest	Total Shareholders' Equity
	Common Shares	Amount	Reserves	Deficit			
	#	\$	\$	\$	\$	\$	\$
<b>Balance, August 31, 2022</b>	<b>38,325,000</b>	<b>7,619,554</b>	<b>1,110,686</b>	<b>(3,937,524)</b>			<b>4,792,716</b>
Shares issued for equity investment	650,000	237,250	-	-	-	-	237,250
Shares issued for cash	12,183,000	5,312,260	45,512	-	-	-	5,357,772
Stock options exercised	635,000	446,551	(209,551)	-	-	-	237,000
Share-based compensation	-	-	424,851	-	-	-	424,851
Warrants exercised	125,000	75,000	-	-	-	-	75,000
Warrants residual value	-	(605,980)	605,980	-	-	-	-
Loss and comprehensive loss	-	-	-	(4,696,412)	-	-	(4,696,412)
<b>Balance, August 31, 2023</b>	<b>51,918,000</b>	<b>13,084,635</b>	<b>1,977,478</b>	<b>(8,633,936)</b>	<b>-</b>	<b>-</b>	<b>6,428,177</b>
Shares issued for acquisition	550,000	132,000	-	-	-	-	132,000
Shares issued for cash	17,724,000	3,958,671	18,212	-	-	-	3,976,883
Share-based compensation	-	-	1,159,620	-	-	-	1,159,620
Warrants residual value	-	(460,350)	460,350	-	-	-	-
Non-controlling interest acquired	-	-	-	-	-	3,541,254	3,541,254
Increase in ownership of subsidiary	1,000,000	210,000	-	743,110	-	(1,362,206)	(409,096)
Foreign exchange on translation	-	-	-	-	25,219	10,808	36,027
Loss and comprehensive loss	-	-	-	(3,188,563)	-	(5,089)	(3,193,652)
<b>Balance, August 31, 2024</b>	<b>71,192,000</b>	<b>16,924,956</b>	<b>3,615,660</b>	<b>(11,079,389)</b>	<b>25,219</b>	<b>2,184,767</b>	<b>11,671,213</b>

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

# MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements  
For the years ended August 31, 2024 and 2023  
(Expressed in Canadian dollars)

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## 1. NATURE AND CONTINUANCE OF OPERATIONS

Millennial Potash Corp. (the “Company”) was incorporated in British Columbia under the Business Corporations Act on July 21, 2015 and its head office is located at Suite 300 – 1455 Bellevue Avenue, West Vancouver, British Columbia, V7T 1C3. On January 24, 2023, the Company changed its name from “Black Mountain Gold USA Corp.” to “Millennial Potash Corp.” The Company is listed for trading on the TSX Venture Exchange (the “Exchange”) as a Tier 2 mining issuer under the symbol “MLP.V” (formerly “BMG.V”) and on the OTCQB Venture Market under the ticker symbol “MLPNF” (formerly “BMGCF”).

The Company’s exploration and evaluation assets are at the exploration stage and are without a known body of commercial ore. The business of exploring for exploration and evaluation assets involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral property reserves, to acquire construction and operating permits and to construct mineral property and processing facilities. The amounts shown as exploration and evaluation assets represent acquisition, holding, and exploration and evaluation costs and do not necessarily represent present or future recoverable values. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the Company obtaining the necessary financing to complete the exploration and development of the properties, the discovery of economically recoverable reserves and future profitable operations.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These adjustments could be material. As at August 31, 2024, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and/or raise equity capital or borrowings sufficient to meet current and future obligations.

These consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors on December 23, 2024.

## 2. BASIS OF PRESENTATION

### Basis of presentation

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements have been prepared on a historical cost basis, modified where applicable.

### Foreign currency translation

The financial statements of the Company are prepared in its functional currency, determined on the basis of the primary economic environment in which the entity operates. The functional currency of the Company is in Canadian dollar (“CAD”) while the functional currency of the subsidiary, Equatorial Potash Pty Ltd is in Australian dollar (“AUD”) and its wholly owned subsidiary, Mayumba Portases SARL, is in Central African franc (“XAF”).

## MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements  
For the years ended August 31, 2024 and 2023  
(Expressed in Canadian dollars)

### 2. BASIS OF PRESENTATION (continued)

#### Foreign currency translation (continued)

Foreign currency transactions are translated into functional currency using exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Where applicable, the functional currency is translated into the presentation currency using the period end rates for assets and liabilities, while the operations and cash flows are translated using average rates of exchange with the exchange differences arising on translation being recognized in other comprehensive income.

#### Basis of consolidation

The consolidated financial statements of the Company consolidate the accounts of the Company and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation. Subsidiaries are those entities that the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company.

	Incorporation	Functional Currency	Percentage owned	
			2024	2023
Mohave USA Gold Corp.	USA	USD	-	100%
Equatorial Potash Pty Ltd ("Equatorial")	Australia	AUD	70%	-
Companies owned by Equatorial				
Mayumba Portasse SARL	Gabon	XAF	70%	-

During the year ended August 31, 2024, the Company acquired 70% ownership in Equatorial and thereby acquired a 70% interest in Mayumba Potasse SARL (Note 4). During the year ended August 31, 2024, the Company dissolved Mohave USA Gold Corp.

#### Subsidiaries

Subsidiaries are all entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. Adjustments to non-controlling interest are accounted for as transactions with owners and adjustments that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

#### Significant accounting estimates and judgments

The preparation of these consolidated financial statements in accordance with IFRS Accounting Standards requires the Company to use judgment in applying its accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

## MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements  
For the years ended August 31, 2024 and 2023  
(Expressed in Canadian dollars)

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### 2. BASIS OF PRESENTATION (continued)

#### Significant accounting estimates and judgments (continued)

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about significant estimates and critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in these consolidated financial statements are discussed below:

#### Functional currency

Management is required to assess the functional currency of each entity of the Company. As neither the Company nor its subsidiaries have active operations, management considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained in concluding on the functional currencies of the parent and its subsidiaries.

#### Asset Acquisition

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition with Equatorial was determined to constitute an acquisition of assets (Note 4).

#### Impairment of exploration and evaluation assets

The carrying values of capitalized exploration and evaluation assets are reviewed annually, or when indicators of impairment are present. In the case of undeveloped properties, there may be only inferred resources to allow management to form a basis for the impairment review. The review is based on the Company's intentions for the development of such a property. If a mineral property does not prove viable, all unrecoverable costs associated with the property are charged to profit or loss at the time the impairment determination is made.

#### Investments

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine that from September 1, 2023 to February 29, 2024 the Company had significant influence in Equatorial (Note 7) and has therefore accounted for its investment using the equity method for this period.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. For the years presented, the Company did not have any cash equivalents.

#### Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are expensed.

## MILLENNIAL POTASH CORP.

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Exploration and evaluation assets (continued)

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property when collection is reasonably assured.

Exploration and evaluation assets are assessed for impairment if indicators of impairment are present. Examples of indicators of impairment include:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities; and
- sufficient data exist to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

#### Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statements of loss and comprehensive loss during the fiscal period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation is calculated using a declining balance method to write off the cost of the assets. The depreciation rates applicable to each category of property and equipment are as follows:

Asset	%	Basis
Computers	55	Declining balance
Furniture	20	Declining balance
Equipment	30	Declining balance
Vehicles	30	Declining balance

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use asset and lease liability for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.



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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Financial instruments

The Company accounts for its financial instruments in accordance with IFRS 9 Financial Instruments as follows:

##### (i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

<b>Financial assets/liabilities</b>	<b>Classification</b>
Cash	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost

##### (ii) Measurement

Financial assets and liabilities at amortized cost.

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income (loss) ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Financial instruments (continued)

##### (iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

##### (iv) Derecognition

###### *Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

###### *Financial liabilities*

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

#### Income taxes

##### Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options, restricted share units ("RSUs") and performance stock units ("PSUs") are recognized as a deduction from equity, net of any tax effects.

#### **Loss per share**

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

#### **Share-based payments**

The Company grants stock options, RSUs, and PSUs to directors, officers, employees, consultants and its affiliates as an element of compensation. The fair value of the stock options, RSUs, and PSUs is recognized over the vesting period as share-based compensation expense and reserves. The fair value of the stock options is determined using the Black-Scholes option pricing model using estimates at the date of the grant while RSUs and PSUs are valued at the fair value on the date of grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of loss and comprehensive loss with a corresponding entry within equity, against reserves. No expense is recognized for stock options that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in reserves, are credited to share capital.

Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions and measured at the fair value of the goods or services received unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

#### **Unit offerings**

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements is determined to be the more easily measurable component as they are valued at their fair value which is determined by the closing price on the issuance date. The remaining balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded to reserves. Upon exercise or expiry, the value attributed to the warrants is transferred to share capital.

#### **Investments in associates (equity accounted investee)**

Investment in associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity. In addition, significant influence may be achieved when the Company and other shareholders of the entity are under common control.

## MILLENNIAL POTASH CORP.

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Investments in associates (equity accounted investee) (continued)

Investments in associates are accounted for using the equity method and are recognized initially at cost. The financial statements include the Company's share of the income and expenses and equity movements of associates, after adjustments to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an associate, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the associate.

#### Non-controlling interest

Non-controlling interest in the Company's less than wholly owned subsidiaries are classified as a separate component of equity. On initial recognition, non-controlling interest is measured at the fair value of the non-controlling entity's contribution into the related subsidiary. After the original transaction date, adjustments are made to the carrying amount of non-controlling interest for the non-controlling interest's share of changes to each subsidiary's equity.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interest is adjusted to reflect the change in the non-controlling interest's relative interest in the subsidiary, and the difference between the adjustment to the carrying amount of non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to owners of the Company.

#### Acquisitions

Asset acquisitions are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of acquisition of assets transferred, liabilities incurred or assumed, and equity instruments issued by the Company, if any. The acquiree's identifiable assets and liabilities assumed are recognized at their fair value at the acquisition date, or if the fair values exceed the consideration paid, then the consideration paid is allocated on a pro rata basis to the identifiable assets acquired based on their relative fair values.

#### Accounting standards adopted

The following new standards, amendments to standards and interpretations were adopted as of September 1, 2023:

*Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

*Definition of Accounting Estimates (Amendments to IAS 8)* – the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The Company concluded that the effect of such amendments did not have a material impact and therefore did not record any adjustments to the consolidated financial statements.

## MILLENNIAL POTASH CORP.

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### **New standards not yet adopted and interpretations issued but not yet effective**

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended August 31, 2024. The following amendments will be in effect for annual reporting periods beginning on or after January 1, 2024:

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date.

These amendments:

- Specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- Provide that management's expectations are not relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- Clarify when a liability is considered settled.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2024, and is to be applied retrospectively. The Company concluded that these amendments will not have a material effect on its consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has not yet determined the impact of this amendment on its consolidated financial statements.

### 4. ACQUISITION OF EQUATORIAL

In January 2023, under an agreement with the shareholders of Equatorial (Note 6), the Company acquired 25% ownership of Equatorial by making a cash payment to the shareholders of Equatorial of \$343,917 (US\$257,000) and by issuing 650,000 common shares valued at \$237,250. As at August 31, 2023, the Company accounted for its ownership interest in Equatorial using equity accounting (Note 7).

In February and March 2024, the Company issued a further 550,000 common shares valued at \$132,000 and made cash payments of \$204,000 (US\$150,000) thereby earning an additional 26% for total ownership of 51% of Equatorial. As at March 1, 2024, based on its ownership interest and the Company's decision-making power, the Company determined it had control of Equatorial. The acquisition was determined to be an asset acquisition and has been accounted for under the acquisition method in accordance with the guidance provided in IFRS 3, Business Combinations ("IFRS 3"). The net assets acquired did not meet the definition of a business and the Company was determined to be the acquirer.

**MILLENNIAL POTASH CORP.**

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**4. ACQUISITION OF EQUATORIAL (continued)**

The Company allocated the fair value of consideration paid for the acquired assets and liabilities based on their fair values on acquisition date.

	<b>Total</b>
	<b>\$</b>
<b>Consideration:</b>	
Cash paid	547,917
Shares issued	369,250
Exploration and evaluation expenditures	2,966,409
<b>Total consideration</b>	<b>3,883,576</b>
<b>Allocated as follows:</b>	
Cash	55,619
Receivables	6,282
Equipment	124,470
Deposit	32,867
Exploration and evaluation assets (Note 6)	8,801,367
Accounts payable	(82,169)
Loan payable	(1,513,606)
Non-controlling interest (Note 15)	(3,541,254)
	<b>3,883,576</b>

The Company recognized a non-controlling interest as at the acquisition date for the remaining 49% unearned interest. In July 2024, the Company earned an additional 19% for total ownership of 70% of Equatorial as at August 31, 2024 (Notes 6 and 15).

**5. EQUIPMENT**

	<b>Computers</b>	<b>Furniture</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cost:</b>					
At August 31, 2022 and 2023	-	-	-	-	-
Acquisition of Equatorial (Note 4)	9,399	1,723	20,914	92,434	124,470
At August 31, 2024	9,399	1,723	20,914	92,434	124,470
<b>Depreciation:</b>					
At August 31, 2022 and 2023	-	-	-	-	-
Additions	2,585	172	3,137	13,865	19,759
At August 31, 2024	2,585	172	3,137	13,865	19,759
<b>Net book value:</b>					
At August 31, 2022 and 2023	-	-	-	-	-
<b>At August 31, 2024</b>	<b>6,814</b>	<b>1,551</b>	<b>17,777</b>	<b>78,569</b>	<b>104,711</b>

For the period from acquisition of Equatorial on March 1, 2024, to the year ended August 31, 2024, \$19,759 of equipment depreciation was capitalized to exploration and evaluation assets (Note 5).

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## 6. EXPLORATION AND EVALUATION ASSETS

	Mohave Gold Property	Banio Potash Property	Total
	\$	\$	\$
<b>Balance, August 31, 2022</b>	<b>1,722,341</b>	<b>-</b>	<b>1,722,341</b>
Exploration expenditures:			
Claim maintenance	52,628	-	52,628
	52,628	-	52,628
Write-off of exploration and evaluation asset	(1,774,969)	-	(1,774,969)
<b>Balance, August 31, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
Acquisition of Equatorial (Note 4)	-	8,801,367	8,801,367
Exploration expenditures:			
Assessments (Preliminary Economic Assessment)	-	90,043	90,043
Depreciation (Note 5)	-	19,759	19,759
Drilling, mobilization and maintenance	-	477,106	477,106
Geological, environmental, social and governance	-	216,570	216,570
Mining license maintenance	-	8,418	8,418
Site development and supplies	-	162,548	162,548
Travel and accommodations	-	15,186	15,186
<b>Balance, August 31, 2024</b>	<b>-</b>	<b>9,790,997</b>	<b>9,790,997</b>

### Mohave Gold Property

Effective July 4, 2020, as amended August 30, 2020, October 7, 2020, April 19, 2022 and October 24, 2022, the Company entered into an option agreement with M3 Metals Corp. ("M3 Metals"), a company currently related with a common officer, to acquire, by way of option, up to 90% of certain mining claims (the "Option Agreement") in the Weaver Mining District, Mohave County, Arizona, USA (the "Mohave Gold Property").

Pursuant to the Option Agreement, the Company could have earned up to a 90% interest in the Mohave Gold Property by making cash option payments and incurring exploration expenditures as follows:

	Cash Option payments (\$)	Expenditures (\$)
On or before November 5, 2020	(paid) 300,000	-
On or before May 4, 2022	(paid) 150,000	-
On or before March 4, 2023	250,000	-
On or before November 4, 2023	400,000	-
On or before November 4, 2024*	2,000,000	1,000,000
On or before November 4, 2025**	3,000,000	2,000,000
<b>Total Requirement</b>	<b>6,100,000</b>	<b>3,000,000</b>

\*In lieu of paying the full \$2,000,000 in cash, the Company, at its election, may issue to M3 Metals that number of its common shares which would be equal in value up to \$2,000,000 at the then prevailing market prices for its common shares.

\*\*In lieu of paying the full \$3,000,000 in cash, the Company, at its election, may issue to M3 Metals that number of its common shares which would be equal in value up to \$3,000,000 at the then prevailing market prices for its common shares.

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**6. EXPLORATION AND EVALUATION ASSETS (continued)****Mohave Gold Property (continued)**

As part of the Option Agreement, the Company assumed the obligations under the underlying agreement ("Underlying Agreement") with DDS Resources LLC and Mohave Mine Partnership LLC (collectively, "Vendors"). To meet these obligations, the Company would have had to complete the following:

	<b>Cash Option payments (US\$)</b>	<b>Expenditures (US\$)</b>
On or before March 31, 2021	(paid) 75,000	(incurred) 50,000
On or before March 31, 2022	(paid) 100,000	(incurred) 200,000
On or before March 31, 2023	150,000	300,000
On or before March 31, 2024	200,000	350,000
On or before March 31, 2025	3,000,000	400,000
<b>Total Requirement</b>	<b>3,525,000</b>	<b>1,300,000</b>

Upon the final payment of US\$3,000,000, the Vendors were to be granted a net smelter royalty of 1.5% on the Mohave Gold Property.

In March 2023, the Company terminated the option agreement, and as a result, the Company recorded a write-off of the property of \$1,774,969 as at August 31, 2023.

**Banio Potash**

In September and October 2022, the Company entered into a binding memorandum of understanding ("MOU") and a definitive agreement ("Definitive Agreement"), respectively, with the shareholders of Equatorial, a private Australian company, for the option to acquire up to a 100% interest in the Banio Potash Project ("Banio") in Gabon by acquiring all of the issued and outstanding shares (the "Equatorial Shares") of Equatorial. Equatorial's wholly-owned subsidiary, Mayumba Potasse SARL, holds a 100% interest in Banio. Banio is located in Gabon, Western Africa on the Atlantic coast and is situated at the southern part of the country.

Pursuant to the MOU, Definitive Agreement, and subsequent amendments, in order to exercise the option, the Company will make option payments as follows:

	<b>Cash US\$</b>	<b>Shares #</b>	<b>Ownership earned %</b>
Upon signing of binding MOU	(paid) 18,750		
Within ten days of TSX approval (January 2023) of the definitive agreement	(paid) 257,000	(issued) 650,000	(acquired) 25
Within ten days of completion of resource estimate report	(paid) 150,000	(issued) 550,000	(acquired) 51
On or before December 31, 2024	150,000	-	-
Within ten days of Preliminary Economic Assessment or Scoping study	(paid) 300,000	(issued) 1,000,000	(acquired) 70
Within ten days of completion of updated resource estimate report	500,000	1,500,000	
Within ten days of completion of Definitive Feasibility Study	3,000,000	2,500,000	100
<b>Totals</b>	<b>4,375,750</b>	<b>6,200,000</b>	



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### **6. EXPLORATION AND EVALUATION ASSETS (continued)**

#### **Banio Potash (continued)**

In January 2023, the Company received approval from the Exchange for the Definitive Agreement and the option to acquire Banio and completed the cash payment and share issuance required to acquire the initial 25% interest in Banio through its acquisition of 25% of the Equatorial Shares. As at August 31, 2023, the Company accounted for its ownership interest in Equatorial using equity accounting (Note 7).

In October 2023, the Company entered into an agreement amending the Definitive Agreement providing that the US\$300,000 due to the vendors of Banio within ten days of completion of Phase 2 drilling would instead be due: (i) US\$150,000 upon completion of a current resource estimate in a report in form required by NI 43-101; and (ii) on or before December 31, 2024, a further US\$150,000. Upon making the US\$150,000 payment in (i) and issuance of 550,000 Company's shares, the Company earned an additional 26% interest in Banio for a total 51% interest. As at March 1, 2024, based on its ownership interest and the Company's decision-making power, the Company determined it had control of Equatorial (Note 4).

In June 2024, the Company entered into an amending agreement which removed the Company's requirement to incur US\$12,000,000 in exploration and evaluation expenditures on the property.

In July 2024, the Company made a cash payment of US\$300,000 and issued 1,000,000 shares of the Company to earn an additional 19% interest in Equatorial. The Company recognized a corresponding change in its non-controlling interest of Equatorial (Note 15).

As at August 31, 2024, the Company holds a total of 70% interest in Banio.

### **7. EQUITY INVESTMENT**

As at August 31, 2023, the Company had paid to the shareholders of Equatorial \$343,917 (US\$257,000) and issued 650,000 common shares valued at \$237,250, thereby acquiring 25% ownership pursuant to the terms of the Definitive Agreement. In March 2024, the Company completed the required cash payment and share issuance to earn 51% ownership (Note 6). In addition, the Company had advanced \$4,498,558 (US\$3,420,833) as at March 1, 2024 (August 31, 2023 - \$3,423,917 (US\$2,505,998)) for exploration programs on Banio.

During the year ended August 31, 2024, the Company recorded a loss on the equity investment of \$7,652 (2023 - \$10,892) which represented the Company's portion of Equatorial's loss for the period prior to acquiring a 51% interest; as a result, the carrying value of the investment on acquisition was \$5,397,181 (August 31, 2023 - \$3,994,192). Upon the Company acquiring a 51% interest in Equatorial, the Company transferred the carrying value of the investment of \$5,397,181 to exploration and evaluation assets on acquisition of Equatorial (Notes 4 and 6).

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## 7. EQUITY INVESTMENT (continued)

The following table is a reconciliation of the investment in Equatorial:

	\$
August 31, 2022	-
Acquisition	581,167
Cash contributions – exploration advances	3,423,917
Share of loss of equity investment	(10,892)
<b>August 31, 2023</b>	<b>3,994,192</b>
Acquisition	336,000
Cash contributions – exploration advances	1,074,641
Share of loss of equity investment	(7,652)
Transferred to exploration and evaluation assets on acquisition of Equatorial (Note 6)	(5,397,181)
<b>August 31, 2024</b>	<b>-</b>

Summarized financial information in respect of Equatorial is as follows:

	August 31, 2024*	August 31, 2023
	\$	\$
Current assets	-	58,881
Non-current assets	-	8,458,450
Total assets	-	8,517,331
Current liabilities	-	12,660
Non-current liabilities	-	1,562,160
Total liabilities	-	1,574,820

*\*As at August 31, 2024, the Company consolidated Equatorial and recognized a non-controlling interest, therefore financial information is not presented.*

	2024*	2023
	\$	\$
Loss and comprehensive loss	(30,606)	(43,568)
Company's share of loss and comprehensive loss	(7,652)	(10,892)

*\* For the period September 1, 2023 to March 1, 2024 (the date to acquiring a 51% interest).*

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**8. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

As at August 31, 2024, the Company has a lease for an office space in Vancouver, Canada.

Right-of-Use Asset

	<b>Office Leases</b>
	<b>\$</b>
<b>Cost:</b>	
At August 31, 2022	111,717
Lease modification	109,243
At August 31, 2023	220,960
Lease modification	109,726
At August 31, 2024	330,686
<b>Depreciation:</b>	
At August 31, 2022	60,155
Charge for the year	101,612
At August 31, 2023	161,767
Charge for the year	105,875
At August 31, 2024	267,642
<b>Net book value:</b>	
At August 31, 2023	59,193
<b>At August 31, 2024</b>	<b>63,044</b>

Depreciation of right-of-use asset is calculated using the straight-line method over the remaining lease term.

Lease Liability

	<b>\$</b>
At August 31, 2022	52,762
Lease modification	109,243
Lease payments made	(111,000)
Interest expense on lease liability	12,913
At August 31, 2023	63,918
Lease modification	109,726
Lease payments made	(117,000)
Interest expense on lease liability	10,638
<b>At August 31, 2024</b>	<b>67,282</b>
Less: current portion	(67,282)
<b>Non-current portion</b>	<b>-</b>

The lease liability was discounted at a discount rate of 8% as at February 1, 2022. In October 2022, prior to the expiry of the lease in February 2023, the lease was extended for an additional year, to expire in February 2024 and the monthly lease payments were increased to \$9,500 per month. As a result, the Company recognized a modification to the right-of-use asset and lease liability of \$109,243. The modified lease liability was discounted at discount rate of 12% commencing as at October 1, 2022.

In January 2024, prior to the expiry of the lease in February 2024, the lease was extended for an additional year, to expire in February 2025 and the monthly lease payments were increased to \$10,000 per month. As a result, the Company recognized a modification to the right-of-use asset and lease liability of \$109,726.

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**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2024	2023
	\$	\$
Accounts payable	314,859	364,955
Accrued liabilities	212,613	67,876
	<b>527,472</b>	<b>432,831</b>

**10. SHARE CAPITAL****Authorized share capital**

The Company has authorized an unlimited number of common and preferred shares without par value.

**Issued share capital***During the year ended August 31, 2024:*

The Company issued 550,000 common shares valued at \$132,000 in connection with the requirements to earn a 51% interest in the Equatorial Shares (Note 4).

The Company issued 5,750,000 common shares for gross proceeds of \$1,092,500. The Company incurred related finders' fees and share issue costs of \$44,652.

The Company issued 5,924,000 units for gross proceeds of \$1,481,000. Each unit consists of one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable for a period of two years at a price of \$0.35 per share. The Company valued the share purchase warrants using residual value method and reallocated \$148,100 from share capital to reserves. The Company paid cash commissions and share issue costs of \$40,955 and issued 103,600 finders warrants with an exercise price of \$0.35 and an expiry date of June 18, 2027 valued at \$11,244 in relation to the private placement.

The Company issued 1,000,000 shares valued at \$210,000 to earn an additional 19% for total ownership of 70% of Equatorial (Notes 4 and 7).

The Company issued 2,050,000 units for gross proceeds of \$512,500. Each unit consists of one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable for a period of two years at a price of \$0.35 per share. The Company valued the share purchase warrants using residual value method and reallocated \$92,250 from share capital to reserves. The Company paid cash commissions and share issue costs of \$23,510 and issued 73,360 finders warrants with an exercise price of \$0.35 and an expiry date of July 12, 2027 valued at \$6,968 in relation to the private placement.

The Company issued 4,000,000 units for gross proceeds of \$1,000,000. Each unit consists of one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable for a period of two years at a price of \$0.35 per share. The Company valued the share purchase warrants using residual value method and reallocated \$220,000 from share capital to reserves.

*During the year ended August 31, 2023:*

The Company issued 650,000 common shares valued at \$237,250 or \$0.365 per share in connection with the acquisition of the Equatorial Shares (Notes 4 and 7).

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### **10. SHARE CAPITAL (continued)**

#### **Issued share capital (continued)**

The Company issued 100,000 common shares in connection with the exercise of 100,000 stock options with an exercise price of \$0.20 per share for gross proceeds of \$20,000. The Company issued a further 475,000 common shares in connection with the exercise of 475,000 stock options with an exercise price of \$0.40 per share for gross proceeds of \$190,000. The Company issued a further 60,000 common shares in connection with the exercise of 60,000 stock options with an exercise price of \$0.45 per share for gross proceeds of \$27,000.

The Company issued 7,183,000 units for gross proceeds of \$3,591,500. Each Unit consisted of one common share and one-half share purchase warrant. Each of the 3,591,500 whole share purchase warrants are exercisable for a period of two years from the date of issuance at a price of \$0.75 per share. The 7,183,000 common shares were valued at \$3,376,010, with the residual value of \$430,980 allocated to the 3,591,500 warrants. The Company incurred related finders fees and share issue costs of \$125,162.

The Company issued 5,000,000 units for gross proceeds of \$2,000,000. Each Unit consisted of one common share and one-half share purchase warrant. Each of the 2,500,000 whole share purchase warrants are exercisable for a period of two years from the date of issuance at a price of \$0.60 per share. The 5,000,000 common shares were valued at \$1,912,500 with the residual value of \$175,000 allocated to the 2,500,000 warrants. The Company incurred related finders fees and share issue costs of \$154,078 including \$45,512 in finders warrants.

The Company issued 125,000 common shares in connection with the exercise of 125,000 share purchase warrants with an exercise price of \$0.60 per share for gross proceeds of \$75,000.

#### **Stock options**

The Company has adopted an equity incentive plan, pursuant to which the board of directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance of stock options will not exceed 10% of the issued and outstanding common shares exercisable for a period of up to ten years from the date the common shares are listed on the Exchange. The number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares.

Options may be exercised 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

In January 2023, the Company granted 375,000 stock options to certain directors, consultants and officers of the Company at an exercise price of \$0.45 per share for a period of five years, vesting immediately. The options were valued at \$158,963 using the Black-Scholes pricing model with the following assumptions: estimated life of five years, risk-free rate of 2.88%, volatility of 125%, and nil forecasted dividend yield.

In February 2023, 87,500 stock options were exercised for gross proceeds of \$17,500. As a result, \$31,136 was reclassified from reserves to share capital.

In March 2023, the Company granted 100,000 stock options to a director of the Company at an exercise price of \$0.50 per share for a period of five years, vested immediately. The options were valued at \$42,240 using the Black-Scholes pricing model with the following assumptions: estimated life of five years, risk-free rate of 3.05%, volatility of 123.44%, and nil forecasted dividend yield.

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### 10. SHARE CAPITAL (continued)

#### Stock options (continued)

In March 2023, the Company granted a further 100,000 stock options to a director of the Company at an exercise price of \$0.50 per share for a period of five years, vested immediately. The options were valued at \$39,800 using the Black-Scholes pricing model with the following assumptions: estimated life of five years, risk-free rate of 3.05%, volatility of 125.57%, and nil forecasted dividend yield.

In March 2023, the Company granted a further 150,000 stock options to a consultant of the Company at an exercise price of \$0.50 per share for a period of two years, vested as follows: ¼ three months from date of grant, ¼ six months from date of grant, ¼ nine months from date of grant, and ¼ twelve months from date of grant. The options were valued at \$40,230 of which \$24,528 was recognized during the year, using the Black-Scholes pricing model with the following assumptions: estimated life of two years, risk-free rate of 3.75%, volatility of 111.10%, and nil forecasted dividend yield.

In May 2023, the Company granted 400,000 stock options to a consultant of the Company at an exercise price of \$0.42 per share for a period of five years, vested immediately. The options were valued at \$159,320 using the Black-Scholes pricing model with the following assumptions: estimated life of five years, risk-free rate of 3.44%, volatility of 131.41%, and nil forecasted dividend yield.

In May 2023, 475,000 stock options were exercised for gross proceeds of \$190,000. As a result, \$148,533 was reclassified from reserves to share capital.

In June 2023, 60,000 stock options were exercised for gross proceeds of \$27,000, and 12,500 stock options were exercised for gross proceeds of \$2,500. As a result, \$25,434 and \$4,448 respectively were reclassified from reserves to share capital.

In January 2024, the Company granted 2,181,000 incentive stock options to certain directors, officers, and consultants exercisable for a period of five years at an exercise price of \$0.35 per share. The options were valued at \$556,373 using the Black-Scholes pricing model with the following assumptions: term - 5 years; risk-free rate – 3.43%; expected volatility – 153.25%; and expected dividends - zero.

During the year ended August 31, 2024, the Company recorded share-based compensation of \$572,074 (2023 - \$424,851) related to stock options vested.

A summary of stock options activities are as follows:

	Number of options #	Weighted average exercise price \$
<b>Balance, August 31, 2022</b>	<b>3,095,000</b>	<b>0.44</b>
Exercised	(635,000)	0.37
Granted	1,125,000	0.45
<b>Balance, August 31, 2023</b>	<b>3,585,000</b>	<b>0.45</b>
Granted	2,181,000	0.35
<b>Balance, August 31, 2024</b>	<b>5,766,000</b>	<b>0.41</b>

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**10. SHARE CAPITAL (continued)****Stock options (continued)**

A summary of the stock options outstanding and exercisable at August 31, 2024 is as follows:

<b>Exercise Price</b>	<b>Options Outstanding</b>	<b>Options Exercisable</b>	<b>Expiry Date</b>
<b>\$</b>	<b>#</b>	<b>#</b>	
0.50	150,000	150,000	March 20, 2025
0.50	1,295,000	1,295,000	January 15, 2026
0.40	1,225,000	1,225,000	September 20, 2026
0.45	315,000	315,000	January 31, 2028
0.50	100,000	100,000	March 6, 2028
0.50	100,000	100,000	March 20, 2028
0.42	400,000	400,000	May 17, 2028
0.35	2,181,000	2,181,000	January 16, 2029
	<b>5,766,000</b>	<b>5,766,000</b>	

The weighted average life of the outstanding stock options is 2.98 (2023 – 3.14) years.

**Warrants**

In August 2023, the Company granted 242,988 finders warrants in connection with the August Offering at an exercise price of \$0.60 per share for a period of two years, vested immediately. The warrants were valued at \$45,512 using the Black-Scholes pricing model with the following assumptions: estimated life of two years, risk-free rate of 4.65%, volatility of 118.19%, and nil forecasted dividend yield.

In June 2024, the Company issued 103,600 finders' warrants with an exercise price of \$0.35 expiring on June 18, 2027 in connection with a completed private placement. The fair value of the finder's warrants was estimated to be \$11,244 using the Black-Scholes option pricing model with the following assumptions: term - 3 years; expected volatility – 88.40%; risk-free rate – 3.85%; and expected dividends - zero.

In July 2024, the Company issued 73,360 finders' warrants with an exercise price of \$0.35 expiring on July 12, 2027 in connection with a completed private placement. The fair value of the finder's warrants was estimated to be \$6,968 using the Black-Scholes option pricing model with the following assumptions: term - 3 years; expected volatility – 86.02%; risk-free rate – 3.88%; and expected dividends - zero.

A summary of warrants activities are as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
	<b>#</b>	<b>\$</b>
<b>Balance, August 31, 2022</b>	<b>6,250,000</b>	<b>0.60</b>
Exercised	(125,000)	0.60
Expired	(6,125,000)	0.60
Issued	6,334,488	0.69
<b>Balance, August 31, 2023</b>	<b>6,334,488</b>	<b>0.69</b>
Issued	6,163,960	0.35
<b>Balance, August 31, 2024</b>	<b>12,498,448</b>	<b>0.52</b>

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**10. SHARE CAPITAL (continued)****Warrants (continued)**

A summary of the warrants outstanding and exercisable at August 31, 2024 is as follows:

<b>Exercise Price</b>	<b>Warrants Outstanding and Exercisable</b>	<b>Expiry Date</b>
<b>\$</b>	<b>#</b>	
0.75	3,591,500	February 28, 2025
0.60	2,742,988	August 4, 2025
0.35	2,962,000	June 18, 2026
0.35	1,025,000	July 12, 2026
0.35	2,000,000	August 21, 2026
0.35	103,600	June 18, 2027
0.35	73,360	July 12, 2027
	<b>12,498,448</b>	

The weighted average life of the outstanding warrants is 1.28 (2023 – 1.68) years.

**Restricted Share Units (“RSU’s”)**

In April 2023, the Company adopted an equity incentive plan for its directors, officers, and employees, under which it is authorized to grant RSU's to a maximum of 5% of outstanding common shares.

In February 2024, the Company granted 1,624,550 RSUs to certain directors, officers, and consultants of the Company with a fair value of \$406,138 at grant date. The RSUs will vest on February 27, 2025.

During the year ended August 31, 2024, the Company recorded share-based compensation of \$206,398 (2023 - \$nil) in relation to RSUs.

A summary of RSU activities are as follows:

	<b>Number of RSU's</b>
	<b>#</b>
<b>Balance, August 31, 2022 and 2023</b>	-
Issued	1,624,550
<b>Balance, August 31, 2024</b>	<b>1,624,550</b>

A summary of the RSU's outstanding and exercisable at August 31, 2024 is as follows:

<b>RSU's Outstanding</b>	<b>Vesting Date</b>
<b>#</b>	
1,624,550	February 27, 2025



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### 10. SHARE CAPITAL (Continued)

#### Performance Share Units ("PSU's")

In April 2023, the Company adopted an equity incentive plan for its directors, officers, and employees, under which it is authorized to grant PSU's to a maximum of 5% of outstanding common shares.

In February 2024, the Company granted 3,000,000 PSU's to certain directors, officers, and consultants of the Company with a fair value of \$750,000 at grant date. The PSUs will vest on February 27, 2025.

During the year ended August 31, 2024, the Company recorded share-based compensation of \$381,148 (2023 - \$nil) in relation to PSU's.

A summary of PSU activities are as follows:

	Number of PSU's
	#
<b>Balance, August 31, 2022 and 2023</b>	-
Issued	3,000,000
<b>Balance, August 31, 2024</b>	<b>3,000,000</b>

As at August 31, 2024, the Company had 3,000,000 PSUs outstanding.

### 11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and lease liability. The fair value of cash, accounts receivable and accounts payable and accrued liabilities approximates their carrying values due to the short-term nature of these instruments. The carrying value of the Company's lease liability approximates its fair value due to being discounted with a rate of interest that approximates market rates.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, interest, liquidity, credit and commodity price risk.

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### 11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

#### (a) *Currency risk*

The Company conducts the majority of its exploration and evaluation expenditures in United States dollars. As such, it is subject to risk due to fluctuations in the exchange rates of the Canadian and US dollars. As at August 31, 2024, the Company had a foreign currency net monetary asset position of approximately US\$211,485. A 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$28,532.

#### (b) *Interest rate*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

#### (c) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash on hand to meet its financial obligations.

#### (d) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

#### (e) *Commodity price risk*

The ability of the Company to explore and evaluate its exploration and evaluation assets and the future profitability of the Company are directly related to the price of gold. The Company monitors gold prices to determine the appropriate course of action to be taken.

### 12. CAPITAL MANAGEMENT

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. 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. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. 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 since inception. The Company is not subject to externally imposed capital requirements.

### 13. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company. As at August 31, 2024, the Company has \$122,817 (2023 - \$71,790) included in accounts payable and accrued liabilities due to officers, companies related by way of common officers, and former directors. As at August 31, 2024, the Company had \$nil (2023 - \$2,888) included in amounts receivable due from an officer and companies related by way of common officers.

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**13. RELATED PARTY TRANSACTIONS (Continued)**

Summary of key management personnel compensation:

	<b>For the years ended August 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation property expenditures	<b>210,000</b>	25,000
Exploration advances for equity investment	-	147,500
Management fees	<b>562,500</b>	332,000
Share-based compensation	<b>1,054,298</b>	209,210
	<b>1,826,798</b>	713,710

The Company received \$49,000 (2023 – \$41,600) for rent recoveries included in other income from companies related by common officers and directors.

**14. SEGMENTED INFORMATION**

The Company has one operating segment, being the acquisition and exploration of exploration and evaluation assets. Non-current assets of the Company are located as follows:

<b>August 31, 2024</b>	<b>Canada</b>	<b>Gabon</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Exploration and evaluation assets	-	9,790,997	9,790,997
Equipment	-	104,711	104,711
Other assets	63,044	-	63,044
	<b>63,044</b>	<b>9,895,708</b>	<b>9,958,752</b>

<b>August 31, 2023</b>	<b>Canada</b>	<b>Gabon</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Equity investment	-	3,994,192	<b>3,994,192</b>
Other assets	59,193	-	<b>59,193</b>
	<b>59,193</b>	<b>3,994,192</b>	<b>4,053,385</b>

Equatorial is a private Australian company however its main asset, the Banio Potash Project is located in Gabon (Note 6).

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**15. NON-CONTROLLING INTEREST**

In July 2024, the Company made a cash payment of US\$300,000 and issued 1,000,000 shares of the Company to earn an additional 19% interest in Equatorial (Note 6). During the year ended August 31, 2024, the additional 19% interest acquired resulted in an allocation to deficit of \$743,110 (August 31, 2023 - \$nil).

The following table presents the equity attributable to 70% non-controlling interest in Equatorial as at August 31, 2024:

	<b>Total</b>
	<b>\$</b>
Non-controlling interest on acquisition of Equatorial (Note 4)	3,541,254
Increase in ownership of Equatorial for 19% acquired	(1,362,206)
Share of loss for the period	(5,089)
Foreign exchange on translation	10,808
<b>Balance, August 31, 2024</b>	<b>2,184,767</b>

The following table presents the summarized consolidated financial information of Equatorial and Mayumba as at August 31, 2024 and for the period March 1, 2024 to August 31, 2024:

	<b>Total</b>
	<b>\$</b>
Current assets	78,895
Non-current assets	9,073,774
Current liabilities	55,816
Non-current liabilities	1,647,690
<b>Loss for the year</b>	<b>(11,494)</b>
<b>Comprehensive income for the year</b>	<b>24,532</b>

The following table presents the loss and comprehensive loss attributable to non-controlling interest for the period ended August 31, 2024.

	<b>Total</b>
	<b>\$</b>
Loss attributable to non-controlling interest	(5,089)
Foreign exchange translation adjustment	10,808
<b>Comprehensive gain attributable to non-controlling interest</b>	<b>5,719</b>

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**16. INCOME TAXES**

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the loss before income taxes. A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

For the year ended	2024 \$	2023 \$
Net loss before income tax	(3,193,652)	(4,696,412)
Statutory tax rate	27%	27%
Expected income tax expense (recovery)	(862,000)	(1,268,000)
Change in statutory, foreign tax, foreign exchange rates and other	-	111,000
Permanent differences	317,000	119,000
Share issue cost	(29,000)	(63,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(10,000)	(18,000)
Change in unrecognized deductible temporary differences	584,000	1,119,000
Income tax recovery	-	-

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized as the availability of future taxable profits is uncertain:

	As at August 31,			
	2024 \$	Expiry Dates	2023 \$	Expiry Dates
Non-capital losses	8,533,000	2035 - 2044	5,406,000	2035 - 2043
Right-of-use asset/Lease liability	4,000	No expiry	5,000	No expiry
Share issue costs	258,000	2024 - 2048	249,000	2024 - 2047
Exploration and evaluation assets	822,000	No expiry	1,775,000	No expiry

**17. SUBSEQUENT EVENTS**

- On November 13, 2024, the Company granted 1,350,000 stock options with an exercise price of \$0.30 and an expiry date of November 13, 2029 to various directors, officers, and consultants of the Company.
- On November 22, 2024, the Company commenced a private placement to raise up to \$3,375,000 in gross proceeds from the issuance of up to 11,250,000 units at a price of \$0.30 per unit ("November 2024 PP"). Each unit consists of one common share of the Company and one-half share purchase warrant with each whole warrant being exercisable for \$0.40 per share for a period of two years from the date of issuance.

On December 4, 2024, the Company closed the first tranche of the November 2024 PP by issuing 5,644,000 units at a price of \$0.30 for gross proceeds of \$1,693,200. The Company incurred commissions of \$46,998 in relation to this tranche of the November 2024 PP.

## **MILLENNIAL POTASH CORP.**

Notes to the Consolidated Financial Statements

For the years ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

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### **17. SUBSEQUENT EVENTS (Continued)**

As part of the first tranche closing of the November 2024 PP, The Quaternary Group Ltd. (the "Insider") was issued 3,000,000 units. The Insider is an insider of the Company by virtue of its holdings of 10% or more of the issued and outstanding shares of the Company.