

## Millennial Potash Corp.

(TSXV: MLP / OTCQB: MLPNF / FSE: X0D)

**BUY**

Current Price: \$1.91

Fair Value: \$4.74

Risk\*: 5

### Big Catalysts Ahead as Middle East Tensions Tighten Potash Supply

#### Sector: Junior Resource

[Click here for more research on the company](#)

#### Highlights

- **Geopolitical Tensions Drive Potash Market Tightness:** Prices have risen 11% YoY to \$373/t, driven by persistent supply constraints, and a fourth consecutive year of demand growth. Supply tightness reflects sanctions on Belarus and Russia, which account for ~35% of global production, rising geopolitical tensions in the Middle East, where Israel and Jordan together produce ~10% of global output, elevated U.S.–Canada trade risks, and project delays. Global demand is forecast to grow 2–3% in 2026, and prices are expected to remain elevated due to continued supply pressures, geopolitical uncertainties, and trade risks.
- **Strong Stock Performance:** Despite a recent pullback, MLP is up 194% YoY, outpacing the TSXV (+44% YoY), and the S&P Fertilizers & Agricultural Chemicals index (+28% YoY). Since our December 2025 report, the company has completed an \$18M equity raise, and launched both an Environmental & Social Impact Assessment (ESIA), and an advanced independent economic (feasibility) study. Both are expected to be completed in H2-2026, and submitted to the Gabonese government for a mining license. If approved, we believe production could start by 2028–2029.
- **Institutional Backing Strengthens:** MLP's largest shareholder, Quaternary Group Ltd. (a Singapore-based investment firm), acquired 2.84M shares, and now owns 24% of the company. Undisclosed global asset management firms also participated in the above-mentioned equity raise, underscoring institutional confidence in the company.
- **Expanded Project Area:** MLP secured a new 261 km<sup>2</sup> exploration permit, adjacent to its main permit, increasing the total project area to 1,500 km<sup>2</sup>. The new permit includes a coastal road and ocean access, offering key infrastructure support for future development.
- **Favorable Market Position:** Last year, the U.S. added potash to its Critical Minerals list due to high import dependence, prompting the U.S. Development Finance Corporation to commit \$4.10M to advance the Banio project feasibility study. Banio could become the first African potash mine supplying the U.S.
- **Robust Resource & Economics:** Banio hosts a large potash resource. A 2024 independent economic study (PEA) reported an After-Tax NPV10% of \$1.47B. With MLP's MCAP at \$226M, shares trade at just 15% of NPV.
- **Upcoming Exploration:** MLP will drill the new permit area (Q3-2026) to test whether the resource extends from the main property.
- **M&A Potential:** We remain bullish on the company's M&A prospects. Management and insiders own 33% of MLP, and have a strong track record, including exits such as Millennial Lithium (~\$670M, 2022), Allana Potash (~\$230M, 2015), and Potash One (~\$590M, 2011).
- **Upcoming Catalysts:** The company aims to complete resource expansion drilling by Q3, followed by a resource update, ESIA, and feasibility study by year-end; potential M&A activity is also possible.

**Sid Rajeev, B.Tech, MBA, CFA**  
Head of Research

**Nina Rose Coderis, B.Sc (Geology)**  
Equity Analyst

#### Price and Volume (1-year)



	YTD	YOY
MLP	-42%	194%
TSXV	-7%	44%
S&P Fert. & Ag Chem.	21%	28%

#### Company Data

52 Week Range	\$0.48 - \$3.98
Shares O/S	118M
Market Cap.	\$226M
Yield (forward)	N/A
P/E (forward)	N/A
P/B	3.9x

Key Financial Data (C \$) - YE: August 31	2025	2026 (3M)	Current
Cash	\$17,485,440	\$16,274,689	~\$29,500,000
Working Capital	\$17,485,399	\$16,448,774	
Total Assets	\$33,619,909	\$33,952,406	
Revenue	-	-	
Net Income	-\$6,132,025	-\$4,266,697	
EPS	-\$0.07	-\$0.04	

\* Qualified Person: Peter J. MacLean, Ph.D., P.Geo., Director of MLP. **Millennial Potash Corp. has paid FRC a fee for research coverage and distribution of reports. See last page for other important disclosures, rating, and risk definitions. All figures are in C\$, except for commodity prices, which are in US\$ (FOREX rate US\$:C\$ = 1.37)**

## Banio Potash Project, Gabon

MLP has secured a new 261 km<sup>2</sup> exploration permit next to its main area, expanding the project to 1,500 km<sup>2</sup>. Management **plans to start drilling** in H2-2026 to see if the current resource extends into this new permit area.

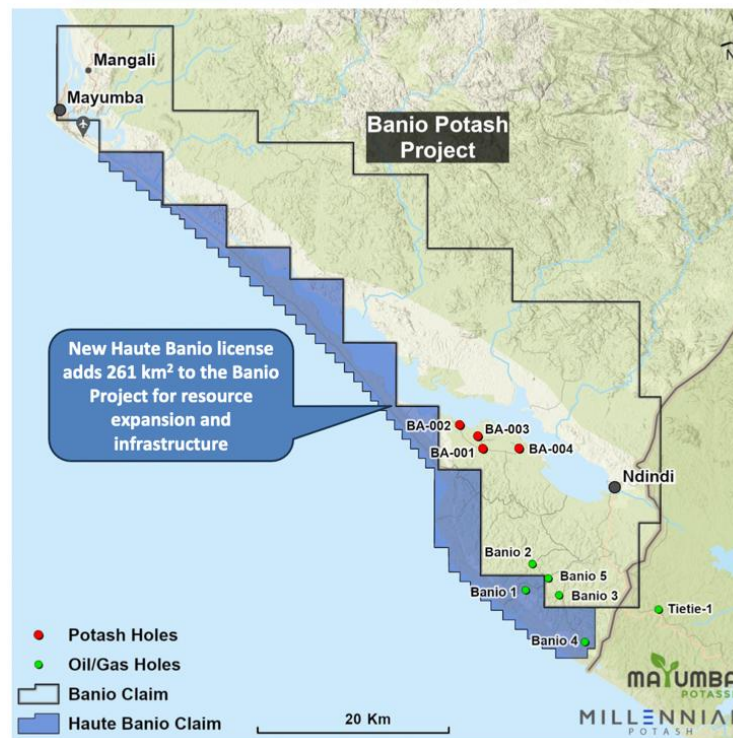
*Gabon has an established mining and oil & gas sector, operated by major international companies such as Fortescue (ASX: FMG), Eramet (ENXTPA: ERA), Total (NYSE: TTE), and Shell (NYSE: SHEL), showing strong foreign investment, and infrastructure capable of supporting large projects*

*The new permit is strategically important because it includes a coastal road and access to the ocean, providing potential infrastructure routes to support project development*

*MLP plans to export its products to the U.S., Brazil, and elsewhere in Africa via the Mangali port*

*Ongoing construction of a deep-water port, and power plant, funded by a Gabonese government-led group, should meaningfully reduce operational risks*

### Location Maps



Source: Company/FRC

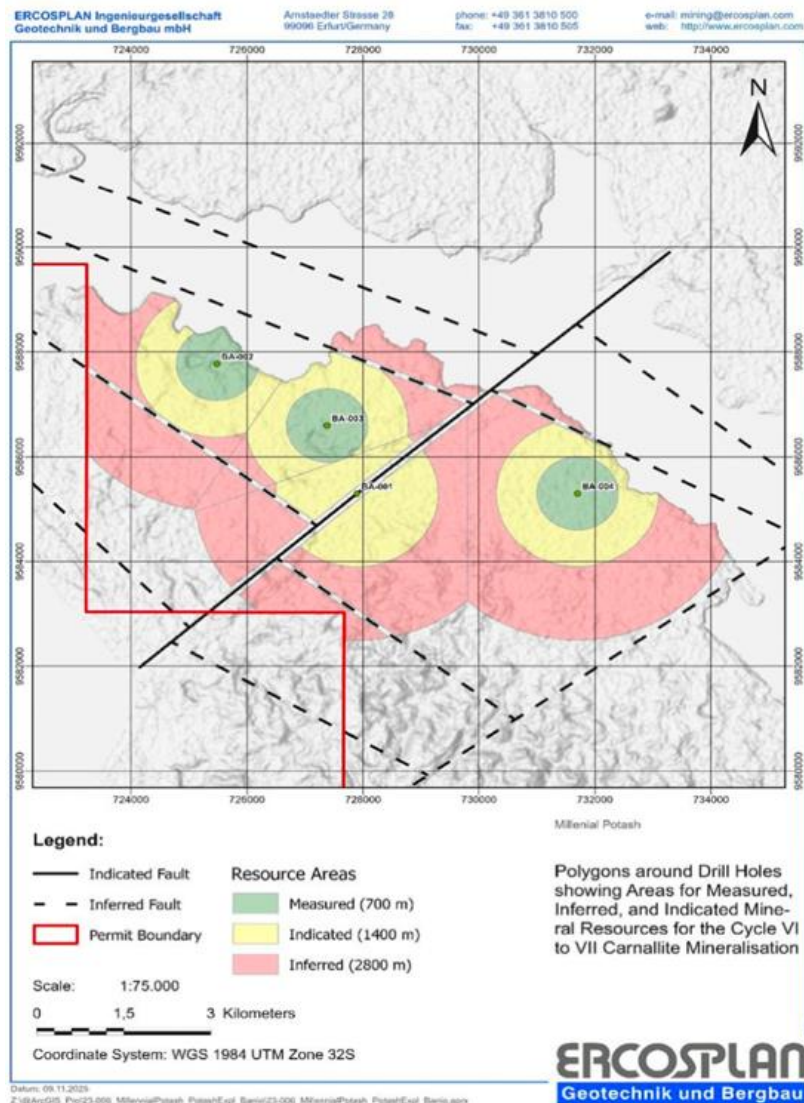
Banio hosts a deposit large enough for at least 25 years of production

### 2025 Resource Estimate

Category	Tonnage (Mt)	Grade % KCl	Tonnage (Mt KCl)
<b>2025 Resource Estimate</b>			
Measured	648.2	15.7	101.9
Indicated	1,804.5	15.6	280.8
<b>M&amp;I</b>	<b>2,452.7</b>	<b>15.6</b>	<b>382.7</b>
Inferred	3,559.5	15.6	555.4
<b>Total</b>	<b>6,012.2</b>	<b>15.6</b>	<b>938.2</b>

(QP: Sebastiaan van der Klauw, EurGeol. Of ERCOSPLAN and Peter J. MacLean, Ph.D., P.Geo, Director of MLP)

### Resource Envelope



We see potential for resource expansion, since the deposit remains open in multiple directions, and the current resource covers just 5% of the project area

Source: Company

The 2024 PEA returned an AT-NPV10% of \$1.47B, and an IRR of 33%, using \$387/t gMOP; potassium chloride (spot: \$373/t); we view IRRs above 25% as attractive in mining

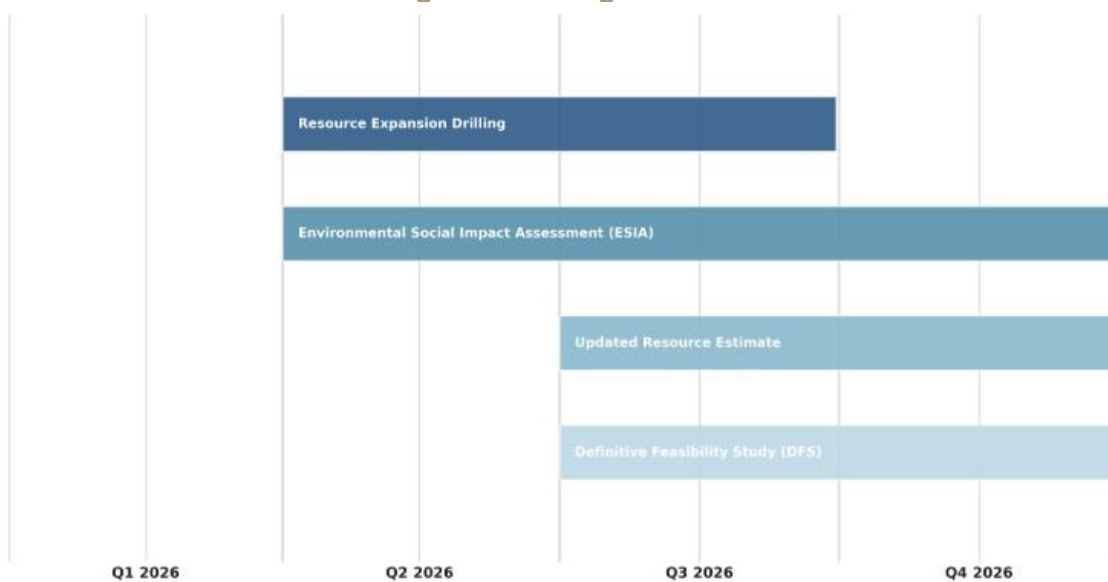
OPEX and CAPEX are relatively low as the deposit is amenable to solution mining, compared with conventional underground potash mining

The company aims to finish resource expansion drilling by Q3, followed by a resource update, ESIA, and a feasibility study by year-end

2024 PEA Highlights	
AT-NPV10%	US\$1.07B
AT-IRR	32.6%
Payback Period	1.4 years
Life of Mine (LOM)	25 years
Average Annual Production of gMOP	800,000 tonnes
Initial CAPEX	US\$480M
gMOP Price	US\$387/t
NaCL price (99% purity)	US\$100/t
Shipping Cost - Brazil	US\$22/t
OPEX	US\$61/t

(QP: Peter J. MacLean, Ph.D., P.Geo, Director of MLP)  
Source: Company/FRC

### Management's Target Timelines



Source: Company

## Financials

(C \$) - YE: August 31	2025	2026 (3M)	Current
Cash	\$17,485,440	\$16,274,689	~\$29,500,000
Working Capital	\$17,485,399	\$16,448,774	
Current Ratio	24.71	25.48	
Monthly Burn Rate (G&A)	-\$172,657	-\$359,867	
Cash from Financing Activities	\$22,490,665	\$1,216,656	
Cash Spent on Properties/Others	-\$4,751,133	-\$1,364,468	

Strong balance sheet

Options	#	Exercise Price	Amount
Total	9,797,750	\$1.27	\$12,474,100
In-the-Money	7,264,750	\$0.67	\$4,845,860

In-the-money options and warrants can bring in \$12M

Warrants	#	Exercise Price	Amount
Total	19,489,932	\$1.29	\$25,234,289
In-the-Money	13,812,327	\$0.53	\$7,347,248

Source: FRC / Company

## FRC Valuation

DCF Valuation	800,000 tpa
Operating Life (years)	25
Weighted Avg. Product Price (US\$/t)- 15-year average	\$323
Royalties/Free-Carried Interest to the Gabonese Govt.	7.5%/10%
Exchange Rate (C\$:US\$)	1.37
Avg. Operating Cost in US\$/t	\$90
Initial CAPEX (US\$M)	\$600
Discount Rate	11.6%
<b>After-Tax Net Asset Value (C\$), net of remaining payments to acquire a 100% interest</b>	<b>\$612,274,973</b>
Working Capital	\$29,570,369
No. of Shares (treasury stock method)	135,373,958
<b>Fair Value per Share (C\$)</b>	<b>\$4.74</b>

Source: FRC

We are not making any material changes to our valuation model, aside from adjusting for a 3% appreciation in the US\$

As a result, our DCF valuation fell slightly from \$4.80 to \$4.74/share

Our valuation is highly sensitive to key inputs

		Avg. Product Price (US\$/t)				
		\$275	\$300	\$323	\$375	\$425
Exchange Rate (C\$:US\$)	1.00	\$2.18	\$2.87	\$3.51	\$4.96	\$6.35
	1.20	\$2.57	\$3.41	\$4.18	\$5.92	\$7.59
	1.37	\$2.91	\$3.86	\$4.74	\$6.73	\$8.63
	1.45	\$3.07	\$4.08	\$5.01	\$7.11	\$9.13
	1.55	\$3.27	\$4.35	\$5.34	\$7.58	\$9.74

		Avg. Product Price (US\$/t)				
		\$275	\$300	\$323	\$375	\$425
Operating Cost (US\$/t)	\$70.00	\$3.74	\$4.70	\$5.57	\$7.56	\$9.47
	\$80.00	\$3.33	\$4.28	\$5.16	\$7.14	\$9.05
	\$90.00	\$2.91	\$3.86	\$4.74	\$6.73	\$8.63
	\$110.00	\$2.08	\$3.03	\$3.91	\$5.89	\$7.80
	\$130.00	\$1.24	\$2.20	\$3.08	\$5.06	\$6.97

		Avg. Product Price (US\$/t)				
		\$275	\$300	\$323	\$375	\$425
Discount Rate	7.5%	\$5.92	\$7.40	\$8.76	\$11.84	\$14.80
	10.0%	\$3.86	\$4.98	\$6.02	\$8.35	\$10.60
	11.6%	\$2.91	\$3.86	\$4.74	\$6.73	\$8.63
	17.5%	\$0.97	\$1.54	\$2.07	\$3.25	\$4.39
	20.0%	\$0.54	\$1.02	\$1.45	\$2.43	\$3.38

Source: FRC

We are reiterating our **BUY rating**, and adjusting our fair value estimate from \$4.80 to **\$4.74/share**. We believe MLP is well-positioned to benefit from potash market tightness, strong institutional backing, and a strategically located project with robust economics. It is trading at a significant discount to NPV. Key catalysts in H2-2026, including resource drilling, ESIA, feasibility study completion, and potential M&A.



*We are maintaining  
our risk rating of 5  
(Highly Speculative)*

## Risks

We believe the company is exposed to the following key risks (not exhaustive):

- The value of the company is dependent on potash prices
- Exploration and development
- Potential for **delays** in permitting, construction, and/or other development milestones
- FOREX and geopolitical
- **Access to capital and potential for share dilution**

**Fundamental Research Corp. Equity Rating Scale (ratings are not a recommendation to acquire, dispose of, or take no action regarding a security; the definitions of our ratings are explained below):**

**Buy** – Fair value is 12% above the current market price; or risk and reward is favorable

**Hold** – Fair value is between 5% to 12% above the current market price

**Sell** – Fair value is 5% above, or less, than the current market value; or risk and reward is unfavorable

**Suspended or Rating N/A**— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

**Fundamental Research Corp. Risk Rating Scale:**

**1 (Low Risk)** - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

**2 (Below Average Risk)** - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

**3 (Average Risk)** - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

**4 (Speculative)** - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

**5 (Highly Speculative)** - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues and may rely on external funding. These stocks are considered highly speculative.

**Definition of FRC's Fair Value Estimate** – Our fair value estimate is the theoretical value of the company's equity using widely accepted methods of valuation such as discount cash flow or comparables. IT IS NOT A TARGET PRICE or PREDICTION OF THE FUTURE STOCK PRICE.

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The distribution of FRC's ratings are as follows: BUY (71%), HOLD (3%), SELL / SUSPEND (26%).

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