



**(formerly Black Mountain Gold USA Corp.)**

Condensed Interim Consolidated Financial Statements

For the three months ended November 30, 2023 and 2022

Expressed in Canadian Dollars  
(Unaudited)

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

**MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)**

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars - Unaudited)

	Note	November 30, 2023	August 31, 2023
		\$	\$
<b>Assets</b>			
<b>Current</b>			
Cash		552,258	1,629,036
Amounts receivable	10	10,307	29,226
Prepaid expenses		1,069,859	1,213,279
		1,632,424	2,871,541
Right-of-use asset	4	33,825	59,193
Equity Investment	5	4,534,788	3,994,192
<b>Total assets</b>		<b>6,201,037</b>	<b>6,924,926</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	6,10	313,073	432,831
Lease liability	4	37,069	63,918
		350,142	496,749
<b>Shareholders' equity</b>			
Share capital	7	13,084,635	13,084,635
Reserves	7	1,988,006	1,977,478
Deficit		(9,221,746)	(8,633,936)
<b>Total shareholders' equity</b>		<b>5,850,895</b>	<b>6,428,177</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,201,037</b>	<b>6,924,926</b>

Nature and continuance of operations (Note 1)

Subsequent events (Note 12)

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 condensed interim consolidated financial statements.*

**MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)**

## Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Note	For the three months ended November 30,	
		2023	2022
		\$	\$
<b>Expenses</b>			
Advertising and promotion		347,636	13,842
Consulting fees		41,808	44,780
Depreciation expense	4	25,368	25,781
Foreign exchange loss (gain)		(2,158)	252
General and administrative		17,867	23,086
Interest expense on lease liability	4	1,651	882
Insurance		4,605	3,813
Management fees	10	90,904	103,921
Professional fees		11,172	2,516
Property investigation costs		-	25,000
Rent	10	-	1,500
Share-based compensation	7,10	10,528	-
Transfer agent and filing fees		8,366	10,381
Travel and related		46,401	382
		(604,148)	(256,136)
Loss on equity investment	5	(3,856)	-
Other income	10	20,194	24,400
		16,338	24,400
<b>Loss and comprehensive loss for the period</b>		<b>(587,810)</b>	<b>(231,736)</b>
<b>Weighted average number of outstanding shares – basic and diluted</b>		<b>51,918,000</b>	<b>38,325,000</b>
<b>Basic and diluted loss per share</b>		<b>(0.01)</b>	<b>(0.01)</b>

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

**MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)**

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars - Unaudited)

	For the three months ended November 30,	
	2023	2022
	\$	\$
Cash provided by (used in):		
<b>Operating activities</b>		
Net loss for the period	(587,810)	(231,736)
Items not affecting cash:		
Depreciation	25,368	25,781
Share-based compensation	10,528	-
Interest expense on lease liability	1,651	882
Loss on equity investment	3,856	-
Changes in non-cash working capital items		
Amounts receivable	18,919	13,405
Prepaid expenses	143,420	(13,552)
Accounts payable and accrued liabilities	(153,627)	(8,012)
<b>Cash used in operating activities</b>	<b>(537,695)</b>	<b>(213,232)</b>
<b>Investing activities</b>		
Exploration and evaluation assets expenditures	-	(49,229)
Acquisition of equity investment	(510,583)	-
<b>Cash used in investing activities</b>	<b>(510,583)</b>	<b>(49,229)</b>
<b>Financing activities</b>		
Repayment of lease liability	(28,500)	(27,000)
<b>Cash used in financing activities</b>	<b>(28,500)</b>	<b>(27,000)</b>
<b>Net change in cash</b>	<b>(1,076,778)</b>	<b>(289,461)</b>
<b>Cash, beginning of the period</b>	<b>1,629,036</b>	<b>3,103,435</b>
<b>Cash, end of the period</b>	<b>552,258</b>	<b>2,813,974</b>
<b>Supplemental cash flow information</b>		
Exploration and evaluation asset in accounts payable and accrued liabilities	-	1,301
Advances for equity investment in accounts payable and accrued liabilities	33,868	-

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

**MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)**

Condensed interim consolidated Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars- Unaudited)

	Share Capital				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>
Loss and comprehensive loss	-	-	-	(231,736)	(231,736)
<b>Balance, November 30, 2022</b>	<b>38,325,000</b>	<b>7,619,554</b>	<b>1,110,686</b>	<b>(4,169,260)</b>	<b>4,560,980</b>
Shares issued for investment	650,000	237,250	-	-	237,250
Shares issued for cash	12,183,000	5,312,260	45,512	-	5,357,771
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	-	-	-	(4,464,676)	(4,464,676)
<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>6,428,177</b>
Share-based compensation	-	-	10,528	-	10,528
Loss and comprehensive loss	-	-	-	(587,810)	(587,810)
<b>Balance, November 30, 2023</b>	<b>51,918,000</b>	<b>13,084,635</b>	<b>1,988,006</b>	<b>(9,221,746)</b>	<b>5,850,895</b>

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

# **MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended November 30, 2023 and 2022

(Expressed in Canadian dollars - Unaudited)

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## **1. NATURE AND CONTINUANCE OF OPERATIONS**

Millennial Potash Corp. (the "Company") (formerly Black Mountain Gold USA Corp.) 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 condensed interim consolidated financial statements have been prepared on the assumption that the Company and its subsidiary 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 November 30, 2023, 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 condensed interim consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors on January 29, 2024.

## **2. MATERIAL ACCOUNTING POLICIES**

### *(a) Basis of presentation*

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual financial statements for the year ended August 31, 2023 and are presented in Canadian dollars, which is the Company's functional currency.

## MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended November 30, 2023 and 2022

(Expressed in Canadian dollars - Unaudited)

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### 2. MATERIAL ACCOUNTING POLICIES (Continued)

#### *(b) Basis of consolidation*

The condensed interim consolidated financial statements of the Company consolidate the accounts of the Company and its subsidiary. 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 currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully condensed interim consolidated from the date on which control is obtained by the Company.

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Mohave USA Gold Corp.

#### *(c) Use of estimates and judgments*

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the fair value of share-based compensation, and the recognition of deferred income tax assets. Actual results may differ from these estimates.

Significant areas requiring the use of management estimates and judgments include:

- (i) The identification of indicators of impairment of the Company's exploration and evaluation assets. Management uses several criteria in its assessments of impairment indicators including, geologic and other technical information, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.
- (ii) The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, risk-free interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.
- (iii) 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 as at November 30, 2023 the Company had significant influence in Equatorial Potash Pty Ltd. (Note 5) and has therefore accounted for its investment using the equity method.

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

Other recent accounting pronouncements issued by IFRS as issued by IASB and IFRIC did not, or are not believed by management to, have a material impact on the Company's present or future financial position, results of operations or cash flows.



# MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended November 30, 2023 and 2022

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## 3. EXPLORATION AND EVALUATION ASSET

	Mohave Gold Property
	\$
<b>Balance, August 31, 2022</b>	<b>1,722,341</b>
Exploration expenditures:	
Claim maintenance	52,628
Geological	-
	52,628
Write-off of exploration and evaluation asset	(1,774,969)
<b>Balance, August 31, 2023 and November 30, 2023</b>	<b>-</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, at then prevailing market prices for its common shares, that number of its common shares which would be equal in value to up to \$2,000,000.

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

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:

	Cash Option payments (US\$)	Expenditures (US\$)
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>

**MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended November 30, 2023 and 2022

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**3. EXPLORATION AND EVALUATION ASSET (continued)****Mohave Gold Property (continued)**

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.

**4. RIGHT-OF-USE ASSET AND LEASE LIABILITY**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 and November 30, 2023	220,960
<b>Depreciation:</b>	
At August 31, 2022	60,155
Charge for the year	101,612
At August 31, 2023	161,767
Charge for the period	25,368
At November 30, 2023	187,135
<b>Net book value:</b>	
At August 31, 2023	59,193
<b>At November 30, 2023</b>	<b>33,825</b>

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

Lease Liability

	<b>\$</b>
Lease liability recognized as of February 1, 2022	111,717
Lease payments made	(174,000)
Interest expense on lease liability	16,958
Lease modification	109,243
At August 31, 2023	63,918
Lease payments made	(28,500)
Interest expense on lease liability	1,651
<b>At November 30, 2023</b>	<b>37,069</b>
Less: current portion	(37,069)
Non-current portion	-

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.

## MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended November 30, 2023 and 2022

(Expressed in Canadian dollars - Unaudited)

### 5. EQUITY INVESTMENT

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 Potash Pty Ltd ("Equatorial") a private Australian company, for the option to acquire up to a 100% interest in the Banio Potash Project 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 the Banio Potash Project. The Banio Potash Project is located in Gabon, Western Africa on the Atlantic coast and is situated at the southern part of the country.

In January 2023, the Company received approval from the Exchange for the Definitive Agreement and the Option to acquire the Banio Potash Project, completed the cash payment and share issuance required to acquire the initial 25% interest in the Banio Potash Project through its acquisition of 25% of the Equatorial Shares. The Company has a minority position on the board of its associated company Equatorial. The Company's judgment is that it has significant influence, but not control and therefore equity accounting is appropriate.

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

	Cash US\$	Shares #	Exploration expenditure US\$	Ownership earned %
Upon signing of binding MOU	(paid) 18,750			
Within ten days of TSX approval of the definitive agreement	(paid) 257,000	(issued) 650,000		(acquired) 25
Within ten days of completion of Phase 2 Drilling*	300,000	550,000	2,500,000	51
Within ten days of Preliminary Economic Assessment or Scoping study	300,000	1,000,000	-	70
Within ten days of completion of Phase 3 Drilling**	500,000	1,500,000	4,500,000	
Within ten days of completion of Definitive Feasibility Study	3,000,000	2,500,000	5,000,000	100
<b>Totals</b>	<b>4,375,750</b>	<b>6,200,000</b>	<b>12,000,000</b>	

\* In addition to the completion of the Phase 2 Drilling, a current resource estimate in a report in form required by NI 43-101 must be completed in order for the Company to make the payment and issue the shares. Phase 2 Drilling entails the conduct of 1,500 meters of exploration drilling for potash at the Banio Potash Project.

\*\* In addition to the completion of the Phase 3 Drilling, an updated, revised resource estimate must be completed in order for the Company to make the payment and issue the shares. Phase 3 Drilling entails the conduct of 3,000 meters of exploration drilling for potash at the Banio Potash Project.

In October 2023, the Company entered into an agreement amending the Definitive Agreement providing that the US\$300,000 due to the vendors of the Banio Potash Project 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 will have earned an additional 26% interest in the Banio Potash Project for a total 51% interest.

**MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended November 30, 2023 and 2022

(Expressed in Canadian dollars - Unaudited)

**5. EQUITY INVESTMENT (continued)**

As at November 30, 2023, the Company had paid to the shareholders of Equatorial \$343,917 (US\$257,000) (August 31, 2023 - \$343,917 (US\$257,000)) and issued 650,000 common shares valued at \$237,250 (August 31, 2023 - \$237,250), thereby acquiring 25% ownership pursuant to the terms of the Definitive Agreement. In addition, the Company has advanced \$3,968,369 (US\$2,965,443) as at November 30, 2023 (August 31, 2023 - \$3,423,917 (US\$2,566,089)) to Equatorial for exploration programs on the Banio Potash property.

During the three months ended November 30, 2023, the Company recorded a loss on the equity investment of \$3,856 (November 30, 2022 - \$nil) which represented the Company's portion of Equatorial's loss for the period; as a result, the carrying value of the investment as at November 30, 2023 was \$4,534,788 (August 31, 2023 - \$3,994,192).

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

	\$
Opening, 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>
Cash contributions – exploration advances	544,452
Share of loss of equity investment	(3,856)
<b>November 30, 2023</b>	<b>4,534,788</b>

Summarized financial information in respect of Equatorial is as follows:

	November 30, 2023	August 31, 2023
	\$	\$
Current assets	103,620	58,881
Non-current assets	8,746,717	8,458,450
<b>Total assets</b>	<b>8,850,337</b>	<b>8,517,331</b>
Current liabilities	65,846	12,660
Non-current liabilities	1,773,494	1,562,160
<b>Total liabilities</b>	<b>1,839,340</b>	<b>1,574,820</b>
	<b>For the three months ended</b>	
	<b>November 30,</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
Loss and comprehensive loss	(15,425)	-
Company's share of loss and comprehensive loss	<b>(3,856)</b>	-

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	November 30, 2023	August 31, 2023
	\$	\$
Accounts payable	<b>220,323</b>	364,955
Accrued liabilities	<b>92,750</b>	67,876
	<b>313,073</b>	<b>432,831</b>

## MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended November 30, 2023 and 2022

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### 7. 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 three months ended November 30, 2023:

No share issuance transactions.

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 equity investment (Note 5).

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 ("February Offering"). 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 ("August Offering"). 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 a stock option 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 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 the greater of 12 months after the Completion of the Qualifying Transaction and 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.

**MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended November 30, 2023 and 2022

(Expressed in Canadian dollars - Unaudited)

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

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 and November 30, 2023</b>	<b>3,585,000</b>	<b>0.45</b>

A summary of the stock options outstanding and exercisable at November 30, 2023 is as follows:

Exercise Price \$	Options Outstanding #	Options Exercisable #	Expiry Date
0.50	150,000	75,000	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
	<b>3,585,000</b>	<b>3,510,500</b>	

The weighted average life of the outstanding stock options is 2.89 years.

**Warrants**

A summary of warrants activities are as follows:

	Number of warrants #	Weighted average exercise price \$
<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 and November 30, 2023</b>	<b>6,334,488</b>	<b>0.69</b>

A summary of the warrants outstanding and exercisable at November 30, 2023 is as follows:

Exercise Price \$	Warrants Outstanding and Exercisable #	Expiry Date
0.75	3,591,500	February 28, 2025
0.60	2,500,000	August 4, 2025
0.60	242,988	August 4, 2025
	<b>6,334,488</b>	

The weighted average life of the outstanding warrants is 1.44 years.

## MILLENNIAL POTASH CORP. (formerly Black Mountain Gold USA Corp.)

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### 7. SHARE CAPITAL (continued)

#### Loss per share

Outstanding stock options and warrants have been excluded from the calculation of diluted loss per share as the effect would be anti-dilutive.

### 8. 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.

#### (a) *Currency risk*

The Company conducts the majority of its exploration and evaluation activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates of the Canadian and US dollars. As at November 30, 2023, the Company had a foreign currency net monetary asset position of approximately US\$547,229. A 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$54,723.

#### (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.

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**9. 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.

**10. 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 November 30, 2023, the Company has \$138,000 (August 31, 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 November 30, 2023, the Company had \$nil (August 31, 2023 - \$2,888) included in amounts receivable due from an officer and companies related by way of common officers.

Summary of key management personnel compensation:

	<b>For the three months ended November 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation property expenditures	-	15,000
Exploration advances for equity investment	<b>52,500</b>	-
Management fees	<b>78,000</b>	93,000
	<b>130,500</b>	108,000

The following amounts were incurred with respect to companies related by common officers and directors:

	<b>For the three months ended November 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Rent	-	1,575

The following amounts were received as recovery of rent with respect to companies related by common officers and directors:

	<b>For the three months ended November 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Other income	<b>12,100</b>	9,300



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**11. 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>November 30, 2023</b>	<b>Canada</b>	<b>Australia*</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Equity investment	-	4,534,788	<b>4,534,788</b>
Other assets	33,825	-	<b>33,825</b>
	<b>33,825</b>	<b>4,534,788</b>	<b>4,568,613</b>

\* Equatorial is a private Australian company however its main asset the Banio Potash Project is located in Gabon (Note 5).

<b>August 31, 2023</b>	<b>Canada</b>	<b>Australia*</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 5).

**12. SUBSEQUENT EVENTS**

- a) In December 2023, the Company issued 5,750,000 common shares of the Company at \$0.19 per share for gross proceeds of \$1,092,500. The Company incurred finders fees of \$38,238.
- b) In January 2024, the Company granted a total of 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.