

# MILLENNIAL P O T A S H

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

Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 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	May 31, 2023 \$	August 31, 2022 \$
<b>Assets</b>			
<b>Current</b>			
Cash		2,062,365	3,103,435
Amounts receivable	10	15,144	39,792
Prepaid expenses		1,238,115	69,763
		<b>3,315,624</b>	3,212,990
Exploration and evaluation assets	3, 10	1,950,377	1,722,341
Right-of-use asset	4	-	51,562
Investment in equity accounted investee	5	594,304	-
		<b>5,860,305</b>	4,986,893
<b>Liabilities and shareholders' equity</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	6, 10	469,432	141,415
Lease liability	4	-	52,762
Share subscriptions	12	27,000	-
		<b>496,432</b>	194,177
<b>Shareholders' equity</b>			
Share capital	7	11,174,662	7,619,554
Reserves	7	1,802,550	1,110,686
Deficit		(7,613,339)	(3,937,524)
		<b>5,363,873</b>	4,792,716
<b>Total shareholders' equity</b>		<b>5,363,873</b>	4,792,716
<b>Total liabilities and shareholders' equity</b>		<b>5,860,305</b>	4,986,893

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.)

Condensed Interim Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars- Unaudited)

	Note	For the three months ended May 31,		For the nine months ended May 31,	
		2023	2022	2023	2022
		\$	\$	\$	\$
<b>Expenses</b>					
Advertising and promotion		246,465	1,890	374,218	56,898
Consulting fees		341,619	29,437	425,416	154,194
Depreciation expense	4	-	25,781	51,562	34,375
Foreign exchange loss (gain)		6,314	939	(6,632)	2,356
General and administrative		22,737	12,122	61,627	18,768
Interest expense – lease liability		-	1,903	1,238	2,647
Insurance		4,451	3,193	12,078	9,693
Management fees	10	90,904	153,000	308,910	309,000
Professional fees		27,984	4,615	134,876	19,469
Property investigation costs		-	-	128,838	-
Rent	10	28,500	2,100	31,500	10,300
Share-based compensation	7, 10	281,590	-	440,553	531,590
Transfer agent and filing fees		17,158	10,243	61,768	36,348
Travel and related		39,613	27,034	71,172	27,297
		(1,107,335)	(272,257)	(2,097,124)	(1,212,935)
Gain (loss) on equity accounted investment		18,775	-	13,137	-
Write off of exploration and evaluation property	3	-	-	(1,785,986)	-
Write off of prepaid		(54,511)	-	(54,511)	-
Other income	10	20,000	24,600	69,000	32,800
		(15,736)	24,600	(1,758,360)	32,800
<b>Net and comprehensive loss for the period</b>		<b>(1,123,071)</b>	<b>(247,657)</b>	<b>(3,855,484)</b>	<b>(1,180,135)</b>
<b>Weighted average number of outstanding shares</b>		<b>46,252,022</b>	<b>38,325,000</b>	<b>41,115,500</b>	<b>36,819,620</b>
<b>Basic and diluted loss per share</b>		<b>(0.02)</b>	<b>(0.01)</b>	<b>(0.09)</b>	<b>(0.03)</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 nine months ended	
	May 31,	
	2023	2022
	\$	\$
Cash provided by (used in):		
<b>Operating activities</b>		
Net loss for the period	(3,855,484)	(1,180,135)
Items not affecting cash:		
Depreciation	51,562	34,375
Share-based compensation	440,553	531,590
Interest expense on lease liability	1,238	2,647
Impairment of exploration and evaluation property	1,785,986	-
Loss (gain) on equity accounted investment	(13,137)	-
Changes in non-cash working capital items		
Amounts receivable	24,648	(12,008)
Prepaid expenses	(1,168,352)	93,163
Accounts payable and accrued liabilities	336,364	11,476
<b>Cash used in operating activities</b>	<b>(2,396,622)</b>	<b>(518,892)</b>
<b>Investing activities</b>		
Exploration and evaluation assets expenditures	(2,022,369)	(679,015)
Acquisition of equity accounted investment	(343,917)	-
<b>Cash used in investing activities</b>	<b>(2,366,286)</b>	<b>(679,015)</b>
<b>Financing activities</b>		
Proceeds from share issuances	3,160,520	-
Share issuance costs	(125,162)	-
Share subscriptions	27,000	-
Stock options exercised	207,500	-
Warrants issued	430,980	-
Warrants exercised	75,000	853,500
Repayment of lease liability	(54,000)	(36,000)
<b>Cash provided by (used in) financing activities</b>	<b>3,721,838</b>	<b>817,500</b>
<b>Net change in cash</b>	<b>(1,041,070)</b>	<b>(380,407)</b>
<b>Cash, beginning of the period</b>	<b>3,103,435</b>	<b>3,759,961</b>
<b>Cash, end of the period</b>	<b>2,062,365</b>	<b>3,379,554</b>
<b>Supplemental cash flow information</b>		
Exploration and evaluation assets in accounts payable and accrued liabilities	8,348	4,176
Recognition of right of use asset and lease liability	-	111,718

*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)

	<u>Share Capital</u>				Total Shareholders' Equity
	Common Shares	Amount	Reserves	Deficit	
	#	\$	\$	\$	
<b>Balance, August 31, 2021</b>	<b>31,212,500</b>	<b>6,766,054</b>	<b>579,096</b>	<b>(2,526,089)</b>	<b>4,819,061</b>
Share-based compensation	-	-	531,590	-	531,590
Warrants exercised	7,112,500	853,500	-	-	853,500
Net and comprehensive loss	-	-	-	(1,180,135)	(1,180,135)
<b>Balance, May 31, 2022</b>	<b>38,325,000</b>	<b>7,619,554</b>	<b>1,110,686</b>	<b>(3,706,224)</b>	<b>5,024,016</b>
Net and comprehensive loss	-	-	-	(231,300)	(231,300)
<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 investment	650,000	237,250	-	-	237,250
Shares issued for cash	7,183,000	3,035,358	-	-	3,035,358
Stock options exercised	562,500	207,500	(179,669)	179,669	207,500
Share-based compensation	-	-	440,553	-	440,553
Warrants exercised	125,000	75,000	-	-	75,000
Warrants issued	-	-	430,980	-	430,980
Net and comprehensive loss	-	-	-	(3,855,484)	(3,855,484)
<b>Balance, May 31, 2023</b>	<b>46,845,500</b>	<b>11,174,662</b>	<b>1,802,550</b>	<b>(7,613,339)</b>	<b>5,363,873</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 and nine months ended May 31, 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 May 31, 2023, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. These factors indicate the existence of a material uncertainty that may cast doubt about 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. The Company estimates it has sufficient working capital to continue operations for the upcoming year.

These condensed interim consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors effective on July 29, 2023.

## 2. SIGNIFICANT 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, 2022 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 and nine months ended May 31, 2023 and 2022

(Expressed in Canadian dollars - Unaudited)

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### 2. SIGNIFICANT 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 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 judgment in applying the Company's accounting policies include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

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

- (i) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available to identify new business opportunities and working capital requirements, the outcome of which is uncertain.
- (ii) 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.
- (iii) Inputs used in the valuation model to determine the fair value of stock options.

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

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.

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.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2023 and 2022

(Expressed in Canadian dollars - Unaudited)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) *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.

### 3. EXPLORATION AND EVALUATION ASSETS

	Mohave Gold Property	Banio Potash Property	Total
	\$	\$	\$
<b>Balance, August 31, 2021</b>	<b>972,891</b>	-	-
Property acquisition costs	277,120	-	-
Exploration expenditures:			
Claim maintenance	67,807	-	-
Geological	404,523	-	-
<b>Balance, August 31, 2022</b>	<b>1,722,341</b>	-	<b>1,722,341</b>
Exploration expenditures:			
Claim maintenance	63,645	-	63,645
Geological	-	1,950,377	1,950,377
	63,645	1,950,377	2,014,022
Write off of exploration and evaluation asset	(1,785,986)	-	(1,785,986)
<b>Balance, May 31, 2023</b>	<b>-</b>	<b>1,950,377</b>	<b>1,950,377</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.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2023 and 2022

(Expressed in Canadian dollars - Unaudited)

### 3. EXPLORATION AND EVALUATION ASSETS (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:

	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>

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 \$1,785,986 as at May 31, 2023.

#### Banio Potash Property

In September 2022 and October 2022, the Company entered into a binding memorandum of understanding 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, approximately 50 km south of Mayumba and along the border with the Republic of Congo.

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 and acquired the initial 25% interest in the Banio Potash Project through its acquisition of 25% of the Equatorial Shares.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2023 and 2022

(Expressed in Canadian dollars - Unaudited)

### 3. EXPLORATION AND EVALUATION ASSETS (continued)

#### Banio Potash Property (continued)

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	1,500,000	70
Within ten days of completion of Phase 3 Drilling**	500,000	1,500,000	3,000,000	
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 Tenement area issued to Equatorial.

\*\* 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 Tenement area issued to Equatorial.

### 4. RIGHT-OF-USE ASSET AND LEASE LIABILITY

#### Right-of-Use Asset

	Office Leases \$
<b>Cost:</b>	
At August 31, 2021, August 31 and May 31, 2023	111,717
<b>Depreciation:</b>	
At August 31, 2021	-
Charge for the year	60,155
At August 31, 2022	60,155
Charge for the period	51,562
At May 31, 2023	111,717
<b>Net book value:</b>	
At August 31, 2022	51,562
<b>At May 31, 2023</b>	<b>-</b>

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

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

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2023 and 2022

(Expressed in Canadian dollars - Unaudited)

### 4. RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)

#### Lease Liability

	\$
Lease liability recognized as of February 1, 2022	111,717
Lease payments made	(63,000)
Interest expense on lease liability	4,045
At August 31, 2022	52,762
Lease payments made	(54,000)
Interest expense on lease liability	1,238
	-
Less: current portion	-
<b>At May 31, 2023</b>	<b>-</b>

The lease liability was discounted at a discount rate of 8% as at February 1, 2022.

The lease expired as at May 31, 2023 and was fully repaid.

### 5. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

As at May 31, 2023, the Company had paid 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 (Note 3).

During the period from acquisition on January 24, 2023 to May 31, 2023, the Company recorded a gain on the equity accounted investee of \$13,137 which represented the Company's portion of Equatorial's gain (loss) for the period; as a result, the carrying value of the investment as at May 31, 2023 was \$594,304.

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

	<b>May 31, 2023</b>
	\$
Acquisition	581,167
Share of gain of equity investment	13,137
<b>May 31, 2023</b>	<b>594,304</b>

Summarized financial information in respect of Equatorial is as follows:

	<b>May 31, 2023</b>
	\$
Current assets	63,112
Non-current assets	7,778,028
<b>Total assets</b>	<b>7,841,140</b>
Current liabilities	56,351
Non-current liabilities	886,972
<b>Total liabilities</b>	<b>943,324</b>
	<b>2023</b>
	\$
Net and comprehensive income	52,548
Company's share of net and comprehensive income	13,137

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

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2023 and 2022

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### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2023	August 31, 2022
	\$	\$
Accounts payable	453,092	87,443
Accrued liabilities	16,340	53,972
	469,432	141,415

### 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 year ended August 31, 2022:

The Company issued 7,112,500 common shares in connection with the exercise of 7,112,500 warrants with an exercise price of \$0.12 for total proceeds of \$853,500.

##### During the nine months ended May 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 87,500 common shares in connection with the exercise of 87,500 stock options with an exercise price of \$0.20 per share for gross proceeds of \$17,500. 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 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 \$0.44 per share for a total of \$3,160,520, 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 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.

#### Escrow shares

As at May 31, 2023 the Company has 1,856,245 common shares subject to escrow pursuant to the requirements of the Exchange, which will be released through November 2023.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2023 and 2022

(Expressed in Canadian dollars - Unaudited)

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

#### **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.

In September 2021, the Company granted 1,700,000 stock options to various directors, officers, and consultants of the Company at an exercise price of \$0.40 per share for a period of five years, vested immediately. The options were valued at \$531,590 using the Black-Scholes pricing model with the following assumptions: estimated life of five years, risk-free rate of 1.11%, volatility of 128%, and nil forecasted dividend yield.

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, vested 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 deficit.

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.

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 immediately. The options were valued at \$40,230 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 addition, 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 deficit.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 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, 2021</b>	<b>1,395,000</b>	<b>0.48</b>
Granted	1,700,000	0.40
<b>Balance, August 31 2022</b>	<b>3,095,000</b>	<b>0.44</b>
Exercised	(562,500)	0.37
Granted	1,125,000	0.45
<b>Balance, May 31, 2023</b>	<b>3,657,500</b>	<b>0.45</b>

A summary of the stock options outstanding and exercisable at May 31, 2023 is as follows:

Exercise Price	Options Outstanding	Options Exercisable	Expiry Date
\$	#	#	
0.50	150,000	150,000	March 20, 2025
0.50	1,295,000	1,295,000	January 15, 2026
0.20	12,500	12,500	April 19, 2026
0.40	1,225,000	1,225,000	September 20, 2026
0.45	375,000	375,000	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>3,657,500</b>	<b>3,657,500</b>	

The weighted average life of the outstanding stock options is 3.41 years.

#### Warrants

A summary of warrants activities are as follows:

	Number of warrants	Weighted average exercise price
	#	\$
<b>Balance, August 31, 2021</b>	<b>13,362,500</b>	<b>0.34</b>
Exercised	(7,112,500)	0.12
<b>Balance, August 31, 2022</b>	<b>6,250,000</b>	<b>0.60</b>
Exercised	(125,000)	0.60
Issued	3,591,500	0.75
<b>Balance, May 31, 2023</b>	<b>9,716,500</b>	<b>0.66</b>

A summary of the warrants outstanding and exercisable at May 31, 2023 is as follows:

Exercise Price	Warrants Outstanding and Exercisable		Expiry Date
\$	#		
0.60	6,125,000		August 12, 2023
0.75	3,591,500		February 28, 2025
	<b>9,716,500</b>		

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### 7. SHARE CAPITAL (continued)

#### Warrants (continued)

The weighted average life of the outstanding warrants is 0.77 years.

#### 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, and accounts payable and accrued liabilities. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

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

#### (a) Foreign exchange 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 May 31, 2023, the Company had a foreign currency net monetary asset position of approximately US\$550,813. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$55,081.

#### (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.

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### 8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(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.

### 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 May 31, 2023, the Company has \$87,583 (August 31, 2022 - \$73,326) included in accounts payable and accrued liabilities due to an officer and companies related by way of common officers. As at May 31, 2023, the Company had \$nil (August 31, 2022 - \$7,191) included in amounts receivable due from an officer and companies related by way of common officers.

Summary of key management personnel compensation:

	For the nine months ended May 31,	
	2023	2022
	\$	\$
Exploration and evaluation property expenditures	120,000	45,000
Management fees	254,000	309,000
Share-based compensation	209,210	406,510
	<b>583,210</b>	<b>760,510</b>

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

	For the nine months ended May 31,	
	2023	2022
	\$	\$
Exploration and evaluation property expenditures	-	150,000
Rent	-	7,500
	-	<b>157,500</b>

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

	For the nine months ended May 31,	
	2023	2022
	\$	\$
Other income	29,600	16,120

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### 11. SEGMENTED INFORMATION

The Company has one operating segment, being the acquisition and exploration of exploration and evaluation assets. All non-current assets of the Company are located in Australia and Gabon as follows:

<b>May 31, 2023</b>	<b>Canada</b>	<b>USA</b>	<b>Australia</b>	<b>Gabon</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Exploration and evaluation assets	-	-	-	1,950,377	<b>1,950,377</b>
Other assets	-	-	594,304	-	<b>594,304</b>
	-	-	<b>594,304</b>	<b>1,950,377</b>	<b>2,544,681</b>

  

<b>August 31, 2022</b>	<b>Canada</b>	<b>USA</b>	<b>Australia</b>	<b>Gabon</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Exploration and evaluation assets	-	1,722,341	-	-	<b>1,722,341</b>
Other assets	51,562	-	-	-	<b>51,562</b>
	<b>51,562</b>	<b>1,722,341</b>	-	-	<b>1,773,903</b>

### 12. SUBSEQUENT EVENTS

- In June 2023 the Company issued 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 which were previously received in May 2023.
- In June 2023 the Company issued 12,500 common shares in connection with the exercise of 12,500 stock options with an exercise price of \$0.20 per share for gross proceeds of \$2,500.
- In July 2023, the Company announced a non-brokered private placement of up to 5,000,000 units at a price of \$0.40 per Unit. Each Unit will be comprised of one common share and one-half of one share purchase warrant exercisable at a price of \$0.60 per share for a period of two years from the date of issuance. A commission of seven (7%) percent cash and seven (7%) percent finders warrants is expected to be paid on a portion of the private placement.