

MILLENNIAL P O T A S H

Consolidated Financial Statements

For the years ended August 31, 2025 and 2024

Expressed in Canadian Dollars

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Millennial Potash Corp.

Opinion

We have audited the accompanying consolidated financial statements of Millennial Potash Corp. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2025 and 2024, and the consolidated statements of loss, comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Key Audit Matters

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

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

As described in Note 6 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$15,032,137 as of August 31, 2025. As more fully described in Note 2 and 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

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



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

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

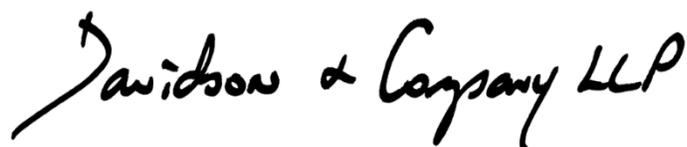
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies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

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

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

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

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

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

Vancouver, Canada

Chartered Professional Accountants

December 23, 2025

MILLENNIAL POTASH CORP.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	August 31, 2025	August 31, 2024
		\$	\$
ASSETS			
Current			
Cash and cash equivalents		17,485,440	1,574,029
Amounts receivable		162,098	41,288
Prepaid expenses and deposits		575,422	691,898
		18,222,960	2,307,215
Equipment	5	306,645	104,711
Exploration and evaluation assets	6	15,032,137	9,790,997
Right-of-use asset	8	58,167	63,044
Total assets		33,619,909	12,265,967
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	9,13	677,227	527,472
Lease liability	8	60,334	67,282
		737,561	594,754
Development Finance Corporation ("DFC") loan	10	82,667	-
Deferred gains on DFC loan	10	299,339	-
		1,119,567	594,754
Shareholders' equity			
Share capital	11	40,445,118	16,924,956
Reserves	11	6,201,692	3,615,660
Deficit		(17,220,022)	(11,079,389)
Other comprehensive income		626,627	25,219
Equity attributable to shareholders of the Company		30,053,415	9,486,446
Non-controlling interest	12	2,446,927	2,184,767
		32,500,342	11,671,213
Total liabilities and equity		33,619,909	12,265,967

Nature and continuance of operations (Note 1)
Subsequent events (Note 19)

Approved on behalf of the Board:

"Farhad Abasov"

Farhad Abasov, Director

"Peter MacLean"

Peter MacLean, Director

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

MILLENNIAL POTASH CORP.
Consolidated Statements of Loss
(Expressed in Canadian Dollars)

		For the years ended August 31,	
	Note	2025	2024
		\$	\$
EXPENSES			
Accretion	10	1,546	-
Advertising and promotion		477,490	707,355
Consulting fees		705,020	360,862
Depreciation expense	8	112,204	105,875
Foreign exchange gain		(41,905)	(1,486)
General and administrative		65,513	62,250
Insurance		17,925	18,420
Interest expense - lease liability	8	8,725	10,638
Management fees	13	488,441	591,701
Professional fees		183,037	148,696
Share-based compensation	11,13	3,908,131	1,159,620
Transfer agent and filing fees		87,128	62,760
Travel and related cost		118,770	64,536
		(6,132,025)	(3,291,227)
Interest income		134,477	-
Other income	13	89,692	79,879
Gain on DFC loan	10	2,948	-
Loss on equity investment	7	-	(7,652)
Recovery (write-off) of prepaid		(16,395)	25,348
		210,722	97,575
Loss for the year		(5,921,303)	(3,193,652)
Income (loss) attributable to:			
Shareholders of the Company		(5,925,716)	(3,188,563)
Non-controlling interest	12	4,413	(5,089)
Loss for the year		(5,921,303)	(3,193,652)
Weighted average number of shares outstanding			
- basic and diluted		85,573,540	58,216,087
Basic and diluted loss per share attributable to:			
Shareholders of the Company		\$ (0.07)	\$ (0.05)
Non-controlling interest		\$ 0.00	\$ (0.00)

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

MILLENNIAL POTASH CORP.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	For the years ended August 31,	
		2025	2024
		\$	\$
Loss for the year		(5,921,303)	(3,193,652)
Other comprehensive income			
Foreign currency translation adjustment		859,155	36,027
Comprehensive loss for the year		(5,062,148)	(3,157,625)
Comprehensive income (loss) attributable to:			
Shareholders of the Company		(5,324,308)	(3,163,344)
Non-controlling interest	12	262,160	5,719
Comprehensive loss for the year		(5,062,148)	(3,157,625)

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

MILLENNIAL POTASH CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the years ended August 31,	
	2025	2024
	\$	\$
Cash flows used in operating activities		
Loss for the year	(5,921,303)	(3,193,652)
Items not affecting cash:		
Accretion	1,546	-
Depreciation	112,204	105,875
Interest expense on lease liability	8,725	10,638
Gain on DFC loan	(2,948)	-
Loss (gain) on equity investment	-	7,652
Share-based compensation	3,908,131	1,159,620
Unrealized (gain) loss on foreign exchange	(178,244)	-
Changes in non-cash working capital items		
Amounts receivable	(120,810)	(5,780)
Prepaid expenses	116,476	554,248
Accounts payable and accrued liabilities	128,829	(154,396)
	<u>(1,947,394)</u>	<u>(1,515,795)</u>
Cash flows used in investing activities		
Cash acquired on acquisition of Equatorial	-	55,619
Acquisition of equipment	(245,614)	-
Exploration and evaluation assets expenditures	(4,290,602)	(810,245)
Acquisition of Equatorial Potash Pty Ltd.	(214,917)	(1,680,496)
	<u>(4,751,133)</u>	<u>(2,435,122)</u>
Cash flows from financing activities		
Proceeds from share issuances	17,911,280	4,086,000
Share issuance costs	(706,815)	(109,117)
Stock options exercised	948,400	-
Warrants exercised	4,045,198	-
Proceeds from DFC loan	415,602	-
Repayment of lease liability	(123,000)	(117,000)
	<u>22,490,665</u>	<u>3,859,883</u>
Effect of foreign exchange on cash and cash equivalents	119,273	36,027
Net change in cash	15,911,411	(55,007)
Cash and cash equivalents, beginning of the year	1,574,029	1,629,036
Cash and cash equivalents, end of the year	<u>17,485,440</u>	<u>1,574,029</u>

Supplemental cash flow information (Note 16)

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

MILLENNIAL POTASH CORP.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	<u>Share Capital</u>				Other Comprehensive Income	Non- Controlling Interest	Total Shareholders' Equity
	Common Shares	Amount	Reserves	Deficit			
	#	\$	\$	\$			
Balance at August 31, 2023	51,918,000	13,084,635	1,977,478	(8,633,936)	-	-	6,428,177
Shares issued for acquisition	550,000	132,000	-	-	-	-	132,000
Shares issued for cash	17,724,000	3,625,650	460,350	-	-	-	4,086,000
Share issue costs	-	(127,329)	18,212	-	-	-	(109,117)
Share-based compensation	-	-	1,159,620	-	-	-	1,159,620
Non-controlling interest acquired	-	-	-	-	-	3,541,254	3,541,254
Increase in ownership of subsidiary	1,000,000	210,000	-	743,110	-	(1,362,206)	(409,096)
Foreign exchange translation	-	-	-	-	25,219	10,808	36,027
Loss for the year	-	-	-	(3,188,563)	-	(5,089)	(3,193,652)
Balance at August 31, 2024	71,192,000	16,924,956	3,615,660	(11,079,389)	25,219	2,184,767	11,671,213
Shares issued for cash	26,787,643	17,911,280	-	-	-	-	17,911,280
Share issue costs	-	(706,815)	-	-	-	-	(706,815)
Stock options exercised	2,157,000	1,710,740	(762,340)	-	-	-	948,400
Warrants exercised	7,277,913	4,600,400	(555,202)	-	-	-	4,045,198
Share-based compensation	-	-	3,908,131	-	-	-	3,908,131
Warrants expired	-	4,557	(4,557)	-	-	-	-
Increase in ownership of subsidiary	-	-	-	(214,917)	-	-	(214,917)
Foreign exchange on translation	-	-	-	-	601,408	257,747	859,155
Loss for the year	-	-	-	(5,925,716)	-	4,413	(5,921,303)
Balance at August 31, 2025	107,414,556	40,445,118	6,201,692	(17,220,022)	626,627	2,446,927	32,500,342

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

MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements
For the years ended August 31, 2025 and 2024
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

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

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

These consolidated financial statements for the years ended August 31, 2025 and 2024 (the “Financial Statements”) have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These adjustments could be material. As at August 31, 2025, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations, however, the Company has raised significant cash flows from private placements and the exercise of warrants and stock options to finance its activities over the coming twelve months.

2. BASIS OF PRESENTATION

Basis of presentation

These Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). These Financial Statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value. In addition, the Financial Statements have been prepared using the accrual basis of accounting except for cash flow disclosure. The Financial Statements are presented in Canadian dollars (“CAD”), unless otherwise noted.

These consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors on December 23, 2025.

Foreign currency translation

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

MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements
For the years ended August 31, 2025 and 2024
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

Foreign currency translation (continued)

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

Basis of consolidation

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

	Incorporation	Functional Currency	Percentage owned	
			2025	2024
Equatorial Potash Pty. Ltd. ("Equatorial") Company owned by Equatorial	Australia	CAD	70%	70%
Mayumba Potasse SARL ("Mayumba")	Gabon	XAF	70%	70%

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

Subsidiaries

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

Significant accounting estimates and judgments

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

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

MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements
For the years ended August 31, 2025 and 2024
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

Significant accounting estimates and judgments (continued)

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

Significant judgements

Going concern

The assessment of the Company's ability to continue as a going concern and whether there exists material uncertainties that may cast doubt involves management judgement about the Company's resources and future prospects (Note 1).

Functional currency

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

Asset Acquisition

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

Impairment of exploration and evaluation assets

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

Investments

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

Significant estimates

Valuation of DFC loan

The deferred gain portion of the DFC loan is calculated using a discounted cash flow method which requires management to make an estimate using an appropriate discount rate.

Income taxes

The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred income and resource tax assets.

MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements
For the years ended August 31, 2025 and 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information set out below have been applied consistently to all periods presented in these Financial Statements.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. As at August 31, 2025, the Company's cash and cash equivalents included \$6,600,000 (2024 - \$nil) in redeemable guaranteed investment certificates.

Exploration and evaluation assets

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

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

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

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

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

Equipment

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

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

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

MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements
For the years ended August 31, 2025 and 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Equipment (continued)

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

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

Leases

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

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

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

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

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

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

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

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

MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements
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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments

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

(i) Classification

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

The following table shows the classification under IFRS 9:

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

(ii) Measurement

Financial assets and liabilities at amortized cost.

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

Financial assets and liabilities at FVTPL

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

Debt investments at FVOCI

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

Equity investments at FVOCI

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

MILLENNIAL POTASH CORP.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

(iii) Impairment of financial assets at amortized cost

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

(iv) Derecognition

Financial assets

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

Financial liabilities

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

Income taxes

Current income tax

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

Deferred income tax

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

MILLENNIAL POTASH CORP.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Share capital**

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

Loss per share

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

Share-based payments

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

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

Unit offerings

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

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

Investments in associates (equity accounted investee)

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

MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements
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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Investments in associates (equity accounted investee) (continued)**

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

Non-controlling interest

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

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

Acquisitions

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

Government assistance

Government loans received at below-market interest rates are initially recognized as financial liabilities at fair value, determined by discounting the contractual cash flows using a market interest rate for a comparable instrument. The benefit of the below-market interest rate is recognized as a deferred gain where there is reasonable assurance that the Company will comply with the associated conditions. The loan is subsequently measured at amortized cost using the effective interest method, with the discount accreted over the term of the loan. The deferred gain is recognized in profit or loss on a systematic basis over the term of the loan.

Accounting standards adopted

The following new standards, amendments to standards and interpretations were adopted as of September 1, 2024.

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

MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements
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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Accounting standards adopted (continued)

These amendments:

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

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

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

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

The Company is currently assessing the impact these amendments will have on its Financial Statements.

4. ACQUISITION OF EQUATORIAL

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

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

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

MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements
For the years ended August 31, 2025 and 2024
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4. ACQUISITION OF EQUATORIAL (continued)

	Total
	\$
Consideration:	
Cash paid	547,917
Shares issued	369,250
Exploration and evaluation expenditures	2,966,409
Total consideration	3,883,576
Allocated as follows:	
Cash	55,619
Receivables	6,282
Equipment	124,470
Deposit	32,867
Exploration and evaluation assets (Note 6)	8,801,367
Accounts payable	(82,169)
Loan payable	(1,513,606)
Non-controlling interest (Note 12)	(3,541,254)
	3,883,576

The Company recognized a non-controlling interest as at the acquisition date for the remaining 49% unearned interest. In July 2024, the Company earned an additional 19% for total ownership of 70% of Equatorial as at the year ended August 31, 2024 (Notes 6 and 12).

5. EQUIPMENT

	Computers	Furniture	Equipment	Vehicles	Total
	\$	\$	\$	\$	\$
Cost:					
At August 31, 2023	-	-	-	-	-
Additions	9,399	1,723	20,914	92,434	124,470
At August 31, 2024	9,399	1,723	20,914	92,434	124,470
Additions	-	30,284	88,322	127,008	245,614
Foreign translation adjustment	856	418	3,090	11,471	15,835
At August 31, 2025	10,255	32,425	112,326	230,913	385,919
Depreciation:					
At August 31, 2023	-	-	-	-	-
Additions	2,585	172	3,137	13,865	19,759
At August 31, 2024	2,585	172	3,137	13,865	19,759
Additions	3,748	1,851	11,260	42,656	59,515
At August 31, 2025	6,333	2,023	14,397	56,521	79,274
Net book value:					
At August 31, 2024	6,814	1,551	17,777	78,569	104,711
At August 31, 2025	3,922	30,402	97,929	174,392	306,645

MILLENNIAL POTASH CORP.

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6. EXPLORATION AND EVALUATION ASSETS

	Banio Potash Project
	\$
Balance, August 31, 2023	-
Property acquisition costs	8,801,367
<i>Exploration expenditures:</i>	
Assessments (PEA)	90,043
Depreciation (Note 5)	19,759
Drilling, mobilization and maintenance	477,106
Geological and ESG	216,570
Mining licence maintenance	8,418
Site development and supplies	162,548
Travel and accommodations	15,186
Balance, August 31, 2024	9,790,997
Property acquisition costs	-
<i>Exploration expenditures:</i>	
Assessments (PEA)	39,689
Depreciation (Note 5)	59,515
Drilling, mobilization and maintenance	2,583,532
Geological and ESG	800,506
Mining licence maintenance	27,201
Site development and supplies	693,866
Travel and accommodations	131,958
Foreign exchange translation	904,873
Balance, August 31, 2025	15,032,137

Banio Potash Project

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

MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements
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6. EXPLORATION AND EVALUATION ASSETS (continued)**Banio Potash Project (continued)**

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

	Cash US\$	Shares #	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 resource estimate report	(paid) 150,000	(issued) 550,000	(acquired) 51
On or before February 28, 2025	(paid) 150,000	-	-
Within ten days of filing Preliminary Economic Assessment	(paid) 300,000	(issued) 1,000,000	(acquired) 70
Within ten days of completion of updated resource estimate report	500,000	1,500,000	-
Within ten days of completion of Definitive Feasibility Study	3,000,000	2,500,000	100
Totals	4,375,750	6,200,000	

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

In October 2023, the Company entered into an agreement amending the Definitive Agreement providing that the US\$300,000 due to the vendors of Banio within ten days of completion of Phase 2 drilling would instead be due: (i) US\$150,000 upon completion of a current resource estimate in a report in form required by NI 43-101; and (ii) US\$150,000 on or before December 31, 2024, subsequently amended to February 28, 2025. It was also agreed between the parties that upon making the US\$150,000 payment in (i) and issuance of 550,000 of the Company's shares, the Company would earn an additional 26% interest in Banio for a total 51% interest. In February and March 2024, the Company issued the 550,000 shares and made the US\$150,000 payment in (i) above, earning the additional 26% interest in Equatorial. As at March 1, 2024, based on its ownership interest and the Company's decision-making power, the Company determined it had control of Equatorial.

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

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

As at August 31, 2025 and 2024, the Company holds a total of 70% interest in Banio.

MILLENNIAL POTASH CORP.

Notes to the Consolidated Financial Statements
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7. EQUITY INVESTMENT

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

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

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

	\$
Balance, August 31, 2023	3,994,192
Acquisition	336,000
Cash contributions – exploration advances	1,074,641
Share of loss of equity investment	(7,652)
Transferred to exploration and evaluation assets on acquisition of Equatorial (Note 6)	(5,397,181)
Balance, August 31, 2024 and 2025	-

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY

As at August 31, 2025, the Company has a lease for an office space in Vancouver, Canada.

Right-of-Use Asset

	Office leases \$
Cost:	
At August 31, 2023	220,960
Lease modification	109,726
At August 31, 2024	330,686
Lease modification	107,327
At August 31, 2025	438,013
Depreciation:	
At August 31, 2023	161,767
Charge for the year	105,875
At August 31, 2024	267,642
Charge for the year	112,204
At August 31, 2025	379,846
Net book value:	
At August 31, 2024	63,044
At August 31, 2025	58,167

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

MILLENNIAL POTASH CORP.

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8. RIGHT-OF-USE ASSET AND LEASE LIABILITYLease Liability

	Lease liability
	\$
At August 31, 2023	63,918
Modification to lease	109,726
Lease payments made	(117,000)
Interest expense on lease liabilities	10,638
At August 31, 2024	67,282
Modification to lease	107,327
Lease payments made	(123,000)
Interest expense on lease liabilities	8,725
At August 31, 2025	60,334

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

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

In March 2025, the lease was extended for an additional year, to expire in February 2026 with monthly lease payments of \$10,500. The lease liability was discounted at a discount rate of 15%. As a result, the Company recognized a modification to the right-of-use asset and lease liability of \$107,327.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
	\$	\$
Accounts payable	469,429	314,859
Accrued liabilities	107,948	212,613
Remittance liabilities	99,850	-
	677,227	527,472

10. DFC LOAN

	Loan	Deferred gain	Total
	\$	\$	\$
Balance, August 31, 2024	-	-	-
Proceeds	110,773	304,829	415,602
Finders fee	(29,072)	-	(29,072)
Accretion	1,546	-	1,546
Gain on DFC loan	311	(3,259)	(2,948)
Foreign exchange translation	(891)	(2,231)	(3,122)
Balance, August 31, 2025	82,667	299,339	385,128

MILLENNIAL POTASH CORP.

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10. DFC LOAN (continued)

In June 2025, the Company entered into an agreement with the United States International Development Finance Corporation (“DFC”), an agency of the United States government, to receive up to US\$3,000,000 in project development funding for its Banio Potash Project (“DFC Loan”). The funds will be released over a term of eight years to the Company upon certain milestones being achieved and will be non-interest bearing. The funds will be repayable, not automatically but only upon the request and election of DFC, should the Company within 10 years from the date of the agreement complete a financing sufficient to enable the Company to commence construction or operation of the Banio Potash Project.

On July 31, 2025, the Company received the first advance of \$415,602 (US\$300,000) under the DFC loan (“DFC First Advance”). The DFC First Advance was fair valued using a discount rate of 18% resulting in a discount, and corresponding deferred gain on DFC loan, of \$304,829 being realized which will be accreted over the remaining term of the agreement, 7.92 years. The Company incurred a finder’s fee of \$29,072 (US\$21,000) on the DFC First Advance which is being amortized over the term of the DFC First Advance to gain on DFC loan in the consolidated statements of loss.

11. 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, 2025:

- a) On December 3, 2024, the Company closed the first tranche of a private placement (“November 2024 PP”) by issuing 5,644,000 units at a price of \$0.30 per unit for gross proceeds of \$1,693,200. Each unit consisted of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at \$0.40 per share for a period of two years from the date of issuance. The Company incurred commissions of \$46,998 in connection with this tranche.
- b) On February 7, 2025, the Company closed the second tranche of the November 2024 PP by issuing an additional 7,000,000 units at a price of \$0.30 per unit for gross proceeds of \$2,100,000. Each unit consisted of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at \$0.40 per share for a period of two years from the date of issuance. No additional commissions were paid in relation to the second tranche. The Company incurred filing fees of \$22,337 in relation to both tranches of the November 2024 PP.
- c) On March 27, 2025, the Company closed a private placement by issuing 8,215,333 units at a price of \$0.60 per unit for gross proceeds of \$4,929,200. Each unit consisted of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at \$0.85 per share for a period of two years from the date of issuance. The Company incurred commissions of \$89,334 and filing fees of \$28,457 in connection with this private placement.
- d) On July 28, 2025, the Company closed a private placement by issuing 5,928,310 units at a price of \$1.55 per unit for gross proceeds of \$9,188,881. Each unit consisted of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at \$2.20 per share for a period of two years from the date of issuance. The Company incurred commissions of \$477,846 and filing fees of \$41,843 in connection with this private placement.
- e) During the year ended August 31, 2025, the Company issued 7,277,913 common shares for gross proceeds of \$4,045,198 in relation to the exercise of share warrants and transferred \$555,202 from reserves to share capital.

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11. SHARE CAPITAL (continued)

Issued share capital (continued)

- f) During the year ended August 31, 2025, the Company issued 2,157,000 common shares for gross proceeds of \$948,400 in relation to the exercise of stock options and transferred \$762,340 from reserves to share capital.

During the year ended August 31, 2024:

- a) The Company issued 550,000 common shares valued at \$132,000 in connection with the requirements to earn a 51% interest in the Equatorial Shares (Note 4).
- b) The Company issued 5,750,000 common shares for gross proceeds of \$1,092,500. The Company incurred related finders' fees and share issue costs of \$44,652.
- c) The Company issued 5,924,000 units for gross proceeds of \$1,481,000. Each unit consists of one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable for a period of two years at a price of \$0.35 per share. The Company valued the share purchase warrants using residual value method and reallocated \$148,100 from share capital to reserves. The Company paid cash commissions and share issue costs of \$40,955 and issued 103,600 finders warrants with an exercise price of \$0.35 and an expiry date of June 18, 2027 valued at \$11,244 in relation to the private placement.
- d) The Company issued 1,000,000 shares valued at \$210,000 to earn an additional 19% for total ownership of 70% of Equatorial (Notes 4 and 7).
- e) The Company issued 2,050,000 units for gross proceeds of \$512,500. Each unit consists of one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable for a period of two years at a price of \$0.35 per share. The Company valued the share purchase warrants using residual value method and reallocated \$92,250 from share capital to reserves. The Company paid cash commissions and share issue costs of \$23,510 and issued 73,360 finders warrants with an exercise price of \$0.35 and an expiry date of July 12, 2027 valued at \$6,968 in relation to the private placement.
- f) The Company issued 4,000,000 units for gross proceeds of \$1,000,000. Each unit consists of one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable for a period of two years at a price of \$0.35 per share. The Company valued the share purchase warrants using residual value method and reallocated \$220,000 from share capital to reserves.

Stock options

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

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

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

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

In November 2024, the Company granted 1,350,000 stock options with an exercise price of \$0.30 per share to various directors, officers, and consultants of the Company. The options were valued at \$266,028 using the Black-Scholes pricing model with the following assumptions: term - 5 years; risk-free rate – 3.14%; expected volatility – 82.49%; and expected dividends - zero.

In February 2025, the Company granted 1,850,000 stock options with an exercise price of \$0.51 per shares to various directors, officer, and consultants of the Company. The options were valued at \$627,668 using the Black-Scholes pricing model with the following assumptions: term - 5 years; risk-free rate – 2.69%; expected volatility – 82.16%; and expected dividends – zero.

In June 2025, the Company granted 2,995,000 stock options with an exercise price of \$1.28 per share to certain directors, officers, and consultants of the Company. The options were valued at \$2,445,843 using the Black-Scholes pricing model with the following assumptions: term – 4.42 years; risk-free rate – 2.87%; expected volatility – 83.67%; and expected dividends – zero.

During the year ended August 31, 2025, the Company recorded share-based compensation of \$3,339,539 (2024 - \$572,074) related to stock options vested.

A summary of stock options activities is as follows:

	Number of options #	Weighted average exercise price \$
Balance, August 31, 2023	3,585,000	0.45
Granted	2,181,000	0.35
Balance, August 31, 2024	5,766,000	0.41
Granted	6,195,000	0.84
Exercised	(2,157,000)	0.44
Cancelled	(575,000)	0.45
Balance, August 31, 2025	9,229,000	0.69

A summary of the stock options outstanding and exercisable at August 31, 2025 is as follows:

Exercise price \$	Options outstanding and exercisable #	Expiry date
0.50	165,000	January 15, 2026
0.40	675,000	September 20, 2026
0.45	75,000	January 31, 2028
0.50	100,000	March 6, 2028
0.50	100,000	March 20, 2028
0.42	400,000	May 17, 2028
0.35	1,899,000	January 16, 2029
0.30	1,090,000	November 13, 2029
0.51	1,730,000	February 25, 2030
1.28	2,995,000	June 26, 2030
	9,229,000	

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

The weighted average life of the outstanding stock options as at August 31, 2025 is 3.87 (2024 – 2.98) years.

Warrants

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

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

In February 2025, the Company extended the exercise date of certain warrants with an exercise price of \$0.75 from February 28, 2025 to February 28, 2028.

A summary of warrants activities is as follows:

	Number of warrants #	Weighted average exercise price \$
Balance, August 31, 2023	6,334,488	0.69
Issued	6,163,960	0.35
Balance, August 31, 2024	12,498,448	0.52
Issued	13,393,822	0.94
Exercised	(7,277,913)	0.56
Expired	(36,075)	0.60
Balance, August 31, 2025	18,578,292	0.81

A summary of the warrants outstanding and exercisable at August 31, 2025 is as follows:

Exercise price \$	Warrants outstanding and exercisable #	Expiry date
0.35	1,150,000	June 18, 2026
0.35	530,000	July 12, 2026
0.35	2,000,000	August 21, 2026
0.40	2,573,000	December 3, 2026
0.40	3,500,000	February 7, 2027
0.85	3,800,167	March 27, 2027
0.35	33,600	June 18, 2027
0.35	73,360	July 12, 2027
2.20	2,964,155	July 28, 2027
0.75	1,954,000	February 28, 2028
	18,578,282	

The weighted average life of the outstanding warrants as at August 31, 2025 is 1.53 (2024 – 1.28) years.

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11. SHARE CAPITAL (continued)**Restricted Share Units (“RSU’s”)**

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

In February 2024, the Company granted 1,624,550 RSU’s to certain directors, officers, and consultants of the Company with a fair value of \$406,138 at grant date. The RSU’s were to be vested on February 27, 2025. On February 26, 2025, the Company extended the vesting date to February 27, 2026.

During the year ended August 31, 2025, the Company recorded share-based compensation of \$199,740 (2024 - \$206,398) in relation to RSU’s.

A summary of RSU activities is as follows:

	Number of RSU’s
	#
Balance, August 31, 2023	-
Issued	1,624,550
Balance, August 31, 2024 and 2025	1,624,550

As at August 31, 2025 and 2024, the Company had 1,624,550 RSU’s outstanding.

Performance Share Units (“PSU’s”)

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

In February 2024, the Company granted 3,000,000 PSU’s to certain directors, officers, and consultants of the Company with a fair value of \$750,000 at grant date. The PSUs were to be vested on February 27, 2025. On February 26, 2025, the Company extended the vesting date to February 27, 2026.

During the year ended August 31, 2025, the Company recorded share-based compensation of \$368,852 (2024 - \$381,148) in relation to PSU’s.

A summary of PSU activities is as follows:

	Number of PSU’s
	#
Balance, August 31, 2023	-
Issued	3,000,000
Balance, August 31, 2024 and 2025	3,000,000

As at August 31, 2025 and 2024, the Company had 3,000,000 PSUs outstanding.

12. NON-CONTROLLING INTEREST

In July 2024, the Company made a cash payment of US\$300,000 and issued 1,000,000 shares of the Company to earn an additional 19% interest in Equatorial (Note 6). During the year ended August 31, 2024, the additional 19% interest acquired resulted in an allocation to deficit of \$743,110. In March, 2025, the Company paid US\$150,000 to the non-controlling interest holders which resulted in an allocation to deficit of \$214,917.

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12. NON-CONTROLLING INTEREST (continued)

The following table presents the equity attributable to 30% non-controlling interest in Equatorial as at August 31, 2025 and August 31, 2024:

	Total
	\$
Non-controlling interest on acquisition of Equatorial (Note 4)	3,541,254
Increase in ownership of Equatorial for 19% acquired	(1,362,206)
Share of loss for the period	(5,089)
Foreign exchange on translation	10,808
Balance, August 31, 2024	2,184,767
Share of income for the year	4,413
Foreign exchange on translation	257,747
Balance, August 31, 2025	2,446,927

The following table presents the summarized consolidated financial information of Equatorial and Mayumba Potasse SARL as at August 31, 2025 and August 31, 2024:

	2025	2024
	\$	\$
Current assets	115,821	78,895
Non-current assets	15,141,003	9,073,774
Current liabilities	7,131,574	55,816
Non-current liabilities	-	1,647,690
Net income (loss) for the year	14,711	(11,494)
Comprehensive income for the year	873,866	24,532

The following table presents the income (loss) and comprehensive income (loss) attributable to non-controlling interest for the year ended August 31, 2025 and 2024.

	For the years ended	
	2025	August 31, 2024
	\$	\$
Income attributable to non-controlling interest	4,413	(5,089)
Foreign exchange translation adjustment	257,747	10,808
Comprehensive income attributable to non-controlling interest	262,160	5,719

13. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company. As at August 31, 2025, the Company has \$14,245 (2024 - \$122,817) included in accounts payable and accrued liabilities due to officers, companies related by way of common officers, and former directors.

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13. RELATED PARTY TRANSACTIONS (continued)

Summary of key management personnel compensation:

	For the years ended August 31,	
	2025	2024
	\$	\$
Exploration and evaluation assets expenditures	234,000	210,000
Management fees	418,000	562,500
Share-based compensation	3,429,137	1,054,298
	4,081,137	1,826,798

During the year ended August 31, 2025, the Company received \$50,400 (2024 – \$49,000) for rent recoveries included in other income from companies related by common officers and directors.

14. 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, lease liability and DFC loan. The fair value of cash, amounts receivable, and accounts payable 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.

Currency risk

The Company conducts the majority of its exploration and evaluation expenditures in United States dollars. As such, it is subject to risk due to fluctuations in the exchange rates of the Canadian and US dollars. As at August 31, 2025, the Company had a foreign currency net monetary liability position of approximately US\$323,447 (2024 – US\$211,485). A 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$44,000 (2024 – \$28,532).

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.

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14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**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. As at August 31, 2025, the Company had cash of \$17,485,440 to settle current liabilities of \$737,561.

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.

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 potash. The Company monitors potash prices to determine the appropriate course of action to be taken.

15. 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.

16. SUPPLEMENTAL CASH FLOW INFORMATION

	For the years ended	
	2025	August 31, 2024
	\$	\$
Shares issued for acquisition of investment and increase in ownership of subsidiary	-	342,000
Exploration and evaluation assets in accounts payable and accrued liabilities	180,718	166,868
Residual value of warrants issued in private placement	-	460,350
Value of finders' warrants issued in private placements	-	18,212
Modification of right-of-use asset and lease liability	107,327	109,726
DFC loan finder's fees included in accounts payable and accrued liabilities	29,072	-
Fair value of options exercised	762,340	-
Fair value of warrants exercised	555,202	-
Fair value of warrants expired	4,557	-

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17. 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:

August 31, 2025	Canada	Gabon	Total
	\$	\$	\$
Exploration and evaluation assets	-	15,032,137	15,032,137
Equipment	-	306,645	306,645
Other	58,167	-	58,167
	58,167	15,338,782	15,396,949

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

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

18. INCOME TAXES

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

For the year ended	2025	2024
	\$	\$
Net loss before income tax	(5,921,303)	(3,193,652)
Statutory tax rate	27%	27%
Expected income tax expense (recovery)	(1,599,000)	(862,000)
Change in statutory, foreign tax, foreign exchange rates and other	2,000	-
Permanent differences	1,037,000	317,000
Share issue cost	(191,000)	(29,000)
Impact of dissolution of subsidiary	402,000	-
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(483,000)	(10,000)
Change in unrecognized deductible temporary differences	832,000	584,000
Income tax recovery	-	-

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

	As at August 31,			
	2025	Expiry Dates	2024	Expiry Dates
	\$		\$	
Non-capital losses	9,757,000	2035 - 2045	8,533,000	2035 - 2044
Allowable capital losses	913,000	No expiry	-	No expiry
Right-of-use asset/Lease liability	2,000	No expiry	4,000	No expiry
Share issue costs	777,000	2026 - 2031	258,000	2024 - 2048
Exploration and evaluation assets	822,000	No expiry	822,000	No expiry

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19. SUBSEQUENT EVENTS

- a) In September 2025, the Company granted 1,553,000 stock options with an exercise price of \$2.88 per common shares for a period of five years.
- b) In December 2025, the Company granted 980,000 stock options with an exercise price of \$3.22 per common shares for a period of five years.
- c) Subsequent to August 31, 2025, the Company issued 783,950 common shares for gross proceeds of \$357,156 upon exercise of its outstanding stock options and 1,939,500 common shares for gross proceeds of \$1,671,050 upon exercise of its outstanding share warrants.