
SAGE POTASH CORP.

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended September 30, 2023 and 2022

(Unaudited)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim financial statements for the six months ended September 30, 2023.

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

SAGE POTASH CORP.*(An Exploration Stage Company)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS AT SEPTEMBER 30, 2023 AND MARCH 31, 2023****(Expressed in Canadian Dollars)****(Unaudited)**

	Note	September 30, 2023	March 31, 2023
		\$	\$
ASSETS			
Current Assets			
Cash		462,576	1,517,363
Deposits and prepaids		158,007	494,018
Due from related parties	6	17,147	11,073
GST receivable		94,968	62,432
		732,698	2,084,886
Non-Current Assets			
Mineral property interests	4	1,346,431	1,159,320
Right-of-use asset	5	67,980	86,521
TOTAL ASSETS		2,147,109	3,330,727
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		742,430	869,463
Current portion of lease liability	5	37,303	35,221
		779,733	904,684
Non-Current Liabilities			
Lease liability	5	35,158	54,413
TOTAL LIABILITIES		814,891	959,097
SHAREHOLDERS' EQUITY			
Share capital	7	6,819,082	5,591,885
Options reserve	7	1,448,000	1,230,000
Warrants reserve	7	357,000	51,000
Deficit		(7,291,864)	(4,501,255)
TOTAL SHAREHOLDERS' EQUITY		1,332,218	2,371,630
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,147,109	3,330,727

NATURE AND CONTINUANCE OF OPERATIONS 1

Approved on behalf of the Board of Directors:

"Peter Hogendoorn"

Peter Hogendoorn, CEO, Director

"Gordon Ellis"

Gordon Ellis, Director

SAGE POTASH CORP.*(An Exploration Stage Company)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE SIX AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022****(Expressed in Canadian Dollars)****(Unaudited)**

		<u>Six Months Ended</u>		<u>Three Months Ended</u>	
	Note	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		\$	\$		\$
OPERATING EXPENSES					
Travel and promotion		1,313,686	60,022	765,339	36,547
Consulting	6	549,808	425,914	272,304	221,054
Exploration and engineering		447,413	184,706	120,602	143,323
Stock-based compensation	6	218,000	1,116,000	91,000	1,116,000
Regulatory and filing fees		91,669	6,755	27,562	6,755
Professional fees		44,690	137,723	31,724	57,139
Directors' and officers' insurance		35,700	–	–	–
Rent and occupancy		27,155	29,289	13,705	17,622
Software license		18,894	56,508	9,635	56,508
Office and miscellaneous		17,853	11,382	8,397	8,571
Transfer agent		9,320	–	460	–
Amortization of right-of-use asset	5	18,541	4,639	9,270	4,639
Accretion of lease liability	5	4,127	1,375	1,957	1,375
Foreign exchange loss		1,893	–	(3,773)	–
Operating loss for the period		(2,798,749)	(2,034,313)	(1,348,182)	(1,669,533)
OTHER INCOME					
Interest income		495	7,135	–	7,135
Other income		7,645	–	2,357	–
Net loss and comprehensive loss for the period		(2,790,609)	(2,027,178)	(1,345,825)	(1,662,398)
Net loss per share, basic and diluted		\$(0.05)	\$(0.06)	(\$0.03)	\$(0.05)
Weighted average common shares outstanding		50,839,951	33,904,861	50,908,561	36,831,504

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

SAGE POTASH CORP.*(An Exploration Stage Company)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022**

(Expressed in Canadian Dollars)

(Unaudited)

	Shares Issued	Share Capital	Special Warrants	Options Reserve	Warrants Reserve	Accumulated Deficit	Total
		\$	\$	\$	\$	\$	\$
Balance, March 31, 2022	31,060,000	1,225,500	–	–	–	(383,702)	841,798
Subscriptions received for special warrants	–	–	4,321,350	–	–	–	4,321,350
Share issue costs	–	–	(206,965)	–	51,000	–	(155,965)
Stock-based compensation	–	–	–	1,116,000	–	–	1,116,000
Conversion of special warrants	14,561,000	3,640,250	(3,433,285)	–	–	–	206,965
Share issue costs	–	(206,965)	–	–	–	–	(206,965)
Net loss	–	–	–	–	–	(2,027,178)	(2,027,178)
Balance, September 30, 2022	45,621,000	4,658,785	681,100	1,116,000	51,000	(2,410,880)	4,096,005
Conversion of special warrants	2,724,400	681,100	(681,100)	–	–	–	–
Options exercised	600,000	252,000	–	(102,000)	–	–	150,000
Stock-based compensation	–	–	–	216,000	–	–	216,000
Net loss	–	–	–	–	–	(2,090,375)	(2,090,375)
Balance, March 31, 2023	48,945,400	5,591,885	–	1,230,000	51,000	(4,501,255)	2,371,630
Warrants exercised	500,938	176,235	–	–	(51,000)	–	125,235
Shares issued for cash	4,694,505	1,191,241	–	–	311,000	–	1,502,241
Share issue costs	–	(140,279)	–	–	46,000	–	(94,279)
Stock-based compensation	–	–	–	218,000	–	–	218,000
Net loss	–	–	–	–	–	(2,790,609)	(2,790,609)
Balance, September 30, 2023	54,140,843	6,819,082	–	1,448,000	357,000	(7,291,864)	1,332,218

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

SAGE POTASH CORP.*(An Exploration Stage Company)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	September 30, 2023 \$	September 30, 2022 \$
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss and comprehensive loss		(2,790,609)	(2,027,178)
Add back non-cash items:			
Stock-based compensation		218,000	1,116,000
Amortization of right-of-use assets	5	18,541	4,639
Accretion of lease liability	5	4,127	1,375
Changes in non-cash working capital balances:			
GST receivable		(32,536)	(18,168)
Deposits and prepaids		336,011	(192,917)
Accounts payable and accrued liabilities		(127,033)	190,846
Due from related parties	6	(6,074)	(11,073)
Cash used in operating activities		(2,379,573)	(936,476)
INVESTING ACTIVITIES			
Mineral property interests	4	(187,111)	(762,882)
Cash used in investing activities		(187,111)	(762,882)
FINANCING ACTIVITIES			
Proceeds from issuance of shares		1,407,962	3,484,285
Proceeds from issuance of special warrants, net	7	—	681,100
Proceeds from warrants exercised	7	125,235	—
Repayments of lease liability	5	(21,300)	(5,325)
Cash provided by financing activities		1,511,898	4,160,060
Increase in cash		(1,054,787)	2,460,702
Cash, beginning of period		1,517,363	621,923
Cash, end of period		462,576	3,082,625

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

SAGE POTASH CORP.

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2022**

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Sage Potash Corp. was incorporated under the Laws of the Province of British Columbia on November 22, 2021. The address of the Company's corporate office and its principal place of business is #605-899 West Pender Street, Vancouver, British Columbia, Canada.

The Company's principal business activity is the acquisition, exploration and development of potash mineral properties.

The Company has never generated profit or positive cash flows from operations. For the six-month period ended September 30, 2023, the Company reported a net loss of \$2,790,609 (March 31, 2023 – \$4,117,553), cash used in operating activities of 2,379,573 (September 30, 2022 – \$936,476), and an accumulated deficit of \$7,291,864 (March 31, 2023 – \$4,501,255). These conditions indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations as intended are dependent on its ability to obtain necessary financing and raise capital sufficient to cover its development and operating costs.

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim consolidated financial statements.

2. BASIS OF PRESENTATION**a) Statement of compliance**

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standards ("IAS") 34 – Interim financial reporting of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). As a result, these condensed interim consolidated financial statements do not include all necessary information required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended March 31, 2023.

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

b) Measurement basis

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company measures the transactions using the currency of the primary economic environment in which it operates in. These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts on the Company and its wholly owned subsidiaries, Sage Potash (USA) Corp. and Sage Lithium Corp., both incorporated in the State of Utah, USA.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases.

SAGE POTASH CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2022**

(Expressed in Canadian Dollars)

(Unaudited)

2. BASIS OF PRESENTATION (continued)**c) Basis of consolidation (continued)**

Inter-company transactions, balances and unrealized gains or losses with subsidiaries are eliminated. The financial statements of subsidiaries are prepared using consistent accounting policies with that of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of November 29, 2023, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed consolidated interim financial statements as compared with the most recent annual financial statements as at and for the year ended March 31, 2023.

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses for the periods reported. The estimates and underlying assumptions, and critical accounting judgments, are reviewed on an ongoing basis.

4. MINERAL PROPERTY INTERESTS

	September 30, 2023	March 31, 2023
	\$	\$
Balance, opening	1,159,320	278,229
Property lease staked - SITLA	–	68,293
Private mineral leases	147,715	812,798
Surface use leases	32,677	–
Surface use production property option	6,719	–
Balance, end of period	1,346,431	1,159,320

On December 2, 2021, the Company acquired 100% interest in approximately 3,880 acres potash mineral lease in the State of Utah (“SITLA”) in exchange for 12,000,000 common shares. The lease expires on October 31, 2027 (the “Sage Plains Leased Lands”). The lease is subject to a 5% royalty payment to the State of Utah on gross value received, less transportation costs. In addition, the lease has an annual rent of \$2 USD per acre, each due on the anniversary date. The lease is renewable with the State of Utah in the event royalties are paid as per the lease, or in the absence of production, if SITLA determines that the Company is engaged in diligent development of the leased lands.

On February 24, 2022, the Company applied for prospecting permits on 58,780 acres in the State of Utah for \$38,229 from the Bureau of Land Management, a department of the federal government of the USA.

On June 21, 2022, the Sage Plains Leased Lands were increased from 3,880 acres to 6,537 acres and the term of the lease was extended to October 31, 2027, pursuant to an amended lease with the State of Utah.

On October 5, 2022, the Company leased an additional 7,400 acres with the State of Utah. The expiry date of the lease is December 31, 2032. The annual terms are the same as the Sage Plains Land Leases.

During the year ended March 31, 2023, the Company entered into 86 private mineral right lease agreements for additional lands covering 11,972 acres. Each lease is for a period of 3 years with an option to extend for an additional 5 years. The 3-year lease cost is \$30 per acre. The 5-year extension cost is \$100 per acre. The leases will be held indefinitely for production for a 5% royalty.

SAGE POTASH CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2022**

(Expressed in Canadian Dollars)

(Unaudited)

4. MINERAL PROPERTY INTERESTS (continued)

During the six-month period ended September 30, 2023, the Company entered into 4 private mineral right lease agreement for additional lands covering 1,905 acres and paid deposits of \$70,611 for additional lands covering 4,072 acres on the same terms as the prior private mineral right lease agreements.

During the six-month period ended September 30, 2023, the Company entered into an option agreement to acquire a property covering 317 acres to be used for surface use production. In addition, the Company entered two surface use agreements covering 752 acres.

5. LEASE LIABILITY AND RIGHT OF USE ASSET**(a) Right of use asset**

	September 30, 2023	March 31, 2023
	\$	\$
Balance, beginning of period	86,521	—
Additions	—	111,241
Depreciation charge for the period	(18,541)	(24,720)
Balance, end of period	67,980	86,521

On August 1, 2022, a lease related to the Vancouver office premises was capitalized under the IFRS 16 leasing standard. The lease expires in July 2025.

(b) Lease liability

	September 30, 2023	March 31, 2023
	\$	\$
Balance, beginning of the period	89,634	—
Additions	—	111,241
Lease payments	(21,300)	(28,400)
Interest	4,127	6,793
Balance, end of period	72,461	89,634
Current portion	37,303	35,221
Balance, end of period, non-current portion	35,158	54,413

When measuring the lease liability, the Company discounted lease payments using its incremental borrowing rate of 10%.

(c) Undiscounted lease payments

As at September 30, 2023, the Company's undiscounted lease payments consisted of the following:

	\$
2024	21,300
2025	43,736
2026	14,768
	79,804

SAGE POTASH CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2022**

(Expressed in Canadian Dollars)

(Unaudited)

6. RELATED PARTY TRANSACTIONS AND BALANCES

During the six-month period ending September 30, 2023, the Company incurred the following related party transactions:

- (i) The Company has identified its directors and executive officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were made during the six-month periods ended September 30, 2023 and 2022.
- (ii) The Company incurred consulting fee and salaries in the amount of \$135,000 to officers and directors of the Company (2022 – \$105,000).
- (iii) The Company incurred stock-based compensation in the amount of \$78,000 to an officer of the Company (2022 – \$746,000).

As at September 30, 2023, included in accounts payable is \$11,747 (2022 – \$nil) due to an officer of the Company; and the Company has an outstanding receivable of \$17,147 (2022 - \$12,374) from an officer and director.

7. SHARE CAPITAL**(a) Authorized Share Capital**

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Issued and Outstanding Common Shares

	Number of Common Shares	Amount \$
Balance, incorporation on November 22, 2021	–	–
Issued for property at \$0.02 per share (i)	12,000,000	240,000
Issued for cash at \$0.02 per share (ii)	9,000,000	180,000
Issued for cash at \$0.05 per share (iii)	3,700,000	185,000
Issued for cash at \$0.10 per share (iv)	6,360,000	636,000
Share issue costs (v)	–	(15,500)
Balance, March 31, 2022	31,060,000	1,225,500
Issued for cash at \$0.25 per share (vii)	17,285,400	4,321,350
Options exercised for cash at \$0.25 per share (viii)	600,000	252,000
Share issue costs (xi)	–	(206,965)
Balance, March 31, 2023	48,945,400	5,591,885
Warrants exercised for cash at \$0.25 per share (ix)	500,938	176,235
Issued for cash at \$0.25 per share (x)	4,694,505	1,191,241
Share issue costs (xi)	–	(140,279)
Balance, September 30, 2023	54,140,843	6,819,082

- (i) In January 25, 2022, the Company issued 12,000,000 common shares for mineral rights leases at a deemed price of \$0.02 per share for deemed proceeds of \$240,000.
- (ii) On December 8, 2021, the Company issued 3,000,000 common shares for gross proceeds of \$60,000, and on January 24, 2022, the Company issued 6,000,000 common shares for gross proceeds of \$120,000.
- (iii) On January 26, 2022, the Company issued 2,000,000 common shares for gross proceeds of \$100,000, and on February 28, 2022, the Company issued 1,700,000 common shares for gross proceeds of \$85,000.
- (iv) On March 21, 2022, the Company issued 3,100,000 common shares for gross proceeds of \$310,000, and on March 25, 2022, the Company issued 3,260,000 common shares for gross proceeds of \$326,000.
- (v) During the period from incorporation on November 22, 2021 to March 31, 2022, the Company incurred share issue costs of \$15,500, comprised of cash.
- (vi) During the three-month period ended June 30, 2022, the Company issued 17,285,400 special warrants at a price of \$0.25 per special warrant for gross proceeds of \$4,321,350.

SAGE POTASH CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2022**

(Expressed in Canadian Dollars)

(Unaudited)

7. SHARE CAPITAL (continued)

(b) Issued and Outstanding Common Shares (continued)

- (vii) On August 22, 2022, 7,254,800 special warrants automatically converted to 7,254,800 common shares with no additional consideration.
On August 27, 2022, 6,271,000 special warrants automatically converted to 6,271,000 common shares with no additional consideration.
On September 13, 2022, 475,200 special warrants automatically converted to 475,200 common shares with no additional consideration.
On September 27, 2022, 560,000 special warrants automatically converted to 560,000 common shares with no additional consideration.
On October 1, 2022, 2,724,400 special warrants automatically converted to 2,724,400 common shares with no additional consideration.
- (viii) On February 1, 2023, 600,000 options were exercised for gross proceeds of \$150,000. The fair value was calculated as \$102,000 using the Black Scholes pricing model using the assumptions listed in 7(c) below.
- (ix) During the six-month period ended September 30, 2023, 500,938 broker warrants were exercised for proceeds of \$125,235. The fair value of the broker warrants was calculated as \$51,000 using the Black Scholes pricing model as noted in 7(b)(x) below.
- (x) August 4, 2023, 4,694,505 units were issued for proceeds of \$1,502,242. Each unit consisted of 1 common share and ½ warrant. Each full warrant allows the holder to acquire one common share at a price of \$0.50 for 2 years from the closing date. The fair value of the warrants was calculated as \$311,000 using the Black Scholes pricing model with the 2023 assumptions below.
- (xi) During the six-month period ended September 30, 2023, there were share issue costs of \$94,280 cash (2022 – \$155,965) and the issuance of 294,310 broker warrants related to the units (2022 – 501,360). The broker warrants have an exercise price of \$0.32 (2022 – \$0.25) with two-year expiry. The fair value was calculated as \$46,000 (2022 – \$51,000) using the Black Scholes pricing model using the following assumptions:

	2023	2022
Share price on grant date	\$0.27	\$0.25
Expected life (years)	2	1
Interest rate	4.08%	2.47%
Volatility	169%	106%
Dividend yield	0.00%	0.00%

(c) Stock Options

The Company had a stock option plan (the "Plan") under which it is authorized to grant options to its directors, officers, employees, management companies and consultants enabling them to acquire up to 20% of the issued and outstanding shares of the Company. From the date that the Shares were listed on a stock exchange, the Plan became a "rolling" 15% stock option plan. Under the Plan, the exercise price of options granted is determined by the Board of Directors, provided that the exercise price is not less than the price permitted by an exchange or a quotation system on which the Company's shares may be listed or quoted for trading. The term of any options granted under the Plan is fixed by the Board of Directors and may not exceed ten years from the date of grant. Vesting, if any, and other terms and conditions relating to such options shall be determined by the Board of Directors of the Company. Any options granted pursuant to the Plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employee, or consultant.

On July 4, 2022, the Company granted 6,700,000 options. The stock options have an exercise price of \$0.25 and expire 3 years from the date of grant. The options are fully vested on the date of grant. The fair value was calculated as \$1,137,000 using the Black Scholes pricing model using the assumptions listed below.

SAGE POTASH CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2023**

(Expressed in Canadian Dollars)

(Unaudited)

7. SHARE CAPITAL (continued)

(c) Stock Options (continued)

On January 6, 2023, the Company granted 600,000 options. The stock options have an exercise price of \$0.25 and expire 3 years from the date of grant. The options vested immediately on the date of grant. The fair value was calculated as \$102,000 using the Black Scholes pricing model using the assumptions listed below. The options were exercised on February 1, 2023. See 7 (b) (iii).

On February 6, 2023, the Company granted 2,900,000 options. The stock options have an exercise price of \$0.25 and expire 3 years from the date of grant. The options vest on the following dates:

(i) On date of grant	100,000
(ii) 6 months after date of grant	700,000
(iii) 12 months after date of grant	700,000
(iv) 18 months after date of grant	700,000
(v) 24 months after date of grant	700,000

The fair value was calculated using the Black Scholes pricing model using the assumptions listed below. The Company recorded stock-based compensation of \$218,000 (2022 - \$1,332,000) for the six-month period ended September 30, 2023 for the portion vested during the period.

	July 4, 2022	January 6, 2023	February 6, 2023
Share price on grant date	\$0.25	\$0.25	\$0.25
Expected life (years)	3	3	3
Interest rate	3.03%	3.50%	3.43%
Volatility	111%	115%	115%
Dividend yield	0.00%	0.00%	0.00%

As at September 30, 2023, the following stock options are outstanding:

	Options	Weighted average exercise price	Weighted average remaining contractual life (years)
Opening, March 31 2022	–	–	–
Granted July 4, 2022	6,700,000	0.25	1.76
Granted January 6, 2023	600,000	0.25	
Granted February 6, 2023	2,900,000	0.25	2.35
Exercised February 1, 2023*	(600,000)	0.25	
Closing, September 30, 2023 and March 31, 2023	9,600,000	0.25	1.94

*On the date of the exercise, the common shares of the Company were not trading on any exchange.

(d) Warrants

During the year ended March 31, 2023, the Company issued 501,360 broker warrants in connection with the special warrants financing. During the six-month period ended September 30, 2023, 500,938 warrants were exercised to acquire 500,938 common shares at \$0.25 for proceeds of \$125,235. The remaining broker warrants expired.

During the six-month period ended September 30, 2023, the Company issued 294,310 broker warrants with an exercise price of \$0.32 in connection with the unit financing. The warrants expire on August 3, 2025.

(e) Shares held in Escrow

As at September 30, 2023, the Company has 22,896,000 common shares held in escrow, to be released in between from December 20, 2023 to March 20, 2026.

SAGE POTASH CORP.

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2022**

(Expressed in Canadian Dollars)

(Unaudited)

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern (see Note 1). The Company does not have any externally imposed capital requirements to which it is subject.

As at September 30, 2023, the Company had capital resources consisting of all components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares.

9. FINANCIAL INSTRUMENTS**Fair values**

The Company's financial instruments include cash, deposits, due from related parties, and accounts payable and accrued liabilities. The carrying amounts of cash, deposits and prepaids, due from related parties, accounts payable and accrued liabilities are measured at amortized cost.

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 – Inputs that are not based on observable market data.

The carrying value of the Company's financial assets and financial liabilities approximates their fair value due to the short-term maturity of these instruments.

Financial risk management objectives and policies

The risks associated with financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Currency risk

The Company's functional currency is the Canadian dollar. The Company's operations in Canada and the United States creates exposure to foreign currency fluctuation. Some of the Company's operating expenditures are incurred in US dollar or Canadian dollar, and the fluctuation of foreign currencies with the US dollar will have an impact upon the profitability of the Company and may also affect the value of the Company's financial assets and liabilities. As at September 30, 2023, a 10% fluctuation in the value of the Canadian dollar relative to the US dollar would not have a material impact on the financial statements.

(ii) Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(ii) Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash, the Company places the instrument with a chartered financial institution.

(ii) Liquidity risk

In the management of liquidity risk, the Company maintains a balance between continuity of funding and operating activities. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

SAGE POTASH CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2022**

(Expressed in Canadian Dollars)

(Unaudited)

9. FINANCIAL INSTRUMENTS (continued)

At June 30, 2023, the contractual maturities of the Company's obligations are as follows:

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-2 Years
Accounts payable and accrued liabilities	742,430	742,430	742,430	–
Lease liability	72,461	72,461	37,303	35,158
	814,891	814,891	779,733	35,158

10. INCOME TAX

Future tax benefits which may arise as a result of these non-capital losses and other income tax pools have not been recognized in these condensed consolidated interim financial statements and have been offset by a valuation allowance.

No deferred income tax asset has been recognized because the amount of future taxable profit that will be available to realize such assets is unpredictable. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.