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**SAGE POTASH CORP.**

*(An Exploration Stage Company)*

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the six months ended September 30, 2024 and 2023**

**(Unaudited)**

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**UNAUDITED CONDENSED CONSOLIDATED INTERIM 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 consolidated interim financial statements for the six months ended September 30, 2024.

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

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**SAGE POTASH CORP.***(An Exploration Stage Company)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS AT SEPTEMBER 30, 2024 AND MARCH 31, 2024**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	September 30, 2024	March 31, 2024
		\$	\$
<b>ASSETS</b>			
Current Assets			
Cash		160,520	108,007
GST receivable		1,495	23,154
Deposits and prepaids		344,238	195,914
Due from related parties	8	109,374	22,603
		615,627	349,678
Non-Current Assets			
Mineral property interests	4	1,349,578	1,349,578
Right-of-use asset	5	816,358	49,440
Deposit on mining equipment	7	500,000	–
Leasehold improvements, net	6	141,388	–
Office equipment, net	6	14,112	–
Automobile, net	6	8,081	–
		2,829,517	1,399,018
<b>TOTAL ASSETS</b>		<b>3,445,144</b>	<b>1,748,696</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accrued liabilities	8, 14	1,234,790	1,468,002
Current portion of lease liability	5	159,896	40,080
		1,394,686	1,508,082
Non-Current Liabilities			
Lease liability	5	673,396	14,332
<b>TOTAL LIABILITIES</b>		<b>2,068,082</b>	<b>1,522,414</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	8,633,782	6,829,123
Subscriptions received	9	1,253,611	–
Options reserve	9	1,569,500	1,459,947
Warrants reserve	9	354,000	346,959
Deficit		(10,433,831)	(8,409,747)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,377,062</b>	<b>226,282</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,445,144</b>	<b>1,748,696</b>

NATURE AND CONTINUANCE OF OPERATIONS 1  
SUBSEQUENT EVENTS 15

Approved on behalf of the Board of Directors:

*"Peter Hogendoorn"*

Peter Hogendoorn, CEO, Director

*"Rod Reum"*

Rod Reum, CFO

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

**SAGE POTASH CORP.***(An Exploration Stage Company)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS  
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	Six Months Ended		Three Months Ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
		\$	\$	\$	\$
<b>OPERATING EXPENSES</b>					
Consulting	8	1,169,626	549,808	796,889	272,304
Advertising and promotion		293,846	1,247,881	126,862	728,761
Travel		155,412	65,805	83,038	36,578
Stock-based compensation	8	109,553	218,000	-	91,000
Rent and occupancy		65,505	27,155	49,424	13,705
Professional fees		62,214	44,690	52,249	31,724
Exploration and engineering		49,679	447,413	355	120,602
Office and miscellaneous		46,195	17,853	14,264	8,397
Regulatory and filing fees		34,606	91,669	3,150	27,562
Software license		12,851	18,894	3,078	9,635
Directors' and officers' insurance		3,811	35,700	3,811	-
Transfer agent		1,813	9,320	1,522	460
Amortization of right-of-use asset	5	68,056	18,541	58,786	9,270
Accretion of lease liability	5	26,847	4,127	25,565	1,957
Foreign exchange loss		13,417	1,893	11,703	(3,773)
Operating loss for the period		(2,113,431)	(2,798,749)	(1,230,696)	(1,348,182)
<b>OTHER INCOME</b>					
Interest income		747	495	371	-
Gain on settlement of debt		86,500	-	-	-
Other income		2,100	7,645	1,050	2,357
Net loss and comprehensive loss for the period		(2,024,084)	(2,790,609)	(1,229,275)	(1,345,825)
Net loss per share, basic and diluted		\$(0.03)	\$(0.05)	(\$0.02)	(\$0.03)
Weighted average common shares outstanding		63,436,275	50,839,951	67,641,193	50,908,561

The accompanying notes are an integral part of these 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, 2024 AND 2023**

(Expressed in Canadian Dollars)

(Unaudited)

	Shares Issued	Share Capital	Subscriptions Received	Options Reserve	Warrants Reserve	Accumulated Deficit	Total
		\$		\$	\$	\$	\$
Balance, March 31, 2023	48,945,400	5,591,885	–	1,230,000	51,000	(4,501,255)	2,371,630
Warrants exercised	501,288	176,235	–	–	(51,000)	–	125,235
Shares issued for cash	4,694,505	1,201,282	–	–	300,959	–	1,502,241
Share issue costs	–	(140,279)	–	–	46,000	–	(94,279)
Stock-based compensation	–	–	–	229,947	–	–	218,000
Net loss	–	–	–	–	–	(2,790,609)	(2,790,609)
Balance, September 30, 2023	54,141,193	6,829,123	–	1,459,947	346,959	(7,291,864)	1,344,165
Net loss	–	–	–	–	–	(1,117,883)	(1,117,883)
Balance, March 31, 2024	54,141,193	6,829,123	–	1,459,947	346,959	(8,409,747)	226,282
Shares issued for cash	13,500,000	1,822,500	–	–	–	–	1,822,500
Share issue costs	–	(17,841)	–	–	7,041	–	(10,800)
Subscriptions received	–	–	1,253,611	–	–	–	1,253,611
Stock-based compensation	–	–	–	109,553	–	–	109,553
Net loss	–	–	–	–	–	(2,024,084)	(2,024,085)
Balance, September 30, 2024	67,641,193	8,633,782	1,253,611	1,569,500	354,000	(10,433,831)	1,377,062

The accompanying notes are an integral part of these 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, 2024 AND 2023**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	September 30, 2024	September 30, 2023
		\$	\$
<b>CASH PROVIDED BY (USED IN):</b>			
<b>OPERATING ACTIVITIES</b>			
Net loss and comprehensive loss		(2,024,084)	(2,802,556)
Add back non-cash items:			
Stock-based compensation	9	109,553	229,947
Amortization of right-of-use assets	5	68,056	18,541
Accretion of lease liability	5	26,847	4,127
Gain on settlement of debt		(86,500)	–
Changes in non-cash working capital balances:			
GST receivable		21,659	(32,536)
Deposits and prepaids		(148,324)	336,011
Accounts payable and accrued liabilities		(146,712)	(127,033)
Due from related parties	8	(86,771)	(6,074)
<b>Cash used in operating activities</b>		<b>(2,266,276)</b>	<b>(2,379,573)</b>
<b>INVESTING ACTIVITIES</b>			
Mineral property interests	4	–	(187,111)
Deposit on mining assets	7	(500,000)	–
Leasehold improvements	6	(141,388)	–
Office equipment	6	(14,112)	–
Automobile	6	(8,081)	–
<b>Cash used in investing activities</b>		<b>(663,581)</b>	<b>(187,111)</b>
<b>FINANCING ACTIVITIES</b>			
Shares issued for cash, net	9	1,811,700	1,407,962
Subscriptions received	9	1,253,611	–
Proceeds from warrants exercised	9	–	125,235
Repayments of lease liability	5	(82,941)	(21,300)
<b>Cash provided by financing activities</b>		<b>2,982,370</b>	<b>1,511,897</b>
(Decrease) Increase in cash		52,513	(1,054,787)
Cash, beginning of period		108,007	1,517,363
<b>Cash, end of period</b>		<b>160,520</b>	<b>462,576</b>
<b>Non-cash investing activities:</b>			
Mineral property interests within accounts payable and accrued liabilities	4	–	–

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

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**SAGE POTASH CORP.**

*(An Exploration Stage Company)*

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

(Unaudited)

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**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 in the State of Utah, USA.

The Company has never generated profit or positive cash flows from operations. For the six-month period ended September 30, 2024, the Company reported a net loss of \$2,024,084 (March 31, 2024 – \$3,908,492), cash used in operating activities of \$2,266,276 (March 31, 2024 – \$2,709,695), and an accumulated deficit of 10,433,831 (March 31, 2023 – \$8,409,747). 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 an annual consolidated financial statement and should be read in conjunction with the consolidated financial statements for the year ended March 31, 2024.

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, 2024.

**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 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.

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**SAGE POTASH CORP.***(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

(Unaudited)

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

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

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. MATERIAL ACCOUNTING POLICIES**

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of November 29, 2024, 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, 2024.

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, 2024	March 31, 2024
	\$	\$
Balance, beginning of year	1,349,578	1,159,320
Property lease payments - SITLA	–	65,193
Private mineral leases	–	115,112
Surface rights leases	–	9,953
<b>Balance, end of year</b>	<b>1,349,578</b>	<b>1,349,578</b>

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.

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**SAGE POTASH CORP.***(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

(Unaudited)

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**4. MINERAL PROPERTY INTERESTS (continued)**

During the year ended March 31, 2024, the Company entered into 4 private mineral right lease agreement for additional lands covering 1,905 acres and paid deposits of \$66,289 which is included in deposits and prepaids as at March 31, 2024 for additional lands covering 4,072 acres on the same terms as the prior private mineral right lease agreements.

During the year ended March 31, 2024, the Company entered into an option agreement to acquire a property covering 472 acres to be used for surface use production. In addition, the Company entered two surface use agreements covering 629 acres.

**5. LEASE LIABILITY AND RIGHT OF USE ASSET**

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.

On June 4, 2024, the Company entered into a lease of office premises, containing approximately 4,526 square feet. The term of the lease is from July 1, 2024 to June 30, 2029. The net rent is \$47 per square foot in the first year and \$48 per square foot, \$49 per square foot, \$50 per square foot and \$51 per square foot in each of the following years. The Company is also required to pay a proportionate share of operating costs and property taxes. The Company has paid \$190,500 as a non-refundable prepaid rent.

**(a) Right of use asset**

	September 30, 2024	March 31, 2024
	\$	\$
Balance, beginning of period	49,440	86,521
Additions	826,798	—
Depreciation charge for the period	(59,880)	(37,081)
Balance, end of period	816,358	49,440

**(b) Lease liability**

	September 30, 2024	March 31, 2024
	\$	\$
Balance, beginning of period	54,412	89,634
Additions	826,797	—
Lease payments	(74,764)	(42,600)
Interest	26,847	7,378
Balance, end of period	833,292	54,412
Current portion	159,896	40,080
Balance, end of period, non-current portion	673,396	14,332

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, 2024, the Company's undiscounted lease payments consisted of the following:

	\$
2025	113,745
2026	216,116
2027	220,643
2028	225,168
2029	229,695
2030	57,707
	<u>1,063,074</u>

**SAGE POTASH CORP.***(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

(Unaudited)

**6. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Improvements	Office Equipment	Automobile	Total
	\$	\$	\$	\$
<b>COST</b>				
Balance, March 31, 2024	–	–	–	–
Additions	148,818	14,858	8,081	171,757
<b>Balance, September 30, 2024</b>	<b>148,818</b>	<b>14,858</b>	<b>8,081</b>	<b>171,757</b>
<b>ACCUMULATED DEPRECIATION</b>				
Balance, March 31, 2024	–	–	–	–
Depreciation expense	7,430	746	–	8,176
<b>Balance, September 30, 2024</b>	<b>7,430</b>	<b>746</b>	<b>–</b>	<b>8,176</b>
<b>NET BOOK VALUE</b>				
Balance, March 31, 2024	–	–	–	–
<b>Balance, September 30, 2024</b>	<b>141,388</b>	<b>14,112</b>	<b>8,081</b>	<b>163,581</b>

**7. DEPOSIT ON MINING EQUIPMENT**

On September 9, 2024, the Company entered into an agreement for the purchase of processing equipment for \$12,600,000. Under the purchase agreement, the company will satisfy the purchase price by paying \$6,300,000 in cash, issuing 12,600,000 million common shares at a deemed price of \$0.20 per share and issuing the vendor a secured convertible debenture with a principal amount of \$3780,000. The secured convertible debenture will mature in five years while accruing interest at 12% per annum, and in addition, the holder may convert any or all of the outstanding indebtedness into shares of the company at \$0.40 per share at any time. The purchase agreement and the transactions contemplated therein are subject to acceptance by the TSX Venture Exchange.

On September 17, 2024, the Company paid a deposit on mineral processing equipment in the amount of \$500,000.

**8. RELATED PARTY TRANSACTIONS AND BALANCES**

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 periods ended ended September 30, 2024 and 2023.

During the six-month period ending September 30, 2024, the Company incurred the following related party transactions:

- (i) The Company incurred consulting fees in the amount of \$130,165 (September 30, 2023 – \$135,000) to companies controlled by officers and directors.
- (ii) The Company incurred consulting fees in the amount of \$504,554 (September 30, 2023 - \$nil) to a company controlled by key management personnel of the Company.
- (iii) The Company incurred stock-based compensation in the amount of \$109,553 to a director of the Company (September 30, 2023 – \$78,000).

As at September 30, 2024, included in accounts payable is \$nil (March 31, 2024 – \$11,747) due to an officer of the Company; and an outstanding receivable of \$109,374 (March 31, 2024 - \$22,603) from officers, directors and key management personnel of the Company.

**SAGE POTASH CORP.***(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

(Unaudited)

**9. 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, March 31, 2023	48,945,400	5,591,885
Warrants exercised for cash at \$0.25 per share (i)	501,288	176,235
Issued for cash at \$0.25 per share (ii)	4,694,505	1,201,282
Share issue costs (iv)	–	(140,279)
Balance, March 31, 2024	54,141,193	6,829,123
Issued for cash at \$0.25 per share (iii)	13,500,000	1,822,500
Share issue costs (iv)	–	(17,841)
Balance, September 30, 2024	67,641,193	8,633,782

(i) During the year ended March 31, 2024, 501,288 broker warrants were exercised for net proceeds of \$125,235. The fair value of the broker warrants was calculated as \$51,000 using the Black Scholes pricing model using the assumptions noted in 7(b)(iv) below.

(ii) On August 4, 2023, 4,694,505 units were issued for proceeds of \$1,502,241. Each unit consisted of one common share and one-half 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 \$300,959 using the Black Scholes pricing model using the assumptions noted in 7(b)(iv) below.

(iii) On May 27, 2024, 13,500,000 shares were issued for proceeds of \$1,822,500.

(iv) On May 27, 2024, the Company incurred share issue costs of \$10,800 cash (August 4, 2023 – \$94,279) and the issuance of 80,000 broker warrants related to the unit financing (August 4, 2023 – 294,310). The broker warrants have an exercise price of \$0.25 (August 4, 2023 – \$0.32) with one year expiry (August 4, 2023 – two-year expiry). The fair value was calculated as \$7,041 (August 4, 2023 – \$46,000) using the Black Scholes pricing model using the following assumptions:

	May 27, 2024	August 4, 2023
Share price on grant date	\$0.22	\$0.27
Expected life (years)	1	2
Interest rate	5.42%	4.65%
Volatility	113%	113%
Dividend yield	0.00%	0.00%

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. 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.

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**SAGE POTASH CORP.***(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

(Unaudited)

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## 9. SHARE CAPITAL (continued)

## (c) Subscriptions Received

During the six-month period ended September 30, 2024, the Company received \$897,000 in subscriptions to acquire shares at a price of \$0.20 per share.

## (d) Stock Options

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)(ii).

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 were due to 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. For the six-month period ended September 30, 2024, the Company recorded stock-based compensation of \$nil for the portion vested during the period (year ended March 31, 2024 – \$229,947). On January 30, 2024, 250,000 options were cancelled, and an additional 750,000 options will no longer vest.

During the six-month period ended September 30, 2024, 250,000 options were cancelled.

On June 7, 2024, the Company granted 500,000 options. The stock options have an exercise price of \$0.295 and expire 3 years from the date of grant. The options vested immediately on the date of grant. The fair value was calculated as \$109,553 using the Black Scholes pricing model using the assumptions listed below.

	June 7, 2024	February 6, 2023	January 6, 2023	July 4, 2022
Share price on grant date	\$0.295	\$0.25	\$0.25	\$0.25
Expected life (years)	3	3	3	3
Interest rate	4.28%	3.43%	3.50%	3.03%
Volatility	126%	115%	115%	111%
Dividend yield	0.00%	0.00%	0.00%	0.00%

As at September 30, 2024, the following stock options are outstanding:

	Options	Weighted average exercise price	Weighted average remaining contractual life (years)
As at March 31 2023	9,600,000	0.25	1.27
Cancelled/expired	(2,300,000)	0.25	–
As at March 31, 2024	7,300,000	0.25	1.27
Granted June 7, 2024	500,000	0.295	2.69
Cancelled/expired	(250,000)	0.25	–
As at September 30, 2024	7,550,000	0.25	1.41

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**SAGE POTASH CORP.***(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

(Unaudited)

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## 9. SHARE CAPITAL (continued)

## (e) Warrants

The Company issued 501,360 broker warrants in connection with the special warrants financing. Each warrant is exercisable to acquire one common share at \$0.25 per share for a period of 1 year, expiring between April 21, 2023 to May 31, 2023.

During the year-ended March 31, 2024, 501,288 broker warrants were exercised for net proceeds of \$125,235. The quoted market prices on the exercise dates were in between \$0.43 and \$0.48.

During the year ended March 31, 2024, the Company issued 2,347,250 share purchase warrants with an exercise price of \$0.50 and 294,310 broker warrants with an exercise price of \$0.32 in connection with the unit financing. The warrants expire on August 3, 2025.

During the six-month period ended September 30, 2024, the Company issued 80,000 broker warrants with an exercise price of \$0.25 in connection with the unit financing. The warrants expire on May 27, 2025

As at September 30, 2024, the following stock warrants are outstanding:

	Warrants	Weighted average exercise price	Weighted average remaining contractual life (years)
As at March 31 2023	501,360	0.25	–
Issued August 3, 2023	2,641,560	0.48	0.84
Canceled/expired	(72)	0.25	–
Exercised	(501,288)	0.25	–
As at March 31, 2024	2,641,560	0.48	0.84
Issued May 27, 2024	80,000	0.25	0.66
As at September 30, 2024	2,721,560	0.47	0.84

## (f) Shares held in Escrow

As at September 30, 2024, the Company has 11,556,000 common shares held in escrow (March 31, 2024 – 17,226,000), to be released in between March 20, 2025 and March 20, 2026.

## 10. 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, 2024, 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.

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**SAGE POTASH CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

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(Unaudited)

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**11. FINANCIAL INSTRUMENTS****Fair values**

The Company's financial instruments include cash, due from related parties, and accounts payable and accrued liabilities. The carrying amounts of cash, 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, 2024, 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.

At September 30, 2024, 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	1,234,790	1,234,790	1,234,790	–
Lease liability	833,292	1,108,870	106,361	329,861
	2,068,082	2,343,660	1,341,151	329,861

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**SAGE POTASH CORP.**

*(An Exploration Stage Company)*

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

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**12. 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.

**13. COMMITMENTS**

On August 22, 2024, the Company entered an advisory agreement with Moneta Securities (Alberta) Corp. ("Moneta"). Moneta will provide advisory services in support of the Client's efforts to prepare for and execute the raising of equity capital. The initial term is 12 months and will continue on a month-to-month basis until terminated. The fees consist of the following amounts:

- (i) The Work Fee of \$30,000 per month, payable as \$15,000 cash and \$15,000 in Common Shares. The Common Shares will be settled every 6 months.
- (ii) The Equity Success Fee of 8% cash and 8% broker warrants calculated on any equity capital introduced by Moneta.
- (iii) The M&A Fee of 4% cash calculated on the gross merger value with any party introduced by Moneta.
- (iv) The Alternative Transaction Fee of 3% of any capital raised by another party.

On June 4, 2024, the Company entered into a lease of office premises, containing approximately 4,526 square feet. The term of the lease is from July 1, 2024 to June 30, 2029. The net rent is \$47 per square foot in the first year and \$48 per square foot, \$49 per square foot, \$50 per square foot and \$51 per square foot in each of the following years. The Company is also required to pay a proportionate share of operating costs and property taxes. The Company has paid \$190,500 as a non-refundable prepaid rent.

On September 9, 2024, the Company entered into an agreement for the purchase of processing equipment for \$12,600,000. Under the purchase agreement, the company will satisfy the purchase price by paying \$6,300,000 in cash, issuing 12,600,000 million common shares at a deemed price of \$0.20 per share and issuing the vendor a secured convertible debenture with a principal amount of \$3,780,000. The secured convertible debenture will mature in five years while accruing interest at 12% per annum, and in addition, the holder may convert any or all of the outstanding indebtedness into shares of the company at \$0.40 per share at any time. The purchase agreement and the transactions contemplated therein are subject to acceptance by the TSX Venture Exchange.

On September 17, 2024, the Company paid a deposit on mineral processing equipment in the amount of \$500,000.

Effective May 1, 2024, the Company entered an Engineering, Construction Management and Office Service Agreement for a gross monthly fee of \$86,000 per month. The agreement is for a one-year renewable terms, expiring each April 30.

Effective July 1, 2024, the Company entered into a Project Management Agreement to provide project management, finance and CFO services for a gross monthly fee of \$24,834 USD per month. The agreement is for a one-year renewable terms, expiring each June 30.

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**SAGE POTASH CORP.**

*(An Exploration Stage Company)*

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

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**14. CONTINGENT LIABILITIES**

On September 26, 2024, a supplier filed a Statement of Claim for payment of \$86,100 plus \$15,091 interest, totaling \$101,191. The Company disputes these charges and has filed a Response. The \$101,191 has been included in accounts payable and accrued liabilities as at September 30, 2024.

**15. SUBSEQUENT EVENTS**

- a) On October 30, 2024, the Company entered into a cancellation agreement for the August 2022 lease of office premises, effective November 30, 2024.
- b) Subsequent to September 30, 2024, the Company received \$120,000 subscription proceeds to acquire shares at a price of \$0.20 per share.