CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022
(Expressed in Canadian Dollars)

To the Shareholders of Western Resources Corp.:

Opinion

We have audited the consolidated financial statements of Western Resources Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2023 and September 30, 2022, and the consolidated statements of income (loss) and comprehensive income (loss), shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2023 and September 30, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 audits 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has experienced operating losses and negative operating cash flows. As stated in Note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 period. 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.

In addition to the matter described in Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Valuation of royalty payable

Key Audit Matter Description

We draw attention to Note 2 Significant accounting judgments and estimates – Determining fair value of financial instruments and Note 14 Loans payable and derivative liabilities to the consolidated financial statements. In connection with the loan facility , the Company shall pay a royalty based on 1.5% of the gross revenue of the Milestone Project.

To determine the fair value of the royalty payable, the Company used discounted cash flow models, including the use of significant estimates and assumptions such as mineral reserve, future potash prices and discount rates.

We considered this a key audit matter due to the significant risk of material misstatement related to the valuation of Royalty payable and the degree of uncertainty in management's estimates and judgments involved. As a result, significant audit effort and subjectivity were required in applying audit procedures to test significant assumptions used by management in determining the fair value of the Royalty payable. Further, professionals with specialized skills and knowledge were required to evaluate certain significant assumptions.

Audit Response

We responded to this matter by performing procedures in relation to the valuation of royalty payable. Our audit work in relation to this included, but was not restricted to, the following:

- We assessed the methodology and the appropriateness of the valuation models used by management to fair value the Royalty payable;
- We tested the underlying data used in the valuation models and evaluated the reasonableness of significant assumptions by:
    i. Assessing the competence, capabilities and objectivity of the independent third party who prepared the NI 43-101 technical report and assisted management estimating cash flows from the Milestone Project; and
    ii. Agreeing the estimates of mineral reserve, operating and capital expenditures with NI 43-101 technical report;
- We involved our internal valuation professionals with specialized skills and knowledge who assisted in assessing the appropriateness of the methodology of the valuation models and reasonableness of the discount rate and commodity price assumptions used by comparing to estimates that were independently developed using publicly available third-party sources and data for comparable entities; and
- We reviewed the adequacy of the disclosures in the consolidated financial statements, including disclosures related to significant judgments and estimates.

Assessment of impairment indicators for the Company's mineral property, plant and equipment

Key Audit Matter Description

We draw attention to Note 2, Significant accounting judgments and estimates – Economic recoverability and probability of future economic benefits of mineral property, plant and equipment and Note 7 Mineral property, plant and equipment to the consolidated financial statements. The carrying value of the mineral property, plant and equipment was $329,972,023 as at September 30, 2023. At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indicator that an impairment loss exists. Where such an indicator exists, the recoverable amount of the assets is estimated and compared to the carrying amount in order to determine the amount of the impairment loss. The Company determined that there were no external or internal indicators of impairment as at September 30, 2023, and no impairment tests were required.

Management uses significant judgment to analyze the relevant external and internal factors in assessing whether indicators of impairment are present that would necessitate impairment testing. Factors regarding the commodity prices, production, operating costs, capital expenditures, discount rates and funding required to complete the Milestone Project are used in determining whether there are any indicators of impairment.

We considered this as a key audit matter due to the significance of the Company's mineral property, plant and equipment and significant auditor judgment and subjectivity in applying the procedures to evaluate the audit evidence relating to the significant judgments made by the Company in its assessment of indicators of impairment.

We responded to this matter by performing procedures in relation to assessment of impairment indicators for the Company's mineral property, plant and equipment. Our audit work in relation to this included, but was not restricted to, the following:

- We assessed the completeness of external or internal factors that could be considered as indicators of impairment of the Company's mineral property, plant and equipment, by considering evidence obtained in other areas of the audit;
- We evaluated the assessment performed by management including comparing the commodity prices and market interest rates to external market and industry data, understanding current industry and economic trends, reviewing sources of funding available to complete the Milestone Project for commencement of operation, and collaborating with evidence obtained in other areas of the audit, as applicable;
- We involved our internal valuation professionals with specialized skills and knowledge who assisted in assessing the impairment indicators analysis prepared by management; and
- We reviewed the adequacy of the disclosures in the consolidated financial statements, including disclosures related to significant judgments and estimates.

Other Information

Management is responsible for the other information. The other information comprises 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 audits 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 audits 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 on this other information, 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 International Financial Reporting 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 Company 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 period 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 Jian-Kun Xu.

Vancouver, British Columbia

MNP LLP

December 28, 2023

Chartered Professional Accountants

Contents

Western Resources Corp.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Notes	September 30, 2023	September 30, 2022
ASSETS			
Current assets			
Cash and cash equivalents		3,467,451	2,200,558
Short-term investments	**4**	8,683,360	28,237,009
Restricted cash	**5**	-	2,387,290
Other current assets	**6**	1,540,045	1,573,982
Deferred transaction costs	**14**	-	2,366,394
		13,690,856	36,765,233
Non-current assets			
Mineral property, plant and equipment	**7**	329,972,023	260,411,647
Investment in associates	**8**	892,396	830,529
Other assets	**9**	6,542,476	6,494,490
		337,406,895	267,736,666
TOTAL ASSETS		351,097,751	304,501,899
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**10**	5,495,654	5,452,552
Advance for debentures	**19,28**	5,000,000	-
Financing arrangement	**15**	-	8,924,404
Current portion of loan payable	**14**	3,235,392	-
CEBA loan payable	**14**	60,000	-
		13,791,046	14,376,956
Long term liabilities			
Asset retirement obligation	**13**	2,341,891	2,911,163
Loans payable	**14**	74,710,057	29,838,108
Royalty payable	**14**	11,237,549	10,405,643
Warrants payable	**14**	3,282,514	5,564,031
Lease obligation	**12**	29,135	-
		91,601,146	48,718,945
TOTAL LIABILITIES		105,392,192	63,095,901
SHAREHOLDERS' EQUITY			
Share capital	**16**	286,320,924	286,264,824
Contributed surplus	**17**	56,981,157	55,503,083
Treasury shares		(762,520)	(762,520)
Deficit		(96,834,002)	(99,599,389)
TOTAL SHAREHOLDERS' EQUITY		245,705,559	241,405,998
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		351,097,751	304,501,899
Nature of operations and going concern	**1**		
Commitments and contractual agreements	**21**		
Subsequent events	**28**		

These consolidated financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Guy Bentinck Director **/s/ Wenye Xue Director**

See accompanying notes to these audited consolidated financial statements.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian Dollars)

		For the years ended	
	Notes	**September 30, 2023**	**September 30, 2022**
EXPENSES			
Consulting fees		321,834	297,910
Depreciation	**7**	65,945	90,749
Office and miscellaneous expenses		686,565	1,044,653
Professional fees		297,991	114,814
Salaries, wages and benefits		108,449	1,686,500
Share-based payments	**16**	305,305	146,262
Operating loss before other income		(1,786,089)	(3,380,888)
			-
Other income (expenses)			-
Other income			-
Gain on loan modification	**14**	1,894,443	
Gain on settlement of trade payables	**10**	-	8,859,254
Interest income		876,452	76,452
Share of income from investment in associates	**8**	651,958	
Other income	**26**	1,664,009	449,259
		5,086,862	9,384,965
Other expenses			-
Finance costs	**25**	535,386	4,975,958
Loss on loan modification	**14**	-	1,261,989
Share of loss from investment in associates	**8**	-	93,703
		(535,386)	(6,331,650)
Other income		4,551,476	3,053,315
			-
Income (Loss) before income taxes		2,765,387	(327,573)
Income tax recovery (expense)			-
Current	**27**	-	(65)
Deferred	**27**	-	-
			(65)
Net income (loss) and comprehensive income (loss) for the year		2,765,387	(327,638)
			-
Net income (loss) and comprehensive income (loss) for the year:			
Shareholders of the Company		2,765,387	(1,230,764)
Non-controlling interests	**17**	-	903,126
		2,765,387	(327,638)
Weighted average number of common shares outstanding (basic and diluted)		408,593,574	188,778,430
Basic earnings (loss) per share for the year attributable to common shareholders ($ per common share)		0.01	(0.01)
Diluted earnings (loss) per share for the year attributable to common shareholders ($ per common share)		0.01	(0.01)

See accompanying notes to these audited consolidated financial statements.

Consolidated Statements of Shareholders' Equity

(Expressed in Canadian Dollars)

		Share capital							
	Notes	**Number of shares**	**Amount $**	**Reserves $**	**Treasury shares $**	**Deficit $**	**Equity attributable to shareholders of the Company $**	**Equity attributable to Non-controlling interest ("NCI") $**	**Total $**
Balance at September 30, 2021		**187,174,220**	**231,142,466**	**28,829,181**	**(762,520)**	**(98,368,625)**	**160,840,502**	**-**	**160,840,502**
Share-based payments	**16**	-	-	702,334	-	-	702,334	-	702,334
Exercise of stock options	**16**	1,590,000	190,800	-	-	-	190,800	-	190,800
Equity investment from Vantage	**17**	-	-	-	-	-	-	80,000,000	80,000,000
Conversion of NCI by Vantage	**16**	219,726,258	54,931,558	25,971,568	-	-	80,903,126	(80,903,126)	-
Net loss for the year		-	-	-	-	(1,230,764)	(1,230,764)	903,126	(327,638)
Balance at September 30, 2022		**408,490,478**	**286,264,824**	**55,503,083**	**(762,520)**	**(99,599,389)**	**241,405,998**	**-**	**241,405,998**
Share-based payments	**16**		-	1,478,074	-	-	1,478,074	-	1,478,074
Exercise of stock options	**16**	415,000	56,100	-	-	-	56,100	-	56,100
Net income for the year		-	-	-	-	2,765,387	2,765,387	-	2,765,387
Balance at September 30, 2023		**408,905,478**	**286,320,924**	**56,981,157**	**(762,520)**	**(96,834,002)**	**245,705,559**	**-**	**245,705,559**

See accompanying notes to these audited consolidated financial statements.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

		For the years ended	
	Notes	September 30, 2023	September 30, 2022
Cash flows from (used in)			
OPERATING ACTIVITIES			
Net income (loss) for the year		2,765,387	(327,638)
Adjustments for items not affecting cash:			
Depreciation	**7**	65,945	90,749
Finance costs	**25**	535,386	4,975,958
Gain from termination of financing arrangement	**15**	(705,808)	-
Interest income		(20,724)	(76,452)
Share-based payments	**16**	305,305	146,262
Share of loss (income) from investment in associates	**8**	(651,958)	93,703
Change in fair value of warrants and royalty payable	**14**	(812,027)	(2,712,539)
Gain on loan modification	**14**	(1,894,443)	-
Unrealized foreign exchange (gain) loss		(248,101)	2,817,738
Net changes in non-cash working capital items and other items			
Accounts payable and accrued liabilities	**10**	(84,317)	(9,551,905)
Other current assets	**6**	33,937	(1,333,722)
Other assets		(47,986)	(1,516,399)
Payments on legal settlement	**11**	-	(936,576)
Cash flow used in operating activities		**(759,404)**	**(8,330,821)**
INVESTING ACTIVITIES			
Acquisition of capital assets	**7**	(63,730,291)	(52,237,021)
Acquisition of term deposits	**5**	**-**	(2,387,290)
Proceeds from redemption of term deposits	**5**	2,387,290	899,150
Return of equity in investment in associate	**8**	590,091	477,897
Short-term investments	**4**	19,574,373	(28,237,009)
Cash flow used in investing activities		**(41,178,537)**	**(81,484,273)**
FINANCING ACTIVITIES			
Advance payment from Vantage Chance Limited	**19,28**	5,000,000	-
Net proceeds from loan payable, royalty, and warrants liability	**14**	41,747,285	40,291,409
Payments on lease obligation	**12**	(4,150)	(37,885)
Payments on loan interests	**14**	(3,594,401)	(1,448,333)
Proceeds from exercise of stock options	**16**	56,100	190,800
Proceeds from Vantage equity financing	**17**	-	80,000,000
Repayment of loan	**14**	-	(35,000,000)
Cash flow from financing activities		**43,204,834**	**83,995,991**
Increase (decrease) in cash and cash equivalents		1,266,893	(5,819,103)
Cash and cash equivalents, beginning of year		2,200,558	8,019,661
Cash and cash equivalents, end of year		**3,467,451**	**2,200,558**

See accompanying notes to these audited consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Western Resources Corp. (the "Company" or "WRX") was incorporated on January 16, 2017 under the British Columbia Business Corporations Act. The Company is a resource company mainly focused on the development of its Milestone potash project (the "Milestone Project") in Southern Saskatchewan, Canada. The Company's objectives are to successfully complete Phase I of the Milestone Project ("Phase I") to prove a new mining technology, which the Company expects to then apply to Phase ll and other future Phases. Ultimately, the Company intends to develop a world-class and environmental-friendly potash deposit at a competitive cost and as an environmentally friendly model. The Company currently has no mineral production that yields any revenues.

The Company also invested in real estate development projects in the Greater Vancouver Area through limited partnerships. The Company accounts for these investments using the equity method (See Note 8).

On January 13, 2022, the Company incorporated Western Potash Holdings Corp. ("WPHC") and transferred its 100% equity interest in Western Potash Corp. ("WPC") to WPHC. As the result, WPHC through its 100% of equity interest of WPC and its subsidiary, 0907414 BC Ltd. ("BC Subsidiary"), owns Milestone Project, which is the Company's main asset.

On February 16, 2022, the Company, along with its two subsidies, WPHC and WPC entered into a subscription agreement (the "Subscription Agreement") with Vantage Chance Limited ("Vantage"), a private investment company registered in the British Virgin Islands. Pursuant to the Subscription Agreement, Vantage would make an equity investment of $80,000,000 ("Investment Proceeds') in WPHC in exchange for an aggregate of 157,325,071 common shares of WPHC.

On May 20, 2022, the Company and Vantage amended the Subscription Agreement to: 1) allow Vantage to pay the Investment Proceeds in two tranches as follows: (i) $33,000,000 on or before May 31, 2022; and (ii) $47,000,000 on or before July 31, 2022, 2) agree on a share conversion term to allow that either WRX or Vantage to convert all 157,325,071 of the Subscription Shares held by Vantage into 219,726,258 fully paid and non-assessable WRX Shares, representing approximately 54% of the issued and outstanding WRX Shares (the "Conversion Option"), at an exchange rate of approximately 0.716 Subscription Share per WRX Share (the "Exchange Ratio").

On July 29, 2022, a second amended agreement was executed to further allow Vantage to pay the remaining in Investment Proceeds of $47,000,000 in two tranches as follows: (i) $17,000,000 on or before July 31, 2022; and (ii) $30,000,000 on or before September 30, 2022. Upon completion of the transaction on September 8, 2022, Vantage and the Company initiated the Conversion Option. On September 28, 2022, after obtaining the approval from the Toronto Stock Exchange ("TSX") and consent from the Company's largest shareholder, Tairui Mining Inc. ("Tairui"), the Conversion Option was completed. As a result, Vantage owns 53.79% of the issued and outstanding WRX Shares calculated on a post-transaction, non-diluted basis. Tairui's holdings in WRX, 105,854,938 WRX Shares, representing approximately 56.08% of the issued and outstanding WRX Shares pre-conversion, have been diluted to approximately 25.91% post-conversion.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. For the year ended September 30, 2023 the Company has experienced operating losses and negative operating cash flows. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These conditions indicate the existence of a material uncertainty that may cast significant doubt on Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments to the carrying values and classifications of its assets and liabilities that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements of the Company for the year ended September 30, 2023 were approved by the Board of Directors on December 28, 2023.

Basis of Presentation and Functional Currency

These 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 2. All amounts are expressed in Canadian dollars, which is also the functional currency of the Company and its subsidiaries.

Significant Accounting Judgments and Estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. The following are the critical judgments and areas involving estimates that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the consolidated financial statements.

The most significant accounting judgments and estimates are as follows:

- ***Going concern***

  Management has applied judgment that the Company has the ability to continue in operation for at least twelve months from September 30, 2023 and to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

- ***Basis of consolidation***

  Management has applied a judgment that the change of the largest shareholder as the execution of Subscription Agreement and the Conversion Option does not affect the Company's control over its subsidiaries. The Company remains the power to govern the financial and operating policies of the subsidiaries and obtain benefits from its activities.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Judgments and Estimates (continued)

- ***Economic recoverability and probability of future economic benefits of mineral property, plant and equipment***

In assessing whether indicators of impairment exist, management uses judgment in assessing the impact of changes in commodity prices, discount rates and other economic factors related to the project. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plant.

As at September 30, 2023 and September 30, 2022, no indicators of impairment related to the Milestone Project were identified by the Company.

The Company estimates its mineral reserves and mineral resources based on information compiled by qualified persons as defined by National Instrument ("NI") 43-101. Mineral reserves are used in the calculation of depreciation and impairment charges, and for forecasting the timing of the payment of closure and restoration costs. The Company is in active discussions with potential investors who intend to invest in the Company by way of equity financing or convertible debentures. Vantage, the Company's largest shareholder, is willing to provide financial support to the Company to commission the plant. There are numerous uncertainties inherent in estimating mineral reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of mineral reserves and may, ultimately, result in mineral reserve estimates being revised. Such changes in mineral reserves could impact depreciation and amortization rates, the timing of asset retirement obligation costs which affect the amount of the asset retirement obligation provision and could result in impairment losses associated with mineral property, plant and equipment.

- ***Determination of asset retirement obligation***

The Company's provision for asset retirement obligation represents management's best estimate of the present value of the future cash outflows required to settle the liability which reflects estimates of costs, inflation, and assumptions of risks associated with the future cash outflows including the timing of such outflows, and the applicable discount rates used to determine the net present value of the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company. Changes to the asset retirement obligation are recorded with a corresponding change to the carrying amounts of related mineral property, plant and equipment. Adjustments to the carrying amounts of related mineral property, plant and equipment can result in a change to future depreciation expense. Assumptions with respect to the Company's asset retirement obligation provision are disclosed in Note 13.

- ***Determining fair value of financial instruments***

The fair values of warrants payable and royalty payable are determined using valuation techniques including the Black-Scholes option pricing model and discounted cash flow models, respectively. The inputs to these models are taken from observable markets where possible, but where this is not feasible, certain estimates are required in establishing the fair values. Changes in these estimates could affect the reported fair values of the derivative instruments. Refer to Notes 14 for further details about the estimates as well as a sensitivity analysis.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- ***Income taxes***

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such a determination is made.

Significant Accounting Policies

The accounting policies set out below have been applied consistently by all group entities and for all periods presented.

- ***Principles of consolidation***

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Western Potash Holdings Corp., Western Potash Corp., 0907414 B.C. Ltd., and Western Garden Properties Corp. All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation.

- ***Cash and cash equivalents***

The Company considers all highly liquid investments with maturities when purchased of three months or less to be cash equivalents.

- ***Short-term investments***

Shor-term investments include Guaranteed Investment Certificates (GICs) and term deposits with mature date equal or less than twelve months.

- ***Investments in associates***

Associates are entities for which the Company has significant influence, but not control or joint control over the financial and operational decisions. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost and adjusted thereafter for the change in the Company's share of the investee's profit or loss and Other Comprehensive Income (OCI) less distributions received until the date that significant influence ceases.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (continued)

- ***Exploration and evaluation expenditures***

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation including acquisition costs, are capitalized. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditures, in excess of estimated recoveries, are written off to profit or loss. The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined and sufficient funds have been obtained to commence development, the property is considered to be a mine under development. At such time, accumulated exploration and evaluation expenditures are tested for impairment and then reclassified to “mineral properties, plant and equipment”.

- ***Mineral property, plant and equipment***

Building and Equipment

Building and equipment is recorded at cost less accumulated amortization. Cost includes all expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management, including estimated decommissioning and restoration costs and, where applicable, borrowing costs. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment. Amortization is calculated using the straight-line method.
Amortization was calculated at the following annual rates:

	Straight-line
• Building	25 years
• Automobiles	3.33 years
• Computer hardware	2 years
• Computer software	1 year
• Furniture and fixtures	5 years

Right of use assets are amortized over the shorter of their useful lives or the term of the lease.

Mineral interests and mine development costs

Mineral interests and mine development costs are recorded at cost. Costs include reclassified exploration and evaluation expenditures, feasibility and other technical studies, engineering and design costs, depreciation on equipment used during the development phase, borrowing costs, if applicable, cost of asset retirement obligation, and other costs incurred to bring a mine into production. These costs are not amortized until the mine is operating as intended by management at which time the costs will be amortized using the units of production method.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (continued)

- ***Mineral property, plant and equipment (continued)***

Mineral interests and mine development costs (continued)

Mineral properties are tested for impairment whenever there are indicators that suggest that the carrying value is not recoverable. Costs not directly attributable to development activities, including general administrative overhead costs, are expensed in the period in which they occur.

- ***Income taxes***

Income taxes comprises current and deferred income tax expenses. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax expense is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable or receivable in respect of previous years. Deferred tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the amounts used for tax purposes. Deferred tax assets and liabilities are generally recognized for all taxable temporary differences. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent it is not probable that they will reverse in the foreseeable future. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are generally recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses only to the extent that it is probable that there will be taxable profits against which the deductible temporary differences can be utilized. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

- ***Basic and diluted income (loss) per share***

Basic income (loss) per share is calculated by dividing the net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted income per share reflects adjustments to the weighted average number of common shares outstanding for the potential dilution of securities, including stock options and share purchase warrants, that could share in income of the Company. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive.

- ***Share-based payments***

The Company has an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued determined on the grant date and amortized over the relevant vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The fair value of stock options is determined using a Black-Scholes option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (continued)

- ***Financial instruments***

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest. If the business model is not to hold the debt instrument, it is classified as FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest. Equity instruments that are held for trading (including all equity derivative instruments) 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 assets carried at FVTPL are initially recorded at fair value and transaction costs are recognized in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges. Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income or loss. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Financial assets at amortized cost are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost less any impairment charges. They are classified as current or non-current assets based on their maturity date. The Company’s cash and cash equivalents, short-term investments, term deposits, including restricted cash, and other assets are all classified as financial assets at amortized cost.

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 loss allowance for the financial asset is measured 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 credit risk has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Derecognition of financial assets

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (continued)

- ***Financial instruments (continued)***

Financial liabilities

The Company classifies its financial liabilities into one of the following categories:

Financial Liabilities at Fair Value Through Profit or Loss
This category comprises derivatives and financial liabilities incurred principally for the purpose of "settling" and/or "paying" in the near term. They are carried at fair value with changes in fair value recognized in profit or loss. Financial liabilities that are initially recognized at FVTPL originally include any transaction costs directly attributable to the liability. The Company's warrants payable and royalty payable are classified as financial liabilities at FVTPL.

Other Financial Liabilities
Other financial liabilities are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The Company initially recognizes financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are derecognized when their contractual obligations are discharged, cancelled or have expired. Any adjustment to the amortized cost of the financial liability arising from a modification or exchange is recognized in profit or loss at the date of the modification or exchange.

The Company's accounts payable and accrued liabilities, lease obligations, asset retirement obligation, financing arrangement, loans payable and advance of debentures are all classified as other financial liabilities at amortized cost.

- ***Impairment of non-financial assets***

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that an impairment loss exists. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the amount of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows that the asset or cash generating unit is expected to generate along with the expected costs to complete the project are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the carrying amount of the asset or cash generating unit is

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (continued)

- ***Impairment of non-financial assets (continued)***

increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

- ***Foreign currency translation***

Foreign currency transactions are translated into the Canadian dollar functional currency using the prevailing exchange rates on the date of each transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at the end of the reporting period by using the rates prevailing at that date, are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the prevailing exchange rates on the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the prevailing exchange rates on the date when the fair value was determined.

- ***Provision for asset retirement obligation***

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties and the retirement of assets in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for an asset retirement obligation is recognized based on expected cash flows required to settle the obligation and is discounted at a pre-tax rate specific to the liability. The cost of such obligation is included in mineral property, plant and equipment, as applicable, and is depreciated on the same basis as the related asset. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to the passage of time is recognized as an interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows.

- ***Employee benefits***

Short-term employee benefit obligations are recognized as personnel expenses as the corresponding service is provided. Liabilities are recognized at the amount that is expected to be paid if the Company has a present legal or constructive obligation to pay that amount based on past services rendered by the employee, and the obligation can be estimated reliably. There are no long-term employee benefits.

- ***Leases***

The Company assesses whether a contract is a lease based on whether the contract conveys the right to control the use of an underlying asset for a period of time in exchange for consideration. Leases are recognized as a lease liability and a corresponding right-of use (“ROU”) asset at the date on which the leased asset is available for use by the Company. Liabilities and assets arising from a lease are initially measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate when the rate implicit in the lease is not readily available. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (continued)

- ***Leases (continued)***

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee or if there is a change in the assessment of whether the Company will exercise a purchase, extension or termination option that is within the control of the Company.

Lease payments are allocated between the lease liability and finance costs. Cash outflows for repayment of the principal portion of the lease liability are classified as cash flows from financing activities. The interest portion of the lease payments is classified as cash flows from operating activities.

The ROU asset is initially measured at an amount equal to the corresponding lease liability and is subsequently depreciated on a straight-line basis, over the shorter of the estimated useful life of the asset or the lease term. The ROU asset may be adjusted for certain remeasurements of the lease liability and impairment losses.

Leases that have terms of less than twelve months or leases on which the underlying asset is of low value are recognized as an expense in the consolidated statements of comprehensive income or loss on a straight-line basis over the lease term.

- ***Interest income and finance costs***

Interest income includes interest on cash and cash equivalents and term and other deposits. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on loans and borrowings and unwinding of the discount on provisions and leases. Finance costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Interest received and finance costs paid are classified in the statement of cash flows as operating activities.

3. NEW ACCOUNTING STANDARDS

Recently Announced Accounting Pronouncements

The standards, amendments and interpretations that are issued, but not yet effective up to the date of authorization of the Company's consolidated financial statements, and that may have an impact on the disclosures and financial position of the Company are disclosed below. The Company intends to adopt these standards, amendments and interpretations when they become effective.

In May 2021, the IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). The amendments narrowed the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences. The amendments are effective for the annual reporting period beginning on or after January 1, 2023, with early adoption permitted.

In February 2021, the IASB issued Definition of Accounting Estimates (Amendments to IAS 8). The amendments introduced a definition of accounting estimates and included other amendments to help entities distinguish changes

(Expressed in Canadian Dollars)

3. NEW ACCOUNTING STANDARDS (CONTINUED)

in accounting estimates from changes in accounting policies. The amendments are effective for the annual reporting period beginning on or after January 1, 2023, with early adoption permitted.

In October 2022, the International Accounting Standards Board (IASB) issued amendments to IAS 1 which were incorporated into Part I of the CPA Canada Handbook – Accounting in December 2022. The amendments require an entity to disclose, in specified circumstances, information in the notes that enables financial statement users to understand the risk that non-current liabilities with covenants could become repayable within 12 months after the reporting period. As part of the amendments, a provision was added to clarify that only covenants that an entity must comply with on or before the reporting date would affect a liability's classification as current or non-current, even if compliance with the covenant is only assessed after the entity's reporting date. Covenants which an entity must comply with after the reporting date would not affect classification of a liability as current or non-current at the reporting date.

In May 2023, the International Accounting Standards Board (IASB) issued disclosure-only amendments to IFRS 7 Financial Instruments: Disclosures and IAS 7 Statement of Cash Flows which were incorporated into Part I of the CPA Canada Handbook – Accounting in August 2023. The amendments require entities to disclose sufficient information necessary for users of financial statements to understand the effects of supplier finance arrangements on an entity's liabilities and cash flows, as well as on its liquidity risk and risk management.

The Company does not expect the adoption of these amendments to have a material effect on the consolidated financial statements.

4. SHORT-TERM INVESTMENTS

As of September 30, 2023, the Company's short-term investments consist of term deposits invested in Canadian financial institutions of $8,683,360 (September 30, 2022 - $28,237,009) with maturities of six months to twelve months. These investments normally bear a fixed interest rate of 4.5%.

5. RESTRICTED CASH

	As at Sept 30, 2023 $	As at Sept 30, 2022 $
Collateral for debt service reserve	-	2,387,290
Restricted cash	**-**	**2,387,290**

As of September 30, 2022, the Company had $2,387,290 as the collateral for debt service reserve, as a restricted account for monitoring the interests payable to Appian Capital Advisory LLP ("Appian") (Note 14). As of September 30, 2023, the Company has $Nil held as the collateral for debt service.

6. OTHER CURRENT ASSETS

	As at Sept 30, 2023 $	As at Sept 30, 2022 $
Goods and services tax receivable	287,273	652,964
Prepaid expenses	1,225,191	896,545
Marketable securities	24,473	24,473
Accounts receivable	3,108	-
	1,540,045	**1,573,982**

(Expressed in Canadian Dollars)

7. MINERAL PROPERTY, PLANT AND EQUIPMENT

The Company owns a 100% interest in the Milestone Project located in the province of Saskatchewan under various property leases. The Company's rights to these properties are subject to a renewable 21-year Crown Lease issued by the Saskatchewan Ministry of Energy and Resources and renewable freehold leases. Those leases provide the Company with full and exclusive rights to mine Crown owned subsurface minerals and privately-owned subsurface minerals, including potash. Annual lease payments total $543,552.

The continuity schedule for the mineral property, plant and equipment from September 30, 2021 to September 30, 2023 is listed as follows:

	Mineral interests and mine development costs	Decommissioning Asset	Construction in progress	Property and office equipment	Right-of-use assets	Intangible assets under development	Total
As at September 30, 2021	**90,208,426**	**3,820,242**	**136,915,843**	**1,092,486**	**196,068**	**-**	**232,233,065**
Additions (Decrease)	569,564	(1,060,742)	29,569,690	4,118	-	34,598	29,117,228
As at September 30, 2022	**90,777,990**	**2,759,500**	**166,485,533**	**1,096,604**	**196,068**	**34,598**	**261,350,293**
Additions (Decrease)	(8,334,470)	(605,533)	78,102,104	140,102	32,610	294,225	69,629,038
As at September 30, 2023	**82,443,520**	**2,153,967**	**244,587,637**	**1,236,706**	**228,678**	**328,823**	**330,979,331**
Accumulated Depreciation							
As at September 30, 2021	**-**	**-**	**-**	**(685,631)**	**(162,264)**	**-**	**(847,895)**
Depreciation for the year	-	-	-	(56,947)	(33,804)	-	(90,751)
As at September 30, 2022	**-**	**-**	**-**	**(742,578)**	**(196,068)**	**-**	**(938,646)**
Depreciation for the year	-	-	-	(65,945)	(2,717)	-	(68,662)
As at September 30, 2023	**-**	**-**	**-**	**(808,523)**	**(198,785)**	**-**	**(1,007,308)**
Net book value							
As at September 30, 2022	**90,777,990**	**2,759,500**	**166,485,533**	**354,026**	**-**	**34,598**	**260,411,647**
As at September 30, 2023	**82,443,520**	**2,153,967**	**224,587,637**	**428,183**	**29,893**	**328,823**	**329,972,023**

The changes for the construction in progress during the years ended September 30, 2023 and 2022 included the following:

	30-Sep-23 $	30-Sep-22 $
Capitalized interest on loans payable	13,074,956	3,904,061
Share-based payments	1,172,769	556,072
	14,247,725	**4,460,133**

(Expressed in Canadian Dollars)

7.MINERAL PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The additions in 2023 include expenditures of $5,097,042 (September 2022 - $4,182,297) incurred but not yet paid therefore recorded in accounts payable and accrued liabilities (Note 10). Construction activities for the processing plant, storage & loadout, and compaction plant, were stopped in May 2020, and resumed in May 2022 after the Company obtained equity financing from Vantage (See Note 1), the borrowing from Appian (See Note 14), and the debt settlement with Stuart Olson Prairie Construction Inc. ("SOX") (See Note 10).

8. INVESTMENT IN ASSOCIATES

	FB Burrard LP	WGP LP	Total
Investment in Associates	**$**	**$**	**$**
As at September 30, 2021	**93,671**	**1,308,458**	**1,402,129**
Return of equity investment	-	(477,897)	**(477,897)**
Share of income (loss) from investment in associates	(93,671)	(32)	**(93,703)**
As at September 30, 2022	**-**	**830,529**	**830,529**
Return of equity investment	(590,091)	-	**(590,090)**
Share of income from investment in associates	651,958	-	**651,957**
As at September 30, 2023	**61,867**	**830,529**	**892,396**

FB Burrard Development Limited Partnership ("FB Burrard")

As of September 30, 2023 and 2022, the Company held a 72.31% limited partnership interest in FB Burrard LP which is in the business of developing a real estate project in Vancouver, British Columbia. FB Burrard LP is controlled by its general partner, FB Burrard Development Ltd. ("FB Burrard"). FB Burrard is jointly controlled by the Company and Formwerks Boutique Investments Ltd. ("Formwerks"), a Vancouver based real estate development company. Amongst other things, the shareholder agreement requires unanimous consent by the Company and Formwerks for decisions related to all relevant activities of FB Burrard. Accordingly, the Company accounts for its investment in FB Burrard using the equity method.

For the year ended September 30, 2023, the Company received a return of equity of $590,091 (2022 - $ nil) and recognized its share of income of $ 651,958 (2022 - $(93,671)) from real estate sales.

FB 234 Third Avenue Development Limited ("FB Third")

As of September 30, 2023 and 2022, the Company held a 10.125% interest in FB Third LP, which is developing a real estate project in Vancouver, British Columbia, through its 45% ownership interest in WGP Investment Limited Partnership ("WGP LP"). There were no activities for FB Third during the year ended September 30, 2023.

On June 22, 2018, the Company entered into a shareholders' agreement with Formwerks, 1168930 B.C. Ltd. ("1168930"), CWC Group Enterprises Ltd. ("CWC"), and 1168387 B.C. Ltd ("1168387") to invest in FB Third. The Company, Formwerks, 1168930 and CWC initially each held a 22.5% voting interest in FB Third and 1168387 holds a 10% voting interest. Amongst other things, the shareholder agreement of FB Third requires unanimous consent by all the shareholders for decisions related to all relevant activities of FB Third. Accordingly, the Company jointly controls FB Third and accounts for its investment using the equity method. FB Third is the general partner of FB 234 Third Development Limited Partnership ("FB Third LP") which is developing a real estate project in Vancouver, British Columbia.

8. INVESTMENT IN ASSOCIATES (CONTINUED)

FB 234 Third Avenue Development Limited ("FB Third") (continued)

On June 12, 2020, the Company transferred 2,517,000 units of FB Third LP representing its 22.5% interest in FB Third LP to WGP LP for $1 per unit. As the Company has a 45% interest in WGP LP (see below for a further discussion of WGP LP), the transfer effectively reduced its interest in FB Third LP to 10.125% through its ownership interest in WGP LP.

WGP LP and all limited partners will advance capital to FB Third LP by way of additional capital contributions to fund the costs of the acquisition of the development lands and the development cost of the project proportionate to its respective ownership interest.

The aggregate amount which the limited partners are required to contribute to FB Third LP in the form of capital contributions will not exceed $12,000,000 of which WGP LP's share is $2,700,000, and the Company's obligation to fund WGP LP is $1,215,000. If FB Third LP needs further funding, the limited partners, have the right, but not the obligation to, loan funds to FB Third LP. Cash flow and allocation of net income and losses from FB Third LP will be distributed to the limited partners, pro rata in accordance with their respective proportionate interest. On December 10, 2018, FB Third LP secured a land loan of $10,000,000 and the Company provided a corporate guarantee for the loan limited to a maximum of $2,250,000 plus interest and costs.

The guarantee provided by the Company on the land loan is not affected by the transfer of the units of FB Third LP to WGP LP. On October 21, 2021, FB Third LP replaced its existing construction loan with a new loan for $38,000,000 and a Deposit Protection Contract Facility of $6,400,000. The Company did not have any guarantees for financings as of September 30, 2023.

WGP LP was created as an investment vehicle to allow new limited partners to invest in the Company's real estate projects. The Company accrued a finder's fee of $250,000 and may be required to pay additional amounts equal to 0.25 times the amount of profit distributions received from FB Burrard. The maximum payable, inclusive of the $250,000 finder's fee, is $400,000.

WGP LP is controlled by its general partner WGP Investment (GP) Limited ("WGP GP"). Although the Company owns 100% of the common shares in WGP GP, the governing documents and related agreements of WGP GP and WGP LP require unanimous consent by representatives from both the Company and 1168387 BC for substantive decisions affecting the business activities of WGP GP. As a result, the Company and 1168387 BC jointly control WGP GP and equity accounting has been applied to the Company's interest in FB Third LP and Alabaster LP. Cash flow and allocation of net income and losses from WGP LP will be distributed first to 1168387 BC with equity repatriation plus a 12% return, and then secondly to the Company to cover its equity repatriation plus a 12% return. Any remaining cash thereafter will be distributed on a pro-rated basis. In addition, the Company will receive a management bonus if 1168387 BC's return reaches 15%. The management bonus will equal 20% of the profits exceeding the 15% return.

As of September 30, 2023, WGP LP had net assets of $1,544,747 (September 30, 2022 - $1,544,747), which relates to its interest in FB Third LP. During the year ended September 30, 2023, WGP LP received a return of equity investment in cash of $nil (2022: $ 477,897).

(Expressed in Canadian Dollars)

8. INVESTMENT IN ASSOCIATES (CONTINUED)

FB 234 Third Avenue Development Limited ("FB Third") (continued)

The below table summarizes the financial information of FB Burrard LP and FB Third LP for the year ended September 30, 2023:

	FB Burrard Development Limited Partnership $	FB 234 Third Avenue Development Limited Partnership $
As at September 30, 2022		
Land and capitalized development cost	2,753,264	32,158,831
Other assets	1,337,617	718,263
Mortgage on properties and other long-term debt	(2,296,055)	(25,524,806)
Other liabilities	(5,189)	(486,745)
Net income (Loss)	(482,442)	-
As at September 30, 2023		
Land and capitalized development cost	2,879,941	48,106,268
Other assets	171,531	828,277
Mortgage on properties and other long-term debt	-	(40,764,889)
Other liabilities	(7,320)	(1,214,112)
Net income (Loss)	1,254,516	-

9. OTHER ASSETS

	Note	As at Sept 30, 2023 $	As at Sept 30, 2022 $
Term deposits for credit card facility		186,148	186,148
Deposits for storage facility		2,000,000	2,000,000
Collateral for asset retirement obligation	13	4,356,328	4,308,342
Other assets		**6,542,476**	**6,494,490**

As at September 30, 2023, The Company had term deposit of $4,356,328 (September 30, 2022 - $4,308,342) at its bank as security deposit for an Irrevocable Standby Letter of Credit ("L/C") issued to the Government of Saskatchewan. The increase of $47,986 is interest occurred during the year ended September 30, 2023. This L/C and the Term Deposit are renewed annually. Subsequently, in November 2023, this L/C was replaced by a Surety Bond and the term deposit was released (See Note 28).

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Note	As at Sept 30, 2023 $	As at Sept 30, 2022 $
Trade payables		1,112	85,325
Trade payable and accrued liabilities related to mineral property	7	5,097,042	4,182,297
Accrued liabilities		397,500	397,500
Interest payable related to loan payable	14	-	787,430
Accounts payable and accrued liabilities		**5,495,654**	**5,452,552**

Settlements on trade payable related to mineral property

As of September 30, 2021, various vendors have filed builders' liens for up to $34,338,000 against WPC as a result of its delayed payment on the outstanding payables related to mineral property, plant and equipment. Certain of these vendors have also filed legal claims against WPC in amounts totaling $4,638,000.

(Expressed in Canadian Dollars)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (CONTINUED)

On May 12, 2022, WPC entered into a construction services agreement (the "Construction Agreement") with Stuart Olson Prairie Construction Inc., as general contractor to continue the remaining construction work for the Milestone Project. Pursuant to the Construction Agreement, WPC and SOX agreed to settle the outstanding accounts payable balance of $22,196,092 by way of a cash payment of $14,000,000 and issuance of 10,000,000 warrants to SOX. Those warrants had a fair value of $2,533,948 on the settlement date (See Note 14). As a result, the Company recorded $5,473,952 as a gain on payable settlements for the year ended September 30, 2022.

During the year ended September 30, 2022, the Company settled outstanding accounts payable with various vendors except for SOX, totaling $17,626,056 related to the Company's mineral property for total cash payments of $14,495,734 including PST. As a result, the Company recorded $3,120,322 as a gain on trade payable settlements.

During the year ended September 30, 2023, trade payable and accrued liabilities related to mineral property was $5,097,042 (2022 - $4,182,297).

11. PAYABLE ON LEGAL SETTLEMENT

On April 15, 2020, WPC entered into a legal settlement agreement with Amarillo Gold Corporation ("Amarillo") to resolve the disputes in respect of certain taxes and penalties related to exploration permits Amarillo had become liable to pay as a result of Amarillo's Brazilian subsidiary taking potash claims in Brazil during 2008 on behalf of WPC. During the year ended September 30, 2021, the Company did not make all required payments under the terms of the Amarillo Settlement and at September 30, 2021 was in default of the agreement and payment can be requested immediately by Amarillo.

On May 10, 2022, Amarillo (currently operating as Hochschild Mining Brazil Holdings Corp. after restructuring) agreed to a settlement amount of $700,000 and the Company paid $700,000 in July 2022. As a result, the Company recorded $264,980 as gain on payable settlements for the year ended September 30, 2022.

Legal Settlement	**$**
As at September 30, 2021	**936,576**
Effect of changes in foreign currency exchange	28,404
Payment made during the year	(700,000)
discount on the payable balance according to settlement agreement	(264,980)
As at September 30, 2022 and 2023	-

(Expressed in Canadian Dollars)

12. LEASE OBLIGATIONS

The Company's minimum lease payments under finance lease are as follows:

	$
As at September 30, 2021	**37,386**
Add: Interest	499
Less: Payments	(37,885)
As at September 30, 2022	-
Add: ROU-vehicle	32,610
Add: Interest	675
Less: Payments	(4,150)
As at September 30, 2023	**29,135**

The Company concluded that certain arrangements were not within the scope of IFRS 16 because they are arrangements for the use of land that grant the Company the right to explore, develop, produce, or otherwise use the mineral resource contained in that land.

In addition, the Company does not recognize a lease liability for leases with terms to maturity of less than 12 months. During the year ended September 30, 2023, the Company recognized $543,552 (2022 - $528,186) in the Mineral interests and mine development costs (See Note 7).

13. ASSET RETIREMENT OBLIGATION

As at September 30, 2023, the Company recognized an asset retirement obligation of $2,341,891 (September 30, 2022 - $2,911,163) for mine development activities that have occurred to date. The following assumptions were used in the calculation of the Company's asset retirement obligation:

	For the year ended	
	Sep 30, 2023	**Sep 30, 2022**
Undiscounted costs of asset retirement obligation	$5,218,692	$4,745,592
Pre-tax risk-free discount rate	4.09%	3.27%
Inflation rate	2.05%	2.00%
Year of settlement	2064	2062

A continuity of the asset retirement obligation is as follows:

	$
As at September 30, 2021	**3,926,576**
Revaluation adjustment	(1,060,742)
Interest expense	45,329
As at September 30, 2022	**2,911,163**
Revaluation adjustment	(605,533)
Interest expense	36,261
As at September 30, 2023	**2,341,891**

(Expressed in Canadian Dollars)

13. ASSET RETIREMENT OBLIGATION (CONTINUED)

In determining the amounts to be recorded as asset retirement obligations, the Company estimates the current fair value for completing required work and makes assumptions as to when the future expenditures will actually be incurred, in order to generate future cash flow information. All factors used in estimating the Company's asset retirement obligations represent management's best estimates of the cost required to meet existing legislation or regulations. However, it is reasonably possible that numbers or volumes of contaminated assets, cost estimates to perform work, inflation assumptions and the assumed pattern of annual cash flows may differ significantly from the Company's current assumptions.

Asset retirement obligations are reviewed annually or more frequently if significant changes in regulations or other relevant factors occur. Estimate changes are accounted for prospectively. As of September 30, 2023, as a result of its annual review of asset retirement obligations, the Company recorded a revaluation adjustment to decrease the asset retirement liability by $605,533 (2022 – decrease $1,060,742) as the result of increase in the life of mine from 12 years to 40 years and a change in the discount rate and inflation rate.

The Company's asset retirement obligations are also secured by a $4,308,342 L/C issued to the Government of Saskatchewan (See Note 9).

14. LOANS PAYABLE AND DERIVATIVE LIABILITIES

The continuity of the Company's loan payable as of September 30, 2023 and 2022 was as follows:

	Related Party Loan Payable	Canada Emergency Business Account (CEBA)	Appian	Total
	$	$	$	$
As at September 30, 2021	**28,274,877**	**34,455**	**-**	**28,309,332**
Addition	-	-	42,657,803	42,657,803
Loan allocated to financial liability - warrants	-	-	(6,084,983)	(6,084,983)
Loan allocated to royalty obligation	-	-	(9,267,109)	(9,267,109)
Accretion of interest (capitalized)	863,793	2,120	3,038,148	3,904,061
Accretion of interest (not capitalized)	2,027,416	-	-	2,027,416
Cash interest payable transferred from (to) accounts payable and accrued liabilities	2,571,925	-	(2,143,582)	428,343
Cash repayment	(35,000,000)	-	-	(35,000,000)
Loss on loan modification	1,261,989	-	-	1,261,989
Foreign exchange revaluation	-	-	1,601,256	1,601,256
As at September 30, 2022	**-**	**36,575**	**29,801,533**	**29,838,108**
Addition	-	-	39,380,891	39,380,891
Accretion of interest (capitalized)	-	-	13,074,956	13,074,956
Accretion of interest (not capitalized)	-	23,425	-	23,425
Cash interest payable transferred from (to) accounts payable and accrued liabilities	-	-	(9,440,657)	(9,440,657)
Interest transferred to principal	-	-	6,633,686	6,633,686
Repayment	-	-	-	-
Gain on loan modification	-	-	(1,894,443)	(1,894,443)
Foreign exchange revaluation	-	-	389,483	389,483
Less: current portion	-	(60,000)	(3,235,392)	3,295,392)
As at September 30, 2023	**-**	**-**	**74,710,057**	**74,710,057**

14. LOANS PAYABLE AND DERIVATIVE LIABILITIES (CONTINUED)

Related Party Loan Payable

On September 12, 2019, WPC entered into a Credit Facility Agreement to borrow up to an aggregate amount of $40,000,000 from the Company's majority shareholder, Tairui, to provide financing for construction costs associated with the Milestone Project. The loan is unsecured and matures on September 30, 2024.

During the year ended September 30, 2020, a total of $35,000,000 was advanced under the terms of the Credit Facility Agreement ("Advanced Amount"). The initial interest rate (the "Initial Interest Rate") of the loan is 4% per annum, with interest payable at the end of each fiscal year. However, should WPC secure a commercial loan from any Canadian bank during the construction period of Phase I of the Milestone Potash Project, the weighted average interest rate offered by the Canadian commercial bank will be used to replace the Initial Interest Rate. For accounting purposes, the Company calculated the fair value of the Advanced Amount at the date of advance by discounting the principal and interest payment using a risk-adjusted discount rate of 12%.

During the year ended September 30, 2022, the Company reached an agreement with Tairui to make a repayment of $35,000,000 in the agreed period to settle the Advanced Amount. The transaction was assessed and concluded as loan modification and as the result, the Company recorded a loan modification loss of $1,261,989 during the year ended September 30, 2022. As at September 30, 2022, the Company had fully repaid $35,000,000.

Appian Facility Loan Payable

On April 28, 2022, WPC entered into a $85,000,000 term loan facility financing transaction (the "Loan Transaction") with Appian Capital Advisory LLP. The Loan Transaction has been negotiated at arm's length and includes the following terms:

- A six-year term loan facility of up to USD$66,421,824 (equivalent of $85,000,000) (the "Total Commitments"), at an interest rate of 12.5% per annum.
- The grant of a 1.5% royalty to Appian based on the gross revenue of the Milestone Phase I Project as defined in the royalty agreement dated May 16, 2022 (the "Royalty Agreement").
- The issuance to Appian by the Company of 20,774,030 warrants ("Appian Warrants"), which will allow Appian to acquire up to 20,774,030 common shares of Company at a price of $0.2834 per common share, which represents approximately 11.1% of the Company's issued and outstanding common shares on a pre-transaction basis.
- The Loan Transaction agreement requires WPC to ensure compliance with the following two financial covenants:
    a. the Historic Debt Service Cover Ratio must be no less than 1.10:1, and will be assessed starting on September 30, 2023 and at the end of each quarter thereafter;
    b. the Loan Life Cover Ratio is assessed when the Company received the first tranche of financing on May 16, 2022 and at the end of each quarter thereafter, until the Final Maturity Date. The Loan Life Cover Ratio must be greater than 1.80:1 until December 31, 2024, and no less than 1.30:1 thereafter.

On May 16, 2022, WPC received USD$35,164,492 (equivalent of $45,319,997) as the first tranche of the Total Commitments (the "First Utilization"). The Company incurred transaction costs of USD$3,914,361 (equivalent of $5,028,588) including arrangement fees, consulting fees and legal fees paid to various vendors related to the arrangement. An amount of USD$2,072,309 (equivalent of $2,662,194) was allocated to the First Utilization and the remaining of USD$1,842,052 (equivalent of $2,366,394) was recorded as deferred financing cost as at September 30, 2022. After deducting the transaction costs, the net proceed of the First Utilization is USD$33,092,183 (equivalent of $42,657,803).

(Expressed in Canadian Dollars)

14. LOANS PAYABLE AND DERIVATIVE LIABILITIES (CONTINUED)

Appian Facility Loan Payable (continued)

On January 30, 2023, WPC received USD$31,257,310 (equivalent of $41,747,285) as the second tranche of the Total Commitments (the "Second Utilization”). USD$1,842,052 (equivalent of $2,366,394) of transaction costs was allocated to the Second Utilization.

The Company determined that Loan Transaction contained multiple embedded derivatives relating to the royalty payment term and warrants issued. At inception, the debt component of this Loan Transaction is deemed to be the residual value of the net proceeds after the fair value of the embedded derivatives are separated. The debt component is then measured at amortized cost using the effective interest method. The embedded derivatives are revalued at each reporting period with the change in fair value being recorded in profit or loss in each reporting period.

As of September 30, 2023, the Company is in compliance with the financial covenants listed above.

Debt component – Appian facility loan payable

The Company recorded $77,945,450 as the balance of the debt component at inception which is the residual value of the net proceeds after the fair value of the embedded derivatives are separated. The loan is recorded as long-term loan payable with effective interest rate of 22.79%. During the year ended September 30, 2023, the Company capitalized interest expense of $13,074,956 in connection with Appian Facility Loan, and the Company elected to convert paid in kind (“PIK”) interest of USD$4,918,942 (equivalent of $6,633,686) to loans payable. As of September 30, 2023, the Company did not have any interest payable (See Note 10).

Embedded derivative – Royalty payable to Appian

In connection with the Loan Transaction signed with Appian, the Company shall pay Appian a royalty payment calculated based on 1.5% of the gross revenue from the Milestone Phase I Project as defined in the Royalty Agreement. The royalty shall be paid quarterly. For a period of twelve months beginning on the debt discharge date, Appian also has the right to terminate this royalty agreement, and the Company shall pay Appian the Put Option Fee within seven days of receipt of written notice from Appian. The Put Option Fee is a cash payment of $15 million as of the date of agreement.

The Company recorded the royalty payable as financial liability classified at FVTPL and the fair value was determined using the discounted cash flow model. The fair value of the royalty payable at May 16, 2022 the date of inception, September 30, 2022, and September 30, 2023, was $9,267,109, $10,405,643 and $11,237,549 respectively.

Significant assumptions used in the discounted cash flow model include discount rate and future potash price. The sensitivity of these assumptions on the Royalty payable amount is as below:

Key Assumptions	Amount used in model	$ Impact on total loss
		2022
Discount rate	8%	+1% / - 1%: loss decrease $974,516/ increase $1,165,144
Future sale price of granular potash (USD)	US$428 – 446	+ 10% /-10%: loss increase $1,075,000 / decrease $,1,098,000
		2023
Discount rate	10%	+1% /- 1%: loss decrease $1,111,896 / increase $1,339,842
Future sale price of granular potash (USD)	US$370 – 1,085	+ 10% /-10%: loss increase $1,147,610 / decrease $,1,56,859

(Expressed in Canadian Dollars)

14. LOANS PAYABLE AND DERIVATIVE LIABILITIES (CONTINUED)

Appian Facility Loan Payable (continued)

Embedded derivative – warrants payable to Appian

In connection with the Loan Transaction signed with Appian, the Company issued 20,774,030 warrants as part of the consideration for the Facility, which will allow Appian to acquire up to 20,774,030 common shares of Company at a price of $0.2834 per common share.

The warrants issued are assessed as derivative given its features fail the "fixed for fixed" criteria for equity classification. The Company recorded the warrants payable to Appian as financial liability classified as FVTPL and the fair value is re-measured at each reporting period end. The fair value of this derivative liability was determined using the Black-Scholes Option Pricing Model. The variables and assumptions used in computing the fair value are based on management's best estimate. The value varies with different variables of certain subjective assumptions. Inputs into the Black-Scholes Option Pricing Model to determine the fair value of the warrants as at May 16, 2022, the date of inception and as at September 30, 2022, and as at September 30, 2023 were as follows:

	16-May-22	30-Sep-22	30-Sep-23
Share price	0.35	0.25	0.19
Exercise price	0.2834	0.2834	0.2834
Warrants life	6.00	5.63	4.63
Volatility	104.91%	105.92%	88.06%
Risk-Free interest rate	2.86%	3.16%	4.30%
Dividend yield	0.00%	0.00%	0.00%

The fair value of the warrants payable to Appian as at May 16, 2022, September 30, 2022 and September 30, 2023 was $6,084,983, $4,136,319 and $2,452,715 respectively. For the years ended September 30, 2023 and September 30, 2022, the Company recorded a gain of $1,683,603and $1,948,664 respectively from the change of the fair value of Appian Warrants as other income (see Note 26) in the consolidated statement of income (loss) and comprehensive income (loss).

Canada Emergency Business Account (CEBA)

On May 12, 2020, the Company received a $40,000 COVID-19 relief line of credit from the Canada Small Business Financing Program as support for businesses impacted by COVID-19. The Company received a further $20,000 during the year ended September 30, 2021. The line of credit is non-interest bearing and the repayment date has been extended to January 18, 2024, (the "Term Period") and 25% of the amount will be forgiven if the Company repays the amount before the Term Period. As of September 30, 2023, the fair value of the CEBA loan was $60,000 (2022 - $36,575).

Repayment on or before the extended deadline of January 18, 2024 (or March 28, 2024 if a refinancing application is submitted prior to January 18, 2024 at the financial institution that provided their CEBA loan), will result in loan forgiveness of $10,000 for a $40,000 loan and $20,000 for a $60,000 loan.

Financial Derivative – Warrants payable to SOX

In connection with the service agreement signed with SOX, and as one of the considerations to settle the outstanding accounts payable balance (See Note 10), the Company issued 10,000,000 warrants ("SOX Warrants") which will allow SOX to purchase the Company's common shares at a price of $0.2721 per common share within four years from May 27, 2022, the date of issuance of the warrant certificate.

(Expressed in Canadian Dollars)

14. LOANS PAYABLE AND DERIVATIVE LIABILITIES (CONTINUED)

Financial Derivative – Warrants payable to SOX (continued)

The warrants issued are assessed as derivative given its features fail the "fixed for fixed" criteria for equity classification. The Company recorded the warrants payable to SOX as financial liability classified as FVTPL and the fair value is remeasured at each reporting period end. The fair value of this derivative liability was determined using the Black-Scholes Option Pricing Model. The variables and assumptions used in computing the fair value are based on management's best estimate. The value varies with different variables of certain subjective assumptions.

Inputs into the Black-Scholes Option Pricing Model to determine the fair value of the warrants as at May 12, 2022, the date of inception, as at September 30, 2022 and as at September 30, 2023 were as follows:

	12-May-22	30-Sep-22	30-Sep-23
Share price	0.37	0.25	0.19
Exercise price	0.2721	0.2721	0.2721
Warrants life	4.00	3.66	2.66
Volatility	84.44%	85.18%	81.87%
Risk-Free Interest Rate	2.61%	2.61%	4.68%
Dividend yield	0.00%	0.00%	0.00%

The fair value of the warrants payable to SOX as at May 12, 2022, September 30, 2022 and September 30, 2023 was $ 2,533,948, $1,427,712 and $829,798 respectively. For the years ended September 30, 2023 and September 30, 2022, the Company recorded a gain of $597,914 and $1,106,236 respectively from the change of the fair value of SOX Warrants as other income (see Note 26) in the consolidated statement of income (loss) and comprehensive income (loss).

15. FINANCING ARRANGEMENT

During the year ended September 30, 2020, WPC through its subsidiary BC Ltd entered into an agreement to sell the ownership of certain vacant farmlands for future Phases (the "Property") for gross proceeds of $8,300,000 on condition that WPC will repurchase the Property back by July 7, 2022 for $9,300,000. The Company had the option to extend the repurchase date to July 7, 2023 at which time the Company would pay $9,700,000. On the agreement date, the Company made a $300,000 deposit, which would be deducted from the final payment should the Company elect to repurchase the Property.

As the transaction includes the right and obligation to repurchase the property at a future date, the Company accounted for the transaction as a "financing arrangement". The obligation is recorded at its amortized cost using an effective interest rate of 7.15%. During the year ended September 30, 2022, the Company exercised the option to extend the repurchase date to July 7, 2023.

On July 7, 2023, the company did not exercise the right to repurchase and entered into a termination agreement with Monette Farm. The Company recognized a gain of $705,808.

A continuity of the obligation under the Financial Arrangement is as follows:

(Expressed in Canadian Dollars)

15.FINANCING ARRANGEMENT (CONTINUED)

	Financing Arrangement
	$
As at September 30, 2021	**8,329,043**
Interest expense	**595,361**
As at September 30, 2022	**8,924,404**
Interest expense	**475,596**
De-recognition	**(9,400,000)**
As at September 30, 2023	**-**

16. SHARE CAPITAL

Authorized share capital

The Company's authorized share capital consists of an unlimited number of common shares issued without par value.

Common shares

As of September 30, 2023, the Company had 408,905,478 common shares issued and outstanding with a carrying value of $286,320,924. 777,400 common shares with a carrying value of $762,520 are classified as treasury shares, which the Company reacquired from its shareholders but has not retired or cancelled.

During the year of September 30, 2023:

During the year ended September 30, 2023, 325,000 options with an exercise price of $0.12 were exercised and 90,000 options with an exercise price of $0.19 were exercised.

During the year of September 30, 2022:

During the year ended September 30, 2022, 1,590,000 options with an exercise price of $0.12 were exercised.

On September 28, 2022, the Company issued 219,726,258 common shares to Vantage associated with the Conversion Option exercised by Vantage to convert 157,325,071 common shares of WPHC to common shares of WRX at a rate of 0.716 (See Note 17).

(Expressed in Canadian Dollars)

16. SHARE CAPITAL (CONTINUED)

Stock options

The changes in stock options during the year ended September 30, 2023 and 2022, are as follows:

	Number outstanding	Weighted average exercise price ($)
Balance as at September 30, 2021	**8,950,000**	**0.159**
Granted	10,200,000	0.339
Cancelled	(1,000,000)	0.158
Forfeited	(1,300,000)	0.137
Exercised	(1,590,000)	0.120
Balance as at September 30, 2022	**15,260,000**	**0.270**
Granted	21,750,000	0.241
Cancelled	(8,500,000)	0.161
Forfeited	(2,810,000)	0.239
Exercised	(415,000)	0.135
Balance as at September 30, 2023	**25,285,000**	**0.288**

During the year ended September 30, 2022, a total of 10,200,000 stock options is granted to its directors, key staff and contractors, including 1,700,000 issued in October 2021 with an exercise price of $0.19 and an expiry date of October 25, 2026, 4,900,000 issued in April 2022 with an exercise price of $0.36 and an expiry date of April 24, 2027, and 3,600,000 issued in June 2022 with an exercise price of $0.38 and an expiry date of May 31, 2027. Among the options granted, 30% would be vested one year after the grant date, 30% would be vested two years after the grant date, 30% would be vested three years after the grant date and the remaining 10% would be vested four years after the grant date.1,590,000 stock options were exercised with the price of $0.12.

During the year ended September 30, 2023, a total of 21,750,000 stock options is granted to its directors, key staff and contractors, including 19,200,000 issued in November 2022 with an exercise price of $0.24 and an expiry date of November 15, 2027, 800,000 issued in March 2023 with an exercise price of $0.23 and an expiry date of March 09, 2028, 1,150,000 issued in April 2023 with an exercise price of $0.25 and an expiry date of April 17, 2028, and 600,000 issued in May 2023 with an exercise price of $0.285 and an expiry date of May 15, 2028. Among the options granted, 30% will be vested one year after the grant date, 30% will be vested two years after the grant date, 30% will be vested three years after the grant date, and the remaining 10% will be vested four years after the grant date.

During the year ended September 30, 2023, the share price upon the options exercise ranges from $0.24 to $0.31 (September 30, 2022 – $0.27 to $0.38).

During the year ended September 30, 2023, the Company recognized $1,478,074 (September 30, 2022 – $702,334) of share-based payments of which $305,305 (September 30, 2022 - $146,262) was charged to the consolidated statement of income (loss) and comprehensive income (loss) and $1,172,769 (September 30, 2022 – 556,072) was capitalized to mineral property, plant and equipment.

(Expressed in Canadian Dollars)

16. SHARE CAPITAL (CONTINUED)

Stock options (continued)

The Company determined the fair value of its stock options using the Black-Scholes option pricing model with the following assumptions:

Assumptions	2023 Range	2022 Range
Risk-free interest rate	3.19% to 3.26%	1.33% to 3.45%
Expected life (years)	5	5
Forfeiture rate	0%	0%
Expected volatility	83.36% to 84.83%	89% to 107%
Dividend rate	0%	0%

The following summarizes information about stock options outstanding and exercisable as at September 30, 2023:

Expiry date	Exercise price ($)	Options outstanding	Options exercisable	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
28-May-24	0.120	3,535,000	3,535,000	232,034	0.66
23-Apr-25	0.185	600,000	360,000	81,420	1.56
14-Mar-26	0.165	800,000	720,000	87,680	2.45
25-Oct-26	0.190	1,300,000	390,000	176,410	3.07
15-Nov-27	0.240	16,700,000	-	4,571,451	4.13
9-Mar-28	0.230	800,000	-	124,732	4.44
17-Apr-28	0.250	950,000	-	162,373	4.55
15-May-28	0.285	600,000	-	114,929	4.63
As of 30-Sep-23		25,285,000	5,245,000	5,551,029	3.51
Weighted average exercise price ($)		0.288	0.139		

Warrants

During the year ended September 30, 2022, the Company issued Appian Warrants and SOX Warrants in connection with Appian Facility Loan and the debt settlement with SOX respectively. The Company determined that these warrants are financial liabilities at FVTPL (See Note 14).

The following table summarized the Company's warrants activities:

	Number of warrants	Weighted Average Exercise Price	Expiry Date
Balance as at September 30, 2021	-	-	
Issued during the year			
16-May-22	20,774,030	0.2834	16-May-28
27-May-22	10,000,000	0.2721	27-May-26
Balance as at September 30, 2022 and 2023	**30,774,030**	**0.2797**	

(Expressed in Canadian Dollars)

17. NON-CONTROLLING INTEREST

In connection with the Subscription Agreement signed with Vantage during the year ended September 30, 2022, Vantage was the non-controlling shareholder of WPHC after Vantage made the First Tranche of investment of $33,000,000 for 32.63% of the interest of WPHC in May 2022, the Second Tranche of investment of $17,000,000 with exchange of 9.69% additional share of WPHC in July 2022, and before the Third Tranche investment of $30,000,000 in September 2022, which allows Vantage to have 54% of the interest of WPHC and become the controlling shareholder of WPHC.

Upon completion of the investment transaction, Vantage and the Company initiated the Conversion Option. On September 8, 2022, the Conversion Option was completed. As a result, Vantage owns 53.79% of the issued and outstanding WRX Shares calculated on a post-transaction, non-diluted basis. (See Note 1)

Management determined that the change of controlling shareholder as a result of the execution of the Subscription Agreement and the Conversion Option does not affect the Company's control over its subsidiaries. The Company remains the power to govern the financial and operating policies of the subsidiaries and obtain benefits from its activities. Therefore, given the transaction was recorded as equity transactions, the Company recognized the difference between the fair value of the WRX shares exchanged and the non-controlling interest carrying amount as of the transaction date, directly in equity attributable to the parent, and no gain or loss is recognized in profit or loss.

Upon completion of the share conversion, the Company had carrying value of NCI balance of $80,903,126, and the fair value of the WRX shares at the conversion date was $54,931,558. As a result, the difference of $25,971,568 was recorded as a contributed surplus in the Company's consolidated statements of shareholders' equity.

18. SUPPLEMENTAL CASH FLOW INFORMATION

		For the year ended	
		September 30, 2023	September 30, 2022
Non-cash financing and investing activities	**Notes**	**$**	**$**
Cash interest payable transferred (from)/to accounts payable and accrued liabilities	**10**	-	(1,784,496)
Interest expense on loan payable capitalized as mineral property, plant and equipment	**7**	13,074,956	3,904,961
Share-based payments capitalized as mineral property, plant and equipment	**7**	1,172,769	556,072
Mineral property, plant and equipment costs included in accounts payable	**10**	914,745	(37,125,801)
Gain on loan modification	**14**	(1,894,443)	1,261,989
Gain on settlement of payables	**10**	-	8,594,274
Termination of financing arrangement	**15**	(8,694,192)	
Issuance of warrants for trade payable settlement	**14**	-	2,533,948
(Decrease) increase in asset retirement obligation	**13**	(605,533)	(1,060,742)

(Expressed in Canadian Dollars)

19. RELATED PARTY TRANSACTION

The Company's key management personnel include the Company's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and members of the Board of Directors. Payments to key management personnel included in the net income (loss) and mineral property, plant and equipment are as follows:

	For the year ended	
	September 30, 2023	September 30, 2022
	$	$
Charged to the statement of income (loss) and comprehensive income (loss)		
Consulting fees	-	132,784
Salaries and wages	125,000	297,500
Bonus	-	100,000
Share-based payments	247,804	67,927
	372,804	598,211
Capitalized mineral property, plant and equipment		
Consulting fees	623,333	22,604
Salaries and wages	-	175,000
Bonus	115,758	-
Share-based payments	199,916	92,945
	939,007	290,549
Total compensation to key management personnel	**1,311,811**	**888,760**

Other related party transactions

- On September 12, 2019, WPC entered into a Credit Facility Agreement to borrow up to an aggregate amount of $40,000,000 with Tairui, the Company's majority shareholder at the time, to provide financing for construction costs associated with the Milestone Project. The loan is unsecured and matures on September 30, 2024. On May 30, 2022, the Company fully repaid $35,000,000 and all outstanding loan interests were waived by Tairui (Note 14).

- During the year ended September 30, 2022, WPC entered into a bridging loan agreement with a party related to one of the Company's directors at the cost of 6% simple interest per annum for an amount of $3,000,000, of which $1,000,000 was advanced. As at September 30, 2022, the advanced amount has been repaid.

- Accounts payable at September 30, 2023 include $nil (September 30, 2022 - $nil) in outstanding amounts payable to directors and officers.

- On August 15th ,2023, WPC signed an exchangeable debenture subscription agreement with Vantage, pursuant to which Vantage will subscribe for a $10 million exchangeable debenture issued by WPC. The company received an advance payment in the amount of $5,000,000 from Vantage in September 2023. Subsequently, this transaction was closed on December 27, 2023.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties except for the amount borrowed under the Credit Facility Agreement which was recognized at fair value on the issuance date.

(Expressed in Canadian Dollars)

20. SEGMENTED INFORMATION

The Company operates in two reportable operating segments, being the acquisition, exploration and development of mineral properties and the investment in real estate projects in Canada.

Segmented information is as follows:

	Real estate $	Mineral properties $	Total $
For the year ended September 30, 2022			
Operating expenses	(29,714)	(3,351,174)	(3,380,888)
Interest and other income (expense)	(93,703)	3,147,018	3,053,315
Income tax expense	-	(65)	(65)
Net loss for the year	(123,417)	(204,221)	(327,638)
For the year ended September 30, 2023			
Operating expenses	(1,868)	(1,784,221)	(1,786,089)
Interest and other income	651,854	3,899,622	4,551,476
Income tax expense	-	-	-
Net income (loss) for the year	649,986	2,115,401	2,765,387
As at September 30, 2022			
Total assets	880,863	303,621,036	304,501,899
Non-current assets	830,529	266,906,137	267,736,666
Current assets	50,334	36,714,899	36,765,233
Total liabilities	-	(63,095,901)	(63,095,901)
As at September 30, 2023			
Total assets	878,891	350,218,860	351,097,751
Non-current assets	830,529	336,576,366	337,406,895
Current assets	48,362	13,642,494	13,690,856
Total liabilities	-	(105,392,192)	(105,392,192)

21. COMMITMENTS AND CONTRACTUAL AGREEMENTS

- WPC entered into a water supply agreement with the City of Regina (the "City") with respect to future phases of the Milestone Project which provides WPC a preferential right to access a maximum of up to 25,000 cubic meters of water at a rate of $0.2628/cubic meter (increasing by a multiplier every year) per day of recycled water for an agreed term of 40 years from the start of water flow. Prior to water usage commencement, the Company is required to pay to the City annual standby fees. Half of the commitment fee and the standby fees will be credited against the annual water usage fees if water usage commences on or before December 31, 2025. If the Company does not commence usage on or before December 31, 2025, all credits accrued until that date will no longer be creditable against the annual usage fees. Furthermore, the Company will be required to pay a standby fee of $500,000 annually after December 31, 2025 until the earlier of (i) the date water usage commences and (ii) the term of the water supply agreement, which is defined in the agreement as 40 years after connection to the Regina water system is completed. Both the City and the Company have the option to terminate the contract on or after December 31, 2025 if usage has not commenced by that date. The company is currently corresponding with the City to renegotiate the agreement.

21. COMMITMENTS AND CONTRACTUAL AGREEMENTS (CONTINUED)

- On October 25, 2018, Western Potash signed an off-take agreement with a North American company in the business of selling agricultural fertilizers (the "Off-taker") to purchase an annual production of 146,000 metric tons of product from Western Potash once production at the Milestone Project reaches the designed capacity, for a period of 10 years commencing no later than May 31, 2021. The Commencement Date for product delivery was subsequently extended to no later than November 30, 2022 amended on January 13, 2021 and to no later than November 30, 2023 amended on March 25, 2022. Subsequently, the agreement was further amended on November 30, 2023, to extend the Commencement Date to no later than December 31, 2024. Under the new terms, if the Commencement Date is not established by December 31, 2024, but the project's daily production rate is above that necessary to achieve 50% of the total committed annual capacity, the Commencement Date deadline may be extended to a mutually accepted achievable date, otherwise the Off-taker, in its sole discretion, may either terminate the agreement or agree to further extend Commencement Date.

- WPC has entered into various capital expenditure commitments for the procurement and construction of Phase I of the Milestone Project. As of September 30, 2023, total capital expenditure commitments are $5,130,106 (September 30, 2022 – $35,167,920).

- On May 16, 2022, WPC entered into a royalty agreement with Appian for a purchase price of USD$6,251,465.19 with the equivalent of $8,000,000. The agreement indicates the royalty payable by the Grantor (WPC) to the Royalty Holder (Appian) calculated by multiplying the Royalty Rate at 1.5% by the Adjusted Gross Revenue, provided that the royalty shall only be payable in relation to the first 146,000 tonnes of Potash produced by the Grantor in any Financial Year (see Note 14).

22. FINANCIAL INSTRUMENTS

Fair value

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Unobservable (supported by little or no market activity) prices.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

As of September 30, 2023, investments in marketable securities of other public entities are included in other current assets and were recorded at fair value on the statement of financial position with changes to fair value recognized in profit or loss. The Company's investments in marketable securities have been valued using Level 1 inputs.

As of September 30, 2023, the Company's financial liability- royalty and financial liability - warrants have been categorized within Level 3 of the fair value measurement hierarchy. The estimated fair value of these financial liabilities is based on management's judgments, estimates and assumptions which include significant unobservable inputs (see Note 14).

(Expressed in Canadian Dollars)

22. FINANCIAL INSTRUMENTS (CONTINUED)

The carrying values of the Company's cash and cash equivalents, short-term investments, term deposit, including restricted cash, other current assets(exclude marketable securities and goods and service tax receivable), accounts payable and accrued liabilities, lease obligation, loan payable and financing arrangement approximate their fair value due to their short terms to maturity, associated market based interest rates, or based on expected future cash flows and discount rates applicable to the instruments.

Financial risk management

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations.

- ***Credit risk***

  Credit risk is the risk of loss associated with a counter party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, short-term investments and restricted cash, the carrying value of which represents the Company's maximum exposure to credit risk.

  Cash and cash equivalents, short-term investments and restricted cash are held with reputable Canadian financial institutions, from which management believes the risk of loss to be minimal.

- ***Liquidity risk***

  Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations from Cash. As of September 30, 2023, the Company has working capital deficit of $100,190 ($22,388,277 working capital as of September 30, 2022). The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

  The Company's financial instrument liabilities and obligations mature as follows:

	30-Sep-24	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28 thereafter
	1 Year	**2 Year**	**3 Year**	**4 Year**	**5 Year thereafter**
	$	**$**	**$**	**$**	**$**
Accounts payable and accrued liabilities (exclude interest payable)	5,495,654	-	-	-	-
Interest Payable	9,178,584	9,764,451	6,639,827	3,515,202	585,867
Loans payable	12,558,497	24,996,994	24,996,994	24,996,994	12,498,497
Total undiscounted value	27,232,735	34,761,445	31,636,821	28,512,196	13,084,364
Carrying value as of September 30, 2023	8,791,046	19,366,632	20,770,457	22,522,637	12,050,331

22. FINANCIAL INSTRUMENTS (CONTINUED)

The Company's operating cash requirements including amounts projected to complete its existing capital expenditure program are continuously monitored and adjusted as input variables change. These variables include but are not limited to, available credit facilities, changes in commodity prices, cost overruns on capital projects and changes to government regulations relating to prices, taxes, royalties, land tenure, allowable production and availability of markets. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuance, obtain project or debt financing, or enter into joint arrangement. There is no assurance that the necessary financing will be available in a timely manner.

- ***Market risk***

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company is subject to the following market risks:

- ***Interest rate risk***

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents are held mainly in high yield saving accounts and term deposits and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of September 30, 2023. The Company's loan payable is not subject to interest rate risk as they are not subject to a variable interest rate.

- ***Price risk***

The economic models are highly sensitive to potash price. The potash prices are still increasing due to the inflation rate and supply issues. The increasing price will significantly increase the royalty payable obligation (Note 14).

- ***Stock prices***

Warrants liabilities are highly sensitive to share price of the Company. The estimated fair value of the warrants liabilities is subject to significant volatility, if the stock price increase by 10%, the profit or loss will decrease by $664,535; if the stock price decrease by 10%, the profit or loss will increase by $656,538.

- ***Foreign currency risk***

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars ("CAD"). The Company has not entered into any foreign currency contracts to mitigate this risk and therefore is subject to fluctuations of foreign currencies against the CAD. As at September 30, 2023, the Company had the following assets and liabilities in foreign currency which were subject to foreign exchange risk:

(Expressed in Canadian Dollars)

22. FINANCIAL INSTRUMENTS (CONTINUED)

USD	As at September 30, 2023	As at September 30, 2022
Cash and cash equivalents	254,571	251,330
Short-term investments	1,430,000	2,000,000
Restricted cash	-	1,744,458
Accounts payable and accrued liabilities (exclude interest payable)	(83,133)	(285,842)
Interest payable	-	(574,473)
Loan payable	(57,651,960)	(21,741,835)
Royalty payable	(8,311,797)	(7,591,481)
	(64,362,319)	(26,197,843)
Rate to convert to CAD$1.00	1.3520	1.3707
Equivalent to CAD	**(87,017,855)**	**(35,909,383)**

Based on the above net exposures as at September 30, 2023, and assuming that all other variables remain constant, a 1% increase/decrease of the CAD against the USD would decrease/ increase income by approximately $870,179 (2022- $359,094).

23. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the development of its potash properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk.

The Company includes cash, term deposits, loans payable, promissory notes and the components of shareholders' equity in the management of its capital. 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.

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 its capital structure, the Company may issue new shares, issue new debt, and acquire or dispose of assets.

Historically, the Company has been dependent on the capital markets for its operating capital. The Company's capital resources are largely determined by the strength of the resource markets, by the status of the Company's project in relation to those markets, and by its ability to compete for investor support of its project. The Company is not subject to any externally imposed capital requirements.

However, it is subject to any regulations and rules imposed by the Toronto Stock Exchange in issuing and/or maintaining debt or equity financings. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

(Expressed in Canadian Dollars)

24. CONTINGENCIES

The Company may be involved in various legal proceedings, claims and other disputes arising from the commercial operations, projects, employees and other matters which, in general, are subject to uncertainties and in which the outcomes are not predictable.

The Company determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. Although the Company can give no assurances about the resolution of pending claims, litigation or other disputes and the effect such outcomes may have on the Company, the Company believes that any ultimate liability resulting from the outcome of such proceedings to the extent not otherwise provided or covered by insurance, will not have a material adverse effect on the Company's consolidated financial position or results of operations or liquidity.

25. FINANCE COSTS

	Note	For the year ended Sept 30, 2023 $	For the year ended Sept 30, 2022 $
Charged to finance costs			
Interest expense on asset retirement obligation	13	36,261	44,917
Interest expense on financing arrangements	15	475,596	595,361
Interest expense on government grant		23,425	2,120
Interest expense on lease obligations	12	-	499
Interest expense on loan payables	14	-	2,027,416
Interest expense on trade payables	10	104	2,305,645
		535,386	4,975,958

26. OTHER INCOME

	Note	For the year ended Sept 30, 2023 $	For the year ended Sept 30, 2022 $
Royalty revaluation	14	(1,469,490)	(342,361)
Change in fair value of financial derivatives	14	2,281,517	3,054,900
Other items		720,157	(298,996)
Foreign exchange gain (loss)		131,825	(1,917,910)
Unrealized loss on marketable securities		-	(46,374)
Total		1,664,009	449,259

(Expressed in Canadian Dollars)

27. INCOME TAXES

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the consolidated statements of income (loss) and comprehensive income (loss) for the years ended September 30, 2023 and September 30, 2022:

A reconciliation of income taxes computed at the statutory rate with the reported income taxes is as follows:

	For the year ended Sept 30, 2023	For the year ended Sept 30, 2022
	$	$
Net loss before tax	2,765,387	(327,573)
Statutory tax rate	27%	27%
Expected income tax (recovery)	746,654	(88,445)
Non-deductible items and other	193,466	656,785
Non-taxable items	(730,747)	-
Change in estimates	376,267	(4,466)
Expiry of losses	-	709,059
Change in deferred tax assets not recognized (recognized)	(585,640)	(1,272,868)
Total income tax expense (recovery)	**-**	**65**

	For the year ended Sept 30, 2023	For the year ended Sept 30, 2022
	$	$
Current tax expense	-	65
Deferred tax recovery	-	-
Total income tax expense (recovery)	**-**	**65**

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred income tax assets (liabilities) recognized at September 30, 2023 are as follows:

	For the year ended Sept 30, 2023	For the year ended Sept 30, 2022
	$	$
Non-capital losses carryforwards	4,361,616	1,355,530
Finance arrangement	-	2,078,713
Loan payable	(1,357,719)	(718,793)
Mineral property, plant and equipment	(3,003,891)	(2,715,450)
Net deferred tax assets (liabilities)	**-**	-

(Expressed in Canadian Dollars)

27.INCOME TAXES (CONTINUED)

The unrecognized deductible temporary differences and tax losses as at September 30, 2023 and September 30, 2022 is comprised of the following:

	For the year ended Sept 30, 2023	For the year ended Sept 30, 2022
	$	$
Non-capital losses carryforwards	60,941,035	62,620,931
Mineral property, plant and equipment	80,352	80,165
Investment in associates	183,441	183,441
Asset retirement obligation	2,341,480	2,910,752
Finance arrangement	-	1,225,468
Other current assets	1,446,445	1,446,445
Financing fees	3,490,431	2,129,755
Other	74,178	129,445
Total unrecognized deductible temporary differences	68,557,362	70,726,402

The Company's non-capital and capital losses carried forward for Canadian income tax purposes expire in various years from 2029 to 2043. Non-capital losses may be applied against future taxable income and capital losses are deductible against future capital gains, if any. The Company has approximately $312 million of undepreciated capital cost and exploration and development expenditures which are available for deduction against future income for tax purposes. These deductions do not expire.

28. SUBSEQUENT EVENTS

In November 2023, the Company’s L/C issued to the Government of Saskatchewan was replaced by a Surety Bond and the security deposit for the L/C was released accordingly. (See Note 9 for details).

On December 27, 2023, the Company closed the previously announced $10 million exchangeable debenture transaction. (See Note 19 for details).