

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

**FORM 20-F/A
Amendment No. 1**

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

For the transition period from _____ to _____

Commission File No.: 001-42423

BRAZIL POTASH CORP.

(Exact name of registrant as specified in its charter)

Translation of registrant's name into English: Not applicable

Ontario, Canada
(Jurisdiction of incorporation or organization)

198 Davenport Road
Toronto, Ontario, Canada, M5R 1J2
Tel: +1 (416) 309-2963
(Address of principal executive offices)

Matthew Simpson
Chief Executive Officer
+1 (416) 309-2963
info@brazilpotash.com
198 Davenport Road
Toronto, Ontario, Canada, M5R 1J2
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class to be registered	Trading Symbol(s)	Name of each exchange on which each class is to be registered
Common shares, no par value	GRO	NYSE American

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2024: 38,403,737 ordinary shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company.

Large accelerated filer Accelerated filer Non-accelerated filer
Emerging Growth Company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing.

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company. Yes No

Auditor firm Id: 1930 Auditor name: MNP LLP Auditor location: Mississauga, Canada

EXPLANATORY NOTE

This Amendment No. 1 to the Annual Report on Form 20-F of Brazil Potash Corp. (the “Company”) amends the Company’s Annual Report on Form 20-F for the year ended December 31, 2024 (the “Original 20-F”), which was filed with the Securities and Exchange Commission on March 28, 2025. The Company is filing this Amendment No. 1 solely to file Exhibit 101, which was not included in the Original 20-F, in accordance with Rule 405 of Regulation S-T. Exhibit 101 contains interactive data files in Inline eXtensible Business Reporting Language (XBRL).

Except as described above, this Amendment No. 1 does not, and does not purport to, amend, modify, update or restate any information set forth in the Original 20-F, and the Company has not updated disclosures included therein to reflect any events that occurred subsequent to March 28, 2025.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that one member of our audit committee, Deborah Battiston, is an audit committee financial expert, as defined under the rules under the Exchange Act, and is independent in accordance with applicable Exchange Act rules and the NYSE American listing rules.

ITEM 16B. CODE OF ETHICS

Code of Business Conduct and Ethics

Our board of directors has adopted a Code of Business Conduct and Ethics that outlines the basic principles and policies with which all of our directors, executives, officers (including our principal executive officer, principal financial and accounting officer, and other persons performing similar functions), employees, and designated agents are expected to comply, and to aid such persons in making ethical and legal decisions when conducting our business and performing their day-to-day duties. Our Code of Business Conduct and Ethics has been established pursuant to applicable U.S. and Canadian securities laws and applicable listing rules of the NYSE American. See also “Item 4.B. Business Overview—Environmental, Social and Governance—Governance.”

The full text of the Code of Business Conduct and Ethics is posted on our website at <https://ir.brazilpotash.com/corporate-governance/governance-documents>. Information contained on, or that can be accessed through, our website does not constitute a part of this Annual Report and is not incorporated by reference herein. If we make any amendment to the Code of Business Conduct and Ethics or grant any waivers, including any implicit waiver, from a provision of the Code of Business Conduct and Ethics, we will disclose the nature of such amendment or waiver on our website to the extent required by the rules and regulations of the SEC. We have not granted any waivers under our Code of Business Conduct and Ethics.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table provides information regarding fees paid by us to MNP LLP for all services, including audit services, for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023⁽¹⁾</u>
(USD in thousands)		
Fees for audit services ⁽²⁾	173.7	120.6
Fees for tax compliance, tax advise, and tax planning ⁽²⁾	4.2	4.4
Fees for any other services not included above ⁽³⁾	88.2	18.6
Total	<u>266.1</u>	<u>143.6</u>

- (1) Represents the fees that were paid in Canadian dollars, as converted into U.S. dollars based on the currency exchange rate between the Canadian dollar and the U.S. dollar on December 31, 2024 and 2023, respectively.
- (2) Fees related to the years ended December 31, 2024 and 2023 include professional services rendered in connection with the audit of our annual consolidated financial statements and the review of our consolidated interim financial statements, statutory audits of the Company and its subsidiaries, issuance of consents and assistance with review of documents filed with the SEC.
- (3) Fees related to the IPO.

Our audit committee is responsible for the pre-approval of all non-audit services to be provided to us by our independent auditors.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

We are a “foreign private issuer”, as such term is defined in Rule 405 under the Securities Act, and are not subject to the same SEC disclosure and reporting requirements that are imposed upon U.S. domestic issuers. As a foreign private issuer, we will be subject to different reporting and disclosure requirements that, in certain respects, are less detailed and less frequent than those applicable to U.S. domestic issuers. For example, as a foreign private issuer, we will not be subject to:

- the same disclosure and reporting requirements as a U.S. domestic issuer under the Exchange Act, including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events;
- the proxy rules applicable to U.S. domestic issuers under Section 14 of the Exchange Act;
- the insider reporting and short-swing profit rules applicable to U.S. domestic issuers under Section 16 of the Exchange Act, which means that our shareholders may not know on as timely a basis when our directors, executives, and principal shareholders purchase or sell our Common Shares; or
- Regulation FD, which regulates selective disclosures of material information by issuers.

Additionally, foreign private issuers are required to file their annual report on Form 20-F within four months after the end of each fiscal year, while U.S. domestic issuers that are non-accelerated filers are required to file their annual report on Form 10-K within 90 days after the end of each fiscal year. As a foreign private issuer, even though we are required to furnish reports on Form 6-K to disclose material information that we are required to make public pursuant to Canadian law or are required to distribute to our shareholders generally, our shareholders may not receive information of the same type or scope, or as frequently, as is required to be disclosed by U.S. domestic issuers. Furthermore, as a foreign private issuer, we are also exempt from the requirements of Regulation FD which, generally, are meant to ensure that select groups of investors are not privy to specific information about an issuer before other investors.

As a foreign private issuer, we may take advantage of certain accommodations under the NYSE American LLC Company Guide (which we refer to as the “NYSE American Company Guide”) that allow foreign private issuers, such as our Company, to follow “home country” corporate governance practices rather than certain corporate governance standards of the NYSE American that are otherwise applicable to U.S. domestic companies listed on the NYSE American.

We currently intend to follow the NYSE American corporate governance requirements, except for the general requirement set forth in Section 123 of the NYSE American Company Guide that a listed company’s bylaws provide for a quorum of at least 33 $\frac{1}{3}$ % of the company’s voting shares for any meeting of the holders of the company’s voting shares. Our bylaws provide that the holders of not less than 10% of the shares entitled to vote at a meeting of shareholders, present in person or represented by proxy, shall constitute a quorum.

Except as noted above, we currently intend to comply with all of the other corporate governance standards of the NYSE American generally applicable to U.S. domestic companies listed on the NYSE American. We may in the future decide to take advantage of other foreign private issuer exemptions with respect to some of the other corporate governance standards of the NYSE American. Following our home country governance practices, as opposed to the corporate governance requirements that would otherwise apply to U.S. domestic companies listed on the NYSE American, may provide our shareholders with less protection than is accorded to shareholders of companies that are subject to all of the corporate governance standards of the NYSE American.

See also “Item 1.A. Risk Factors” and “Item 4.B. Business Overview—Environmental, Social and Governance—Governance.”

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Our board of directors has adopted insider trading policies and procedures governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees that are reasonably designed to promote compliance with applicable insider trading laws, rules, and regulations, and any listing standards applicable to us. A copy of our insider trading policy, as amended and restated from time to time, is filed as Exhibit 11.1 to this Annual Report.

ITEM 16K. CYBERSECURITY

We have developed and maintain a cybersecurity risk management program, consisting of cybersecurity policies, procedures, compliance and awareness programs to mitigate risk and to ensure compliance with security, availability and confidentiality trust principles. The cybersecurity process has been integrated into our overall risk management system and process, and is solely internally managed. Management is responsible for identifying risks that threaten achievement of the control activities stated in the management's description of the services organizations systems. Management has implemented a process for identifying relevant risks that could affect the organization's ability to provide secure and reliable service to its users. The risk assessment occurs annually, or as business needs change, and covers identification of risks that could act against our objectives as well as specific risks related to a compromise to the security of data. See "Item 3.D — Risk Factors — Risks Related to Our Company— Our information technology systems may be vulnerable to disruption, which could place our systems at risk from data loss, operational failure, or compromise of confidential information."

The level of each identified risk is determined by considering the impact of the risk itself and the likelihood of the risk materializing and high scoring risks are actioned upon. Risks are analyzed to determine whether the risk meets Company risk acceptance criteria to be accepted or whether a mitigation plan will be applied. Mitigation plans include both the individual or department responsible for the plan and may include budget considerations.

The oversight of cybersecurity threats is undertaken by our information technology manager, supported by our management and external professional consultants. Our management is responsible for cybersecurity oversight and monitoring risk.

As of the date of this report, we have not, to our knowledge, experienced any material IT system failures or any material cybersecurity attacks, and we are not aware of any material risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition.

PART III

ITEM 19. EXHIBITS.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.PRE*	Inline XBRL Taxonomy Presentation Linkbase Document
101.CAL*	Inline XBRL Taxonomy Calculation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Label Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
104*	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Filed herewith.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Amendment No. 1 to Annual Report on Form 20-F on its behalf.

BRAZIL POTASH CORP.

Date: April 9, 2025

By: /s/ Matthew Simpson
Matthew Simpson
Chief Executive Officer

BRAZIL POTASH CORP.
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Audited Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Brazil Potash Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Brazil Potash Corp. and its subsidiary (the “Company”) as of December 31, 2024 and 2023, and the related consolidated statements of loss and other comprehensive loss, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, and the results of its consolidated operations and its consolidated cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Material Uncertainty Related to Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations and has an accumulated deficit which raises substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

MNP LLP

Chartered Professional Accountants;
Licensed Public Accountants

We have served as the Company’s auditor since 2021.

Mississauga, Canada

March 28, 2025

MNP LLP

Suite 900, 50 Burnhamthorpe Road W, Mississauga ON, L5B 3C2

T: 416.626.6000 F: 416.626.8650



Brazil Potash Corp.Consolidated Statements of Financial Position
(Expressed in U.S. dollars)

<u>As at:</u>	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
ASSETS		
Current		
Cash and cash equivalents (Note 6)	\$ 18,861,029	\$ 2,450,239
Amounts receivable (Note 7)	594,940	149,757
Prepaid expenses (Note 8)	1,494,483	236,329
Total current assets	<u>20,950,452</u>	<u>2,836,325</u>
Non-current		
Property and equipment (Note 9)	791,597	1,012,032
Right of use asset (Note 10)	527,862	—
Exploration and evaluation assets (Note 11)	118,785,555	129,298,494
Total assets	<u>\$ 141,055,466</u>	<u>\$ 133,146,851</u>
LIABILITIES		
Current		
Trade payables and accrued liabilities (Notes 12, 19)	\$ 3,016,988	\$ 1,730,103
Current portion of lease liability (Note 10)	70,305	—
Total current liabilities	<u>3,087,293</u>	<u>1,730,103</u>
Non-current		
Lease liability (Note 10)	535,300	—
Warrant liability (Note 15)	132,200	—
Deferred income tax liability (Note 5)	1,880,387	2,196,087
Total liabilities	<u>5,635,180</u>	<u>3,926,190</u>
Equity		
Share capital (Note 13)	281,296,133	242,487,728
Share-based payments reserve (Note 14)	93,515,510	64,280,247
Warrants reserve (Note 15)	543,601	604,000
Accumulated other comprehensive loss	(81,361,294)	(65,419,483)
Deficit	(158,573,664)	(112,731,831)
Total equity	<u>135,420,286</u>	<u>129,220,661</u>
Total liabilities and equity	<u>\$ 141,055,466</u>	<u>\$ 133,146,851</u>

Reporting entity and going concern (Note 1)

Commitments and contingencies (Note 20)

Subsequent events (Note 21)

Approved by the Board of Directors on March 28, 2025

"MAYO SCHMIDT", Director"DEBORAH BATTISTON", Director*See accompanying notes to the consolidated financial statements.*

Brazil Potash Corp.

Consolidated Statements of Loss and Other Comprehensive Loss

(Expressed in U.S. dollars)

	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
Expenses			
Consulting and management fees (Note 19)	\$ 5,665,486	\$ 5,441,156	\$ 2,713,548
Professional fees	2,608,995	1,453,310	2,185,220
Share-based compensation (Notes 14, 19)	35,734,452	4,703,254	24,474,191
Travel expenses (Note 19)	578,353	390,531	2,704,879
General office expenses	252,000	120,228	183,843
Foreign exchange (gain)	(23,300)	(10,552)	62,479
Communications and promotions	1,809,433	1,251,155	398,880
Operating Loss	46,625,419	13,349,082	32,723,040
Finance income	(17,808)	(302,720)	(259,019)
Change in fair value of warrant liability (Note 15)	(386,900)	—	—
Loss for the year before income taxes	46,220,711	13,046,362	32,464,021
Deferred income tax provision (Note 5)	187,742	160,838	155,360
Loss for the year after income taxes	46,408,453	13,207,200	32,619,381
Other comprehensive loss (income):			
<i>Items that subsequently may be reclassified into net income:</i>			
Foreign currency translation	15,941,811	(4,912,866)	(3,881,076)
Total comprehensive loss for the year	\$62,350,264	\$ 8,294,334	\$28,738,305
Basic and diluted loss per share (Note 16)	\$ 1.28	\$ 0.37	\$ 0.93
Weighted average number of common shares outstanding - basic and diluted	36,116,294	35,390,543	34,905,633

See accompanying notes to the consolidated financial statements.

Brazil Potash Corp.

Consolidated Statement of Changes in Equity

(Expressed in U.S. dollars)

	Common Shares		Warrants	Share-based payments reserve	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Shareholders' Equity
	#	\$					
Balance, December 31, 2021	34,596,422	227,154,731	604,000	43,023,258	(74,213,425)	(69,276,058)	127,292,506
Deferred share units	—	—	—	22,996,915	—	—	22,996,915
Deferred share units exercised (Notes 13 and 14(b))	166,667	1,666,668	—	(1,666,668)	—	—	—
Reg A Offering (Note 13)	467,462	7,479,444	—	—	—	—	7,479,444
Share issuance costs (Note 13)	—	(689,606)	—	—	—	—	(689,606)
Option extension (Note 14(a))	—	—	—	657,800	—	(537,800)	120,000
Option grant (Note 14(a))	—	—	—	1,725,617	—	—	1,725,617
Option expiry (Note 14(a))	—	—	—	(2,812,108)	—	2,812,108	—
Loss and comprehensive income for the year	—	—	—	—	3,881,076	(32,619,381)	(28,738,305)
Balance, December 31, 2022	35,230,551	235,611,237	604,000	63,924,814	(70,332,349)	(99,621,131)	130,186,571
Deferred share units	—	—	—	4,650,337	—	—	4,650,337
Deferred share units exercised (Notes 13 and 14(b))	25,000	400,000	—	(400,000)	—	—	—
Option vesting	—	—	—	180,587	—	—	180,587
Option exercise (Note 14(a))	330,750	6,476,491	—	(3,978,991)	—	—	2,497,500
Option expiry (Note 14(a))	—	—	—	(96,500)	—	96,500	—
Loss and comprehensive income for the year	—	—	—	—	4,912,866	(13,207,200)	(8,294,334)
Balance, December 31, 2023	35,586,301	242,487,728	604,000	64,280,247	(65,419,483)	(112,731,831)	129,220,661
Initial Public Offering (Note 13(b))	2,000,000	30,000,000	—	—	—	—	30,000,000
Share issuance costs (Note 13(b))	—	(2,539,195)	—	—	—	—	(2,539,195)
Deferred share units (Note 14(b))	—	—	—	11,100,686	—	—	11,100,686
Deferred share units exercised (Notes 13 and 14(b))	173,958	2,733,328	—	(2,733,328)	—	—	—
Restricted share units (Note 14(c))	—	—	—	25,853,678	—	—	25,853,678
Restricted share units exercised (Note 14(c))	31,875	460,225	—	(460,225)	—	—	—
Option vesting (Note 14(a))	—	—	—	2,970	—	—	2,970
Option exercise (Note 14(a))	489,166	6,019,398	—	(3,961,898)	—	—	2,057,500
Option expiry (Note 14(a))	—	—	—	(566,620)	—	566,620	—
Warrants issued (Note 15)	—	—	459,500	—	—	—	459,500
Warrant exercise (Note 15)	122,437	2,134,649	(519,899)	—	—	—	1,614,750
Loss and comprehensive loss for the year	—	—	—	—	(15,941,811)	(46,408,453)	(62,350,264)
Balance, December 31, 2024	38,403,737	281,296,133	543,601	93,515,510	(81,361,294)	(158,573,664)	135,420,286

See accompanying notes to the consolidated financial statements.

Brazil Potash Corp.

Consolidated Statements of Cash Flows

(Expressed in U.S. dollars)

	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM			
OPERATING ACTIVITIES			
Loss for the year	\$ (46,408,453)	\$ (13,207,200)	\$ (32,619,381)
Adjustment for:			
Finance income	(17,808)	(302,720)	(259,019)
Share-based compensation	35,734,452	4,703,254	24,474,191
Change in fair value of warrant liability	(386,900)	—	—
Deferred income tax provision	187,742	160,838	155,360
	<u>(10,890,967)</u>	<u>(8,645,828)</u>	<u>(8,248,849)</u>
Change in amounts receivable	(449,674)	19,562	890,292
Change in prepaid expenses	(1,262,023)	(135,897)	1,784
Change in trade payables and accrued liabilities	1,326,764	565,410	(860,869)
Net cash used in operating activities	<u>(11,275,900)</u>	<u>(8,196,753)</u>	<u>(8,217,642)</u>
CASH FLOWS FROM			
FINANCING ACTIVITIES			
Initial Public Offering, net of issue costs	27,979,905	—	—
Proceeds from Reg A offering, net of share issue costs	—	—	8,348,378
Option exercise	2,057,500	2,497,500	—
Warrant exercise	1,614,750	—	—
Principal reduction in lease liability	(42,289)	—	—
Net cash from financing activities	<u>31,609,866</u>	<u>2,497,500</u>	<u>8,348,378</u>
CASH FLOWS FROM			
INVESTING ACTIVITIES			
Acquisition of property and equipment	(5,245)	(6,938)	(13,129)
Exploration and evaluation assets	(3,779,367)	(3,930,790)	(3,716,772)
Finance income	17,808	302,720	259,019
Net cash used in investing activities	<u>(3,766,804)</u>	<u>(3,635,008)</u>	<u>(3,470,882)</u>
Effect of exchange rate changes on cash and cash equivalents	(156,372)	(20,407)	634
NET DECREASE IN CASH AND CASH EQUIVALENTS	16,410,790	(9,354,668)	(3,339,512)
CASH AND CASH EQUIVALENTS, beginning of year	2,450,239	11,804,907	15,144,419
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 18,861,029</u>	<u>\$ 2,450,239</u>	<u>\$ 11,804,907</u>
SUPPLEMENTAL INFORMATION:			
Depreciation of assets capitalized to exploration and evaluation assets	\$ 80,580	\$ 4,526	\$ 3,577
Share-based compensation included in exploration and evaluation assets	1,682,382	127,670	368,341
Value of broker warrants issued	519,100	—	—
Right of use asset and lease liability at inception	737,506	—	—
Lease finance interest capitalized to exploration and evaluation assets	55,795	—	—
Change in receivable on Reg A offering	—	—	(1,558,540)

See accompanying notes to the consolidated financial statements.

Brazil Potash Corp.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024, 2023 and 2022

1. Reporting entity and going concern

Brazil Potash Corp. (the “Company”) was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation on October 10, 2006. The Company remained inactive until June 16, 2009. On June 18, 2009, the Company’s subsidiary Potassio do Brasil Ltda. (the “Subsidiary”) was incorporated. On November 27, 2024, the Company commenced trading on the New York Stock Exchange (the “NYSE”) under the symbol “GRO”. The principal activity of Brazil Potash Corp. is the exploration and development of potash properties in Brazil. The Company’s head office is located at 198 Davenport Road, Toronto, Ontario, M5R 1J2, Canada.

The consolidated financial statements include the financial statements of the Company and its subsidiary that is listed in the following table:

	Country of incorporation	% Ownership		
		December 31, 2024	December 31, 2023	December 31, 2022
Potassio do Brasil Ltda.	Brazil	100%	100%	100%

The Company received its Preliminary Social and Environmental License (the “LP”) for its potash mining project in Brazil (the “Autazes Project”) from the Amazonas Environmental Protection Institute (“IPAAM”) in July 2015 based on submission of a full Environmental and Social Impact Assessment prepared by the Company and its consultant Golder Associates Inc. (“Golder”) in January 2015. Prior to receiving the LP, the Company and Golder participated in public hearings and conducted several rounds of consultations with local indigenous communities near the Autazes Project in accordance with the guidelines and requirements established by Fundação Nacional do Índio (“FUNAI”). Despite this work, the Brazil Federal Public Ministry opened a civil investigation in December 2016 that questioned the validity of the Company’s LP based on a motion from a non-governmental organization that the Company’s consultations with indigenous communities were not conducted in compliance with International Labour Organization Convention 169, as Brazil is a signatory to this international convention. As a result of the foregoing investigation, in March 2017, the Company agreed with the court overseeing such investigation, the Brazil Federal Public Ministry, the Brazilian Amazonas Environmental Protection Institute, the Brazilian National Mineral Agency, FUNAI, and representatives of the Mura indigenous people (who make up the over 40 indigenous communities and tribes near the Autazes Project) to suspend its LP and to conduct additional consultations with the local Mura indigenous communities near the Autazes Project in accordance with International Labour Organization 169 (the “March 2017 Suspension Agreement”).

On September 25, 2023, the Mura indigenous people completed free and informed consultations following United Nations International Labour Organization Convention 169 protocols with over 90% voting in support, based on 94% of the invited tribe’s participating, to permit and construct the Project.

On August 25, 2023, the Company submitted to the Brazilian Amazonas Environmental Protection Institute (IPAAM) an application for the Installation License to ensure that the Company moved to the next stage of our permitting process, prior to the expiration of our Preliminary Environmental License on August 31, 2023 in accordance with its terms. On October 17, 2023, the Appellate Court accepted the new action from the Attorney General of the State of Amazonas and granted an injunction to suspend the Subsequent Lower Court Decision, therefore reinstating the environmental licensing and allowing licensing to proceed, as well as clarifying that the Brazilian Amazonas Environmental Protection Institute has jurisdiction over issuing the Company’s licenses.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024, 2023 and 2022

1. Reporting entity and going concern (continued)

As of August 2024, the Company has received from the Brazilian Amazonas Environmental Protection Institute all of the 21 Installation Licenses required for the construction of the Autazes Project.

Going Concern

The preparation of the consolidated financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern concept is dependent on financing being available for the continuing working capital requirements of the Company and for the development of the Company’s projects.

The Company incurred a loss of \$46,408,453 for the year ended December 31, 2024 (\$13,207,200 for the year ended December 31, 2023 and \$32,619,381 for the year ended December 31, 2022) and as at December 31, 2024 had an accumulated deficit of \$158,573,664 (December 31, 2023 - \$112,731,831) and working capital of \$17,863,159 as at December 31, 2024 (including cash of \$18,861,029) (December 31, 2023 – working capital of \$1,106,222 (including cash of \$2,450,239)).

The Company requires equity capital and/or financing for working capital and exploration and development of its properties as well as to repay its trade payables and current liabilities. As a result of continuing operating losses, the Company’s continuance as a going concern is dependent upon its ability to obtain adequate financing and financing to repay its current obligations, finance its exploration and development activities, and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will obtain the necessary financing in order to finance its exploration and development activities or to attain profitable levels of operations. Management has previously been successful in raising the necessary funding to continue operations in the normal course of operations and during the year ended December 31, 2024, closed an initial public offering (the “IPO”) and commenced trading on the NYSE.

However, there is no assurance, that the Company will continue to be successful in closing the offering of shares, be successful in raising sufficient financing, or achieve profitable operations, to fund its operating expenses, or the future exploration and development of its properties. This raises substantial doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the carrying amount, or classification of assets and liabilities, if the Company was unable to continue as a going concern. These adjustments may be material.

On the basis that additional funding as outlined above has and will be received when required, the directors are satisfied that it is appropriate to continue to prepare the consolidated financial statements of the Company on the going concern basis.

Brazil Potash Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022

2. Basis of preparation

a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards issued by the International Accounting Standards Board ("IASB") and IFRIC[®] Interpretations of the IFRS Interpretations Committee.

The consolidated financial statements were authorized for issue by the Board of Directors on March 28, 2025.

b) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis, unless otherwise disclosed.

c) Functional and presentation currency:

Based on the economic substance of the underlying business transactions and circumstances relevant to the parent, the functional currency of the Company has been determined to be the U.S. dollar, with its subsidiary determining its own functional currency based on its own circumstances. The functional currency of Potássio do Brasil Ltda. has been determined to be the Brazilian Real. The Company's presentation currency is the U.S. Dollar.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

a) Basis of consolidation

These consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiary, Potássio do Brasil Ltda., in Brazil as at December 31, 2024.

The Company's subsidiary is fully consolidated from the date of acquisition or incorporation, being the date on which the Company obtained control, and continues to be consolidated until the date that such control ceases. These consolidated financial statements comprise results for the years ended December 31, 2024, 2023 and 2022.

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains and losses resulting from intra-company transactions are eliminated in full upon consolidation.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022

3. Material accounting policies (continued)

b) Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency at the rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the consolidated statements of financial position date. All differences are taken to the consolidated statements of loss and other comprehensive loss.

For presentation of Company's consolidated financial statements, if the functional currency of the Company or its subsidiary is different than U.S. dollars as at the reporting date, the assets and liabilities are translated into U.S. dollars at the rate ruling at the statements of financial position date and the income and expenses are translated using the average exchange rate for the period. The foreign exchange differences arising are recorded in the cumulative translation account in other comprehensive income. On disposal of a foreign entity the deferred cumulative amount recognized in equity relating to the particular operation is recognized in the consolidated statements of loss and other comprehensive loss.

c) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

d) Property and equipment

(i) Recognition and measurement

Items of equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(ii) Depreciation

Depreciation calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

The estimated lives for the current period are as follows:

• Vehicle	5 years
• Office equipment	5 years
• Furniture and fixtures	10 years

The Company's land is carried at cost.

Impairment of property and equipment:

When events or changes in the economic environment indicate a risk of impairment to property and equipment, an impairment test is performed to determine whether the carrying amount of the asset or group of assets under consideration exceeds its or their recoverable amount. Recoverable amount is defined as the higher of an asset's fair value (less costs of disposal) and its value in use. Value in use is equal to the present value of future cash flows expected to be derived from the use and sale of the asset.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022

3. Material accounting policies (continued)

e) Exploration and evaluation assets

Costs incurred prior to obtaining the appropriate license are expensed in the period in which they are incurred.

Exploration and evaluation expenditures comprise costs of initial search for mineral deposits and performing a detailed assessment of deposits that have been identified as having economic potential. The cost of exploration properties and leases, which include the cost of acquiring prospective properties and exploration rights, including interest, and costs incurred in exploration and evaluation activities, are capitalized as assets as part of exploration and evaluation assets. When a feasibility study and/or front-end engineering design is completed and the Company's board of directors has approved the decision to proceed with further development and the construction of the Autazes Project, the incurred expenditures related to exploration and evaluation are reclassified as development costs and the incurred expenditures related to development and construction will be capitalized as construction-in-progress and classified as a component of property, plant and equipment. Prior to reclassification to property, plant and equipment, exploration and evaluation assets are assessed for impairment and any impairment loss is recognized immediately in the statements of loss and other comprehensive loss.

Depreciation on equipment used in exploration and evaluation is charged to exploration and evaluation assets.

Impairment of exploration and evaluation assets:

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The Company reviews and tests for impairment on an ongoing basis and specifically if the following occurs:

- (i) the period for which the Company has a right to explore in the specific area has expired or is expected to expire;
- (ii) the exploration and evaluation has not led to the discovery of economic reserves;
- (iii) the development of the reserves is not economically or commercially viable; and
- (iii) the exploration is located in an area that has become politically unstable.

No amortization is charged during the exploration and evaluation phase.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022

3. Material accounting policies (continued)

f) Leases and Right-of-Use Assets

Leases are recorded in accordance with IFRS 16, Leases. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

A lease liability is initially measured at the present value of the unpaid lease payments. Subsequently, the Company measures a lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) re-measuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs.

g) Financial instruments

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments. A financial asset is derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset or when cash flows expire. A financial liability is derecognized when the obligation specified in the contract is discharged, canceled or

expired. The Company's financial assets include cash and cash equivalents, and amounts receivable, excluding HST receivable. The Company's financial liabilities include trade payables and accrued liabilities.

Non-derivative financial instruments are recognized initially at fair value plus attributable transaction costs, where applicable for financial instruments not classified as fair value through profit or loss. Subsequent to initial recognition, non-derivative financial instruments are classified and measured as described below:

Financial assets at fair value through profit or loss ("FVTPL") – cash and cash equivalents are classified as financial assets at FVTPL and are measured at fair value. Cash and cash equivalents comprise cash at banks and on hand.

Amortized cost – Amounts receivable, excluding HST receivable, are classified as and measured at amortized cost using the effective interest rate method, adjusted for any expected credit losses.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024, 2023 and 2022

g) Financial instruments (continued)

Financial assets at fair value through other comprehensive income ("FVOCI") – Financial assets designated as financial assets at fair value through other comprehensive income on initial recognition are recorded at fair value on the trade date with directly attributable transaction costs included in the recorded amount. Subsequent changes in fair value are recognized in other comprehensive income. The Company does not have any financial assets measured at fair value through other comprehensive income.

Non-derivative financial liabilities – Trade payables and accrued liabilities and lease liability are accounted for at amortized cost, using the effective interest rate method.

Financial liabilities measured at FVPL include financial liabilities management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company's warrant liability is measured at FVPL.

h) Provisions

Provisions are recognized when: (i) the Company has a present obligation (legal or constructive) as a result of a past event, and (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

i) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiary and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022

3. Material accounting policies (continued)

i) Income taxes (continued)

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

j) Share-based payments

The Company records compensation cost associated with equity-settled share-based awards based on the fair value of the equity instrument at the date of grant. The fair value of stock options and warrants is determined using the Black-Scholes option pricing model. The fair value of deferred share units (“DSUs”) and restricted share units (“RSUs”) is measured at the market value of the underlying shares, as estimated by management, on the date of grant. The compensation expense is recognized on a straight-line basis over the vesting period, if any, based on the estimate of equity instruments expected to vest. The estimate of options and DSUs expected to vest is revised at the end of each reporting period. When options, or warrants are exercised, the proceeds received, together with any related amount in contributed surplus, is credited to share capital.

New accounting pronouncements

IAS 1 – Presentation of Financial Statements (“IAS 1”) In January 2020 and October 2022, the International Accounting Standards Board (IASB) issued amendments to IAS 1 Presentation of Financial Statements. The amendments clarify the requirements for classifying liabilities as either current or non-current by clarifying that liabilities are classified as either current or non-current depending on the existence at the end of the reporting period of a right to defer settlement of the liability for at least twelve months after the reporting period. The amendments also 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, classification is unaffected by the likelihood that an entity will settle the liability within 12 months after the reporting date, and how an entity classifies debt an entity may settle by converting it into equity.

New accounting pronouncements (continued)

Additionally, the amendments added new disclosure requirements for situations where a liability is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months after the reporting date. The disclosure should enable users of financial statements to understand the risk that the liability classified as non-current could become repayable within 12 months after the reporting period. The adoption of the amendments to IAS 1 on January 1, 2024 did not have a significant impact on the consolidated financial statements.

IFRS 7 - Financial Instruments and IAS 7 - Statement of Cash Flows: In May 2023, the IASB issued disclosure-only amendments to IFRS 7 and IAS 7 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 adoption of the amendments to IFRS 7 and IAS 7 on January 1, 2024 did not have a significant impact on the consolidated financial statements.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022

3. Material accounting policies (continued)

Recent accounting pronouncements not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 18 - Presentation and Disclosure of Financial Statement: In April 2024, the IASB issued the new standard IFRS 18 - Presentation and Disclosure of Financial Statements. This standard aims to bring more transparency and comparability to the financial performance of companies, enabling investors to make better investment decisions. IFRS 18 introduces three sets of new requirements: improved comparability of the profit or loss statement (statement of income), improved transparency of management-defined performance measures, and more useful grouping of information in financial statements. IFRS 18 will replace IAS 1 - Presentation of Financial Statements. This standard becomes effective for years beginning on or after January 1, 2027, and companies may apply it earlier subject to authorization by relevant regulators. The Company is assessing the impacts to ensure that all information complies with the standard.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: In May 2024, the International Accounting Standards Board (IASB) issued narrow scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments. The amendments were incorporated into Part I of the CPA Canada Handbook - Accounting in October 2024. The amendments provide clarification that a financial liability is derecognized on the ‘settlement date’, i.e., the date on which the liability is extinguished as the obligation specified in the contract is discharged or cancelled or expired and provide an accounting policy option to derecognize a financial liability that is settled in cash using an electronic payment system before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option shall apply it to all settlements made through the same electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets with contingent features, including environmental, social and corporate governance (ESG) linked features and clarify that, for a financial asset to have ‘non-recourse’ features, the entity’s ultimate right to receive cash flows must be contractually limited to the cash flows generated by specified assets. The amendments also include factors that an entity should consider when assessing the cash flows underlying a financial asset with non-recourse features (the ‘look through’ test), clarify the characteristics of the contractually linked instruments that distinguish them from other transactions; and add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have certain contingent features. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendments are to be applied retrospectively. In applying the amendments, an entity is not required to restate comparative periods.

4. Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from those estimates.

In particular, information about significant areas of estimation uncertainty considered by management, and judgements made, in preparing the consolidated financial statements are described below:

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024, 2023 and 2022

4. Use of estimates and judgments (continued)

(i) Impairment of exploration and evaluation expenditures:

The carrying values of capitalized amounts are reviewed when indicators of impairment are present. If it is determined that capitalized exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount.

The recoverability of amounts shown for exploration and evaluation assets is dependent on the existence of economically recoverable reserves, the ability to obtain financing to complete the development of such reserves and meet obligations under various agreements, and the success of future operations or dispositions. If a project does not prove viable, all unrecoverable costs associated with the project net of any related existing impairment provisions are written off.

(ii) Contingencies:

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

(iii) Fair value of stock-based compensation and warrants:

In determining the fair value of options and warrants, option pricing models are used that require management to make estimates and assumptions regarding the expected life and market price of its equity instruments, volatility, share price and risk-free interest rates.

(iv) Going concern:

As is common with exploration companies, the Company's ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time. Management's assessment of the going concern assumption requires significant judgement.

(v) Reclassification from exploration and evaluation to development costs:

In the judgement of Company management, as of December 31, 2024, the Company was in the exploration and evaluation stage, based on several factors, including that the Company still needs to complete a feasibility study and/or front-end engineering design, which is typically required in order to secure debt financing for the construction of the project. In determining whether the Company is in the exploration and evaluation stage or the development stage, management must make an assessment as to whether the technical feasibility and commercial viability of extracting the mineral resource are demonstrable.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024, 2023 and 2022

4. Use of estimates and judgments (continued)

(vi) Leases:

The determination of the Company's lease liability and right-of-use asset depends on certain assumptions which includes the selection of the discount rate. The discount rate is set by referencing to the Company's incremental borrowing rate. Significant assumptions are required to be made when determining which borrowing rates to apply in this determination. Changes in the assumptions used may have a significant effect on the Company's consolidated financial statements.

5. Income taxes

The provision for income tax differs from the amount that would have resulted by applying the combined Canadian statutory income tax rates of approximately 26.5% (2023 – 26.5% and 2022 – 26.5%):

	December 31, 2024	December 31, 2023	December 31, 2022
Loss before income tax	\$(46,220,711)	\$(13,046,362)	\$(32,464,021)
Canadian Statutory Tax Rate	26.5%	26.5%	26.5%
Expected tax recovery	\$(12,248,488)	\$(3,457,286)	\$(8,602,966)
Share-based compensation	9,469,630	1,246,362	6,485,661
Foreign tax rate deferential	1,283	935	1,937
Change in tax benefit not recognized	2,965,317	2,370,827	2,270,728
Total	\$ 187,742	\$ 160,838	\$ 155,360

The components of tax expense included in the determination of the loss for the years are as follows:

	December 31, 2024	December 31, 2023	December 31, 2022
Current tax expense	\$ —	\$ —	\$ —
Deferred tax expense	187,742	160,838	155,360
Total	\$ 187,742	\$ 160,838	\$ 155,360

The following table reflects the change in deferred income tax liability at December 31, 2024, 2023 and 2022:

	December 31, 2024	December 31, 2023	December 31, 2022
Balance, beginning of year	\$(2,196,087)	\$(1,883,661)	\$(1,617,383)
Deferred income tax expense	(187,742)	(160,838)	(155,360)
Foreign currency translation	503,442	(151,588)	(110,918)
Balance, end of year	\$(1,880,387)	\$(2,196,087)	\$(1,883,661)

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022

5. Income taxes (continued)

The following table summarizes the components of deferred income tax:

	December 31, 2024	December 31, 2023	December 31, 2022
Exploration and evaluation assets	\$(2,687,855)	\$(3,139,298)	\$(2,692,830)
Loss carryforwards	807,468	943,211	809,169
Deferred tax liabilities, net	\$(1,880,387)	\$(2,196,087)	\$(1,883,661)

As at December 31, 2024, deferred tax assets for the carry forward of certain unused tax losses and unused tax credits have not been recognized as it is not probable that taxable income will be available against which the unused tax losses and credits can be utilized. Deductible temporary differences for which no deferred tax assets have been recognized are attributable to the following:

	December 31, 2024	December 31, 2023
<i>Canada</i>		
Non-capital losses	\$88,986,000	\$77,312,000
Deductible temporary differences	\$ 2,520,440	\$ 1,267,042
<i>Brazil</i>		
Non-capital losses	\$ —	\$ —

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022

5. Income taxes (continued)

Brazilian tax losses carried forward can only be applied, in any year, in an amount up to 30% of taxable income for that year. Tax losses in Canada can be carried forward to reduce taxable income in future years. The losses are scheduled to expire as follows:

Year of Expiry	Amount
2044	\$11,674,000
2043	8,985,000
2042	8,645,000
2041	4,268,000
2040	3,355,000
2039	4,681,000
2038	3,843,000
2037	4,804,000
2036	6,207,000
2035	8,182,000
2034	8,041,000
2033	4,762,000
2032	2,950,000
2031	3,127,000
2030	2,891,000
2029	2,571,000
	\$88,986,000

6. Cash and cash equivalents

December 31, 2024	December 31, 2023
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Cash at banks	<u>\$18,826,019</u>	<u>\$2,313,725</u>
Short-term deposits	<u>35,010</u>	<u>136,514</u>
	<u>\$18,861,029</u>	<u>\$2,450,239</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are invested in certificate deposits at interbank rates with no fixed term of deposit.

7. Amounts receivable

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
HST	<u>\$ 586,554</u>	<u>\$ 105,785</u>
Other receivables	<u>8,386</u>	<u>43,972</u>
Total amounts receivable	<u>\$ 594,940</u>	<u>\$ 149,757</u>

8. Prepaid expenses

	December 31, 2024	December 31, 2023
Prepaid insurance	<u>\$ 1,175,709</u>	<u>\$ 19,585</u>
Other	<u>318,774</u>	<u>216,744</u>
	<u>\$ 1,494,483</u>	<u>\$ 236,329</u>

Brazil Potash Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022

9. Property and equipment

	Vehicles	Office equipment	Furniture and fixtures	Land	Total
Cost:					
At January 1, 2024	\$ 52,839	\$ 94,715	\$ 18,138	\$ 987,671	\$1,153,363
Additions	—	4,355	890	—	5,245
Effect of foreign exchange	(11,529)	(21,229)	(3,950)	(215,505)	(252,213)
At December 31, 2024	\$ 41,310	\$ 77,841	\$ 15,078	\$ 772,166	\$ 906,395
Depreciation:					
At January 1, 2024	\$ 52,491	\$ 77,638	\$ 11,202	\$ —	\$ 141,331
Effect of foreign exchange	(11,452)	(17,501)	(2,383)	—	(31,336)
Depreciation charge for the year	—	4,334	469	—	4,803
At December 31, 2024	\$ 41,039	\$ 64,471	\$ 9,288	\$ —	\$ 114,798
Net book value:					
At December 31, 2024	\$ 271	\$ 13,370	\$ 5,790	\$ 772,166	\$ 791,597
At January 1, 2024	\$ 348	\$ 17,077	\$ 6,936	\$ 987,671	\$1,012,032
Cost:					
At January 1, 2023	\$ 49,027	\$ 85,491	\$ 12,618	\$ 916,413	\$1,063,549
Additions	—	2,497	4,441	—	6,938
Effect of foreign exchange	3,812	6,727	1,079	71,258	82,876
At December 31, 2023	\$ 52,839	\$ 94,715	\$ 18,138	\$ 987,671	\$1,153,363
Depreciation:					
At January 1, 2023	\$ 48,704	\$ 68,119	\$ 10,019	\$ —	\$ 126,842
Effect of foreign exchange	3,787	5,427	749	—	9,963
Depreciation charge for the year	—	4,092	434	—	4,526
At December 31, 2023	\$ 52,491	\$ 77,638	\$ 11,202	\$ —	\$ 141,331
Net book value:					
At December 31, 2023	\$ 348	\$ 17,077	\$ 6,936	\$ 987,671	\$1,012,032
At January 1, 2023	\$ 323	\$ 17,372	\$ 2,599	\$ 916,413	\$ 936,707

9. Property and equipment (continued)

	Vehicles	Office equipment	Furniture and fixtures	Land	Total
Cost:					
At January 1, 2022	\$45,839	\$ 68,582	\$ 11,032	\$856,829	\$ 982,282
Additions	—	12,262	867	—	13,129
Effect of foreign exchange	3,188	4,647	719	59,584	68,138
At December 31, 2022	\$49,027	\$ 85,491	\$ 12,618	\$916,413	\$1,063,549
Depreciation:					
At January 1, 2022	\$45,538	\$ 60,727	\$ 9,056	\$ —	\$ 115,321
Effect of foreign exchange	3,166	4,191	587	—	7,944
Depreciation charge for the year	—	3,201	376	—	3,577
At December 31, 2022	\$48,704	\$ 68,119	\$ 10,019	\$ —	\$ 126,842
Net book value:					
At December 31, 2022	\$ 323	\$ 17,372	\$ 2,599	\$916,413	\$ 936,707
At January 1, 2022	\$ 301	\$ 7,855	\$ 1,976	\$856,829	\$ 866,961

10. Leases

During the year ended December 31, 2024, the Company entered into agreements to lease, for a term of six years, 15 rural properties consisting of a total area of approximately 4.2 square miles, which primarily will be used for the sites of dry stacked tailings piles. Each of these lease agreements also provides the Company with a right of first refusal to purchase the applicable leased property in the event of a sale of such property. The Company recognized a right-of-use asset and a lease liability of \$737,506 on inception of the leases.

	Cost	Amortization	Balance
Balance, December 31, 2023	\$ —	\$ —	\$ —
Additions	737,506	(75,777)	661,729
Effect of Foreign Exchange	—	(133,867)	(133,867)
Balance, December 31, 2024	\$737,506	\$ (209,644)	527,862

Lease liabilities are measured at the present value of the lease payments that are not paid at the statement of financial position date. Lease payments are apportioned between interest expenses and a reduction of the lease liability using the Company's incremental borrowing rate of 12.75% to achieve a constant rate of interest on the remaining balances of the liabilities. For the year ended December 31, 2024, the Company recognized \$55,795 in interest expense related to its lease liabilities, capitalized to exploration and evaluation assets.

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10. Leases (continued)

A reconciliation of the lease liabilities for the year ended December 31, 2024 is as follows:

	December 31, 2024
Balance, beginning of year	\$ —
Acquisition of lease	737,506
Cash outflows	(42,289)
Finance costs	55,795
Effect of foreign exchange	(145,407)
Balance, end of year	\$ 605,605
	December 31, 2024
Lease Liability - current	\$ 70,305
Lease Liability - non-current	535,300
	\$ 605,605

11. Exploration and evaluation assets

	December 31, 2024	December 31, 2023
Balance, beginning of year	\$ 129,298,494	\$ 120,216,752
Additions:		
Mineral rights and land fees	30,127	41,073
Site operations, environmental, consulting and technical costs	4,885,615	3,894,243
Share-based compensation (Note 14)	1,682,382	127,670
Proceeds from royalty option agreement*	(1,000,000)	—
Effect of foreign exchange	(16,111,063)	5,018,756
Balance, end of year	\$ 118,785,555	\$ 129,298,494

* On November 1, 2024, the Company and its Subsidiary entered into an option agreement (see Note 20) and received \$1,000,000.

12. Trade payables and accrued liabilities

	December 31, 2024	December 31, 2023
Trade payables	\$ 1,271,484	\$ 852,230
Accruals	1,745,504	877,873
Total trade payables and accrued liabilities	\$ 3,016,988	\$ 1,730,103

Included in trade payables and accrued liabilities are amounts invoiced or accrued, respectively, according to consulting contracts with directors, officers and consultants of the Company (see Note 19).

13. Share capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

	December 31, 2024		December 31, 2023		December 31, 2022	
	Number of shares	Stated Value \$	Number of shares	Stated Value \$	Number of shares	Stated Value \$
Common shares						
Balance, beginning of year	35,586,301	242,487,728	35,230,551	235,611,237	34,596,422	227,154,731
Initial public offering, net of issuance costs	2,000,000	27,460,805	—	—	—	—
Reg A offering, net of issue costs	—	—	—	—	467,462	6,789,838
DSU exercise (Note 14)	173,958	2,733,328	25,000	400,000	166,667	1,666,668
RSU exercise (Note 14)	31,875	460,225	—	—	—	—
Option exercise (Note 14)	489,166	6,019,398	330,750	6,476,491	—	—
Warrant exercise (Note 15)	122,437	2,134,649	—	—	—	—
Balance, end of year	38,403,737	281,296,133	35,586,301	242,487,728	35,230,551	235,611,237

On October 18, 2024, the Company consolidated its common shares on the basis of 4:1. All common shares, options, DSUs, RSUs and value per share amounts in the consolidated financial statements have been updated retrospectively to reflect the share consolidation.

Activity during the year ended December 31, 2024

On November 29, 2024, the Company closed an initial public offering (the "IPO") of 2,000,000 of its common shares, at a price of \$15.00 per share, for gross proceeds of \$30,000,000. In connection with the IPO, the Company paid \$2,020,095 in share issue costs and issued 100,000 broker warrants with exercise prices of \$19.50. The grant date fair value of the broker warrants of \$519,100 was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility based on the historical volatility of comparable companies of 75.01%; risk-free interest rate of 3.23%, a stock price of \$15.00 and an expected life of 2 years.

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13. Share capital (continued)

(b) Issued

During the year ended December 31, 2024, 173,958 DSUs with a grant date fair value of \$2,733,328 and 31,875 RSUs with a grant date fair value of \$460,225 were exercised.

During the year ended December 31, 2024, 489,166 options with weighted average exercise prices of \$4.21 were exercised for gross proceeds of \$2,057,500.

During the year ended December 31, 2024, 122,437 warrants with weighted average exercise prices of \$13.19 were exercised for gross proceeds of \$1,614,750.

Activity during the year ended December 31, 2023

During the year ended December 31, 2023, 25,000 DSUs with a grant date fair value of \$400,000 were exercised.

During the year ended December 31, 2023, 330,750 options with weighted average exercise prices of \$7.55, were exercised for gross proceeds of \$2,497,500.

Activity during the year ended December 31, 2022

On December 21, 2022, 166,667 DSUs with a grant date fair value of \$1,666,668 were exercised.

On January 28, 2022, February 2, 2022, March 24, 2022, April 8, 2022, May 11, 2022, June 22, 2022, July 22, 2022, August 8, 2022, and August 31, 2022, the Company closed portions of a Reg A Offering issuing 467,462 common shares of the Company at a purchase price of \$16.00 per share for

gross proceeds of \$7,479,444.

During the year ended December 31, 2022, the Company paid share issue costs of \$689,606 in connection with the offerings.

14. Share-based payments

The continuity of share-based payments reserve activity during the years was as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Balance, beginning of the year	\$ 64,280,247	\$ 63,924,814	\$ 43,023,258
Vesting and forfeiture of options	2,970	180,587	1,725,617
Vesting and forfeiture of DSUs	11,100,686	4,650,337	22,996,915
Vesting of RSUs	25,853,678	—	—
Option extension	—	—	657,800
DSU exercise	(2,733,328)	(400,000)	(1,666,668)
RSU exercise	(460,225)	—	—
Option exercise	(3,961,898)	(3,978,991)	—
Expired options	(566,620)	(96,500)	(2,812,108)
Balance, end of the year	\$ 93,515,510	\$ 64,280,247	\$ 63,924,814

(a) Option plan:

The Company has an incentive share option plan (“the Plan”) whereby the Company may grant to directors, officers, employees and consultants options to purchase shares of the Company. The Plan provides for the issuance of share options to acquire up to 10% of the Company’s issued and outstanding capital at the date of grant. The Plan is a rolling plan, as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company’s issued and outstanding share capital increases. Options granted under the Plan will be for a term not to exceed five years.

The plan provides that it is solely within the discretion of the Board to determine who would receive share options and in what amounts. In no case (calculated at the time of grant) shall the plan result in:

- the number of options granted in a twelve-month period to any one consultant exceeding 2% of the issued shares of the Company;
- the aggregate number of options granted in a twelve-month period to any one optionee exceeding 5% of the outstanding shares of the Company; and
- the number of options granted in a twelve-month period to employees and management company employees undertaking investor relations activities exceeding in aggregate 2% of the issued shares of the Company.

Brazil Potash Corp.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024, 2023 and 2022

14. Share-based payments (continued)

(a) Option plan (continued):

Share option transactions continuity during the years were as follows (in number of options):

	December 31, 2024		December 31, 2023		December 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	1,455,625	\$ 8.34	2,030,125	\$ 9.12	1,886,375	\$ 7.86
Granted	—	—	12,500	16.00	312,500	16.00
Extended	—	—	—	—	50,000	10.00
Exercised	(489,166)	4.21	(330,750)	7.55	—	—
Expired	(53,334)	15.00	—	—	—	—
Cancelled	—	—	(256,250)	15.85	(218,750)	8.28
Balance, end of year	913,125	\$ 10.17	1,455,625	\$ 8.34	2,030,125	\$ 9.12

Activity during the year ended December 31, 2022

On January 20, 2022, the Company granted 312,500 options with exercise prices of \$16.00 and an expiry date of January 20, 2027. The options vest in four equal instalments over two years starting on the date of grant. The fair value of the options of \$6.936 was estimated using the Black-Scholes option pricing model, with the following weighted average assumptions: a market price of common shares of \$16.00, expected dividend yield of 0%, expected volatility of 48% based on the historic volatility of comparable companies, risk-free interest rate of 1.68% and an expected life of 5.0 years. The estimated grant date fair value of the options is amortized over the vesting period. During the year ended December 31, 2024, the Company recognized an expense of \$2,970 (year ended December 31, 2023 and 2022 – \$85,487 and \$1,725,617, respectively) related to this amortization charged to the consolidated statements of loss and other comprehensive loss. On May 11, 2023, 250,000 of the options were cancelled, unexercised, and replaced with 100,000 DSUs (see Note 14(b)).

The Company extended the expiry dates of options held by a consultant of the Company such that 50,000 options with exercise prices of \$10.00 per share and expiring on November 25, 2021, would expire on July 22, 2025. The weighted average incremental fair value of the options of \$2.40 was estimated using the Black-Scholes option pricing model, calculated immediately before and after the extension, with the following weighted average assumptions: a market price of common shares of \$16.00, expected dividend yield of 0%, expected volatility of 48% based on the historic volatility of comparable companies, risk-free interest rate of 1.46% and an expected life of 3.6 years. The total value of the option extension was \$120,000 which was capitalized to exploration and evaluation assets.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024, 2023 and 2022

14. Share-based payments (continued)

(a) Option plan (continued):

Activity during the year ended December 31, 2023

On May 14, 2023, the Company granted 12,500 options with exercise prices of \$16.00 and an expiry date of May 14, 2028. The options vested immediately on the date of grant. The fair value of the options of \$1.902 was estimated using the Black-Scholes option pricing model, with the following weighted average assumptions: a market price of common shares of \$16.00, expected dividend yield of 0%, expected volatility of 51% based on the historic volatility of comparable companies, risk-free interest rate of 2.94% and an expected life of 5.0 years. During the year December 31, 2023, the Company recognized an expense of \$95,100 included in the consolidated statements of loss and other comprehensive loss.

During the year ended December 31, 2023, 330,750 options with weighted average exercise prices of \$7.55, were exercised for gross proceeds of \$2,497,500 and 256,250 options with exercise prices of \$15.85, were cancelled.

Activity during the year ended December 31, 2024

During the year ended December 31, 2024, 489,166 options with weighted average exercise prices of \$4.21, were exercised for gross proceeds of \$2,057,500 and 53,334 options with exercise prices of \$15.00, expired, unexercised. All option exercises during the year ended December 31, 2024 occurred prior to the closing of the Company's IPO on November 29, 2024.

At December 31, 2024, outstanding options to acquire common shares of the Company were as follows:

Date of expiry	Options outstanding	Options exercisable	Exercise price
July 20, 2025	789,375	789,375	\$10.00
July 20, 2025	48,750	48,750	\$ 4.00
January 20, 2027	62,500	62,500	\$16.00
May 11, 2028	12,500	12,500	\$16.00
	913,125	913,125	

(b) Deferred share units plan ("DSU"):

The Company has a DSU plan that provides for the grant of DSUs to employees, officers or directors of the Company. The Plan allows the Company the ability to issue one common share from treasury for each DSU held on the date upon which the participant ceases to be a director, officer or employee of the Company. The maximum number of Common Shares available for issuance under the DSU plan may not exceed 10% of the fully diluted issued share capital of the Company at any time.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024, 2023 and 2022

14. Share-based payments (continued)

(b) Deferred share units plan (“DSU”) (continued):

DSU transactions continuity during the years were as follows (in number of DSUs):

	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
Balance, beginning of year	3,552,083	3,264,583	1,925,000
Forfeit	(173,958)	—	—
Cancelled	—	—	(606,250)
Exercised	(82,292)	(25,000)	(166,667)
Granted	806,250	312,500	2,112,500
Balance, end of year	4,102,083	3,552,083	3,264,583

Of the 4,102,083 DSUs outstanding, 3,395,833 have vested.

The 1,675,000 DSUs granted during the year ended December 31, 2015 had the following vesting conditions:

- (i) As to one-third of the DSUs, vesting shall occur immediately;
- (ii) As to the second one-third, upon the later of (a) completion by the Company of a pre-feasibility study or feasibility study; and (b) receipt by the Company of the preliminary license for the project; and
- (iii) As to the final one third of the DSUs, upon the Company completing arrangements for project construction financing, as detailed in the pre-feasibility study or feasibility study for the project.

Of the 1,675,000 DSUs granted, 141,667 were forfeit, unvested, and 1,116,667 DSUs have vested, of which 166,667 were exercised and 83,333 were cancelled. The remaining 416,666 DSUs, which have the vesting condition (iii) above, were revised such that the vesting condition previously estimated to be met December 2019 was changed to June 30, 2023, then to March 31, 2024, then to March 31, 2025, and then to June 30, 2026, as that is the estimated timeline. The estimated fair value of the DSUs at the date of grant is recognized over the vesting period. During the year ended December 31, 2024, the Company expensed \$113,480, related to this amortization (years ended December 31, 2023 and 2022 – \$111,302 and a recovery of \$561,969, respectively) of which, \$22,697, (years ended December 31, 2023 and 2022 – \$22,260 and \$60,489, respectively) was capitalized to exploration and evaluation assets, with the remaining \$90,783 (years ended December 31, 2023 and 2022 – \$89,042 and recovery of \$622,458, respectively) was charged to the consolidated statements of loss and other comprehensive loss. The fair value of the DSUs at grant date were valued using an estimated market price of \$10.00.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024, 2023 and 2022

14. Share-based payments (continued)

(b) Deferred share units plan (“DSU”) (continued):

On August 9, 2019, the Company granted 125,000 DSUs. 50,000 DSUs vested immediately, while 37,500 DSUs would vest when the Company obtained its installation license for the Autazes project estimated to be March 31, 2022 and the final 37,500 DSUs would vest upon the Company initiating project construction estimated to be in July 2022. The expected vesting dates of the DSUs were subsequently revised such that the DSUs expected to vest March 31, 2022 and July 2022 are expected to vest early in 2024 and March 31, 2025, respectively. On March 28, 2024, the 50,000 DSUs that were vested were exercised and the remaining 75,000 DSUs were forfeited, unvested. The fair value of the DSUs at the date of grant is amortized over the vesting period. During the year ended December 31, 2024, the Company recorded a recovery of \$1,087,113 (years ended December 31, 2023 and 2022 – expense of \$105,410 and \$187,852, respectively) was capitalized to exploration and evaluation assets. The fair value of the DSUs at the date of grant was valued using an estimated market price of \$15.00.

On February 15, 2022, the Company granted 862,500 DSUs. The DSUs vest in six equal tranches every six months over a three-year term. On August 15, 2022, 506,250 of the DSUs were cancelled, on December 23, 2024, 5,208 of the DSUs were exercised and during the year ended December 31, 2024, 7,292 of the DSUs were forfeited. The fair value of the DSUs is amortized over the vesting period. During the year ended December 31, 2024, the Company recognized an expense of \$499,340 (years ended December 31, 2023 and 2022 – \$1,674,489 and \$3,371,032, respectively) related to this amortization charged to the consolidated statements of loss and other comprehensive loss. The fair value of the DSUs at the date of grant was valued using an estimated market price of \$16.00.

On May 11, 2023, the Company granted 125,000 DSUs. The DSUs vest immediately. The fair value of the DSUs at the date of grant were valued using an estimated market price of \$16.00.

On May 11, 2023, the Company also granted 100,000 DSUs to replace 250,000 options cancelled on May 11, 2023 (see Note 14(a)). The fair value of the options on the date of exchange was attributed to the fair value of the DSUs.

On October 11, 2023, the Company granted 87,500 DSUs to consultants of the Company. 25,000 of the DSUs vest in four equal installments over twelve months from the date of grant and 62,500 DSUs vest on October 11, 2024. During the year ended December 31, 2024, the Company recognized an expense of \$994,690 (years ended December 31, 2023 and 2022 - \$405,310 and \$nil, respectively), related to the estimated fair value of the DSUs at the date of grant charged to the consolidated statements of loss and other comprehensive loss. The fair value of the DSUs at the date of grant was valued using an estimated market price of \$16.00.

On May 23, 2024, the Company granted 312,500 DSUs to a director and a consultant of the Company. The DSUs vested immediately. On June 14, 2024, 62,500 of the DSUs were exercised. During year ended December 31, 2024, the Company recognized an expense of \$5,000,000, related to the estimated fair value of the DSUs at the date of grant charged to the consolidated statements of loss and other comprehensive loss. The fair value of the DSUs at the date of grant was valued using an estimated market price of \$16.00.

On June 20, 2024, the Company granted 187,500 DSUs to a former director and a consultant of the Company. 125,000 of the DSUs vested immediately. Of the remaining 62,500 DSUs, 12,500 vested immediately and 50,000 vest in 4 equal installments annually from the date of grant. During the year ended December 31, 2024, the Company recognized an expense of \$2,421,443 related to the estimated fair value of the DSUs at the date of grant charged to the consolidated statements of loss and other comprehensive loss. The fair value of the DSUs at the date of grant was valued using an estimated market price of \$16.00.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022

14. Share-based payments (continued)

(b) Deferred share units plan (“DSU”) (continued):

On June 28, 2024, the Company granted 56,250 DSUs to a company on which a former director of the Company is the founder and CIO. The DSUs vested immediately. On July 11, 2024, the DSUs were exercised. During the year ended December 31, 2024, the Company recognized an expense of \$900,000, related to the estimated fair value of the DSUs at the date of grant charged to the consolidated statements of loss and other comprehensive loss. The fair value of the DSUs at the date of grant was valued using an estimated market price of \$16.00. On July 11, 2024, the DSUs were exercised.

On August 12, 2024, the Company granted 250,000 DSUs under the Company’s new incentive plan to the Chair of the Company’s advisory board. The DSUs vest in four equal tranches every six months beginning on the date of grant. During the year ended December 31, 2024, the Company recognized an expense of \$2,258,846, related to the estimated fair value of the DSUs at the date of grant charged to the consolidated statements of loss and other comprehensive loss. The fair value of the DSUs at the date of grant was valued using an estimated market price of \$15.00.

During the year ended December 31, 2024, the total amount related to the vesting of DSUs was an expense of \$11,100,686 (years ended December 31, 2023 and 2022 –\$4,650,337 and \$22,996,915, respectively) of which a credit of \$1,064,416 (years ended December 31, 2023 and 2022 – expense of \$127,670 and \$248,341, respectively) was offset against capitalized exploration and evaluation assets and an expense of \$12,165,102 (years ended December 31, 2023 and 2022 –\$4,522,667 and \$22,748,574, respectively) is included in the consolidated statements of loss and other comprehensive loss.

(c) Restricted share units plan (“RSU”):

The Incentive Compensation Plan provides for the grant of RSUs to employees, officers or directors of the Company. An award of restricted stock units confers upon a participant the right to Common Shares of the Company at the end of a specified deferral period. An award of restricted stock units carries no voting or other rights associated with share ownership prior to settlement.

RSU transactions continuity during the years were as follows (in number of RSUs):

	Year ended December 31, 2024	Years ended December 31, 2023 and 2022
Balance, beginning of year	—	—
Granted	4,457,500	—
Exercised	(31,875)	—
Forfeit	—	—
Balance, end of year	4,425,625	—

Of the 4,425,625 RSUs outstanding, 285,000 have vested.

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Brazil Potash Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022

14. Share-based payments (continued)

(c) Restricted share units plan (“RSU”):

On July 1, 2024, the Company granted 3,087,500 restricted share units (“RSUs”) to directors, officers and consultants of the Company. The RSUs vest on the earlier of (i) the lock-up conditions related to an initial public offering lapsing; and (ii) one year from the completion of an initial public offering of the Company. The fair value of the RSUs is amortized over the vesting period. During the year ended December 31, 2024, the Company recognized an expense of \$17,041,784, (years ended December 31, 2023 and 2022 - \$nil) related to the estimated fair value of the RSUs of which an expense of \$2,345,832 (years ended December 31, 2023 and 2022 – \$nil) was capitalized to exploration and evaluation assets and an expense of \$14,695,952 (years ended December 31, 2023 and 2022 –\$nil) is included in the consolidated statements of loss and other comprehensive loss. The fair value of the RSUs at the date of grant was valued using an estimated market price of \$15.00.

On August 12, 2024, the Company granted 87,500 restricted share units (“RSUs”) to consultants of the Company. The RSUs vest on the earlier of (i) the lock-up conditions related to an initial public offering lapsing; and (ii) one year from the completion of an initial public offering of the Company. The fair value of the RSUs is amortized over the vesting period. During the year ended December 31, 2024, the Company recognized an expense of \$400,966 (years ended December 31, 2023 and 2022 - \$nil) related to the estimated fair value of the RSUs at the date of grant which was capitalized to exploration and evaluation assets. The fair value of the RSUs at the date of grant was valued using an estimated market price of \$15.00.

On October 9, 2024, the Company granted 387,500 RSUs to directors, officers and consultants of the Company. The RSUs vest in four equal tranches every six months, with the first tranche vesting on the date of grant. During the year ended December 31, 2024, the Company recognized an expense of \$2,666,743 (years ended December 31, 2023 and 2022 - \$nil) related to the estimated fair value of the DSUs at the date of grant charged to the consolidated statements of loss and other comprehensive loss. The fair value of the RSUs at the date of grant was valued using an estimated market price of \$15.00.

On October 25, 2024, the Company granted 500,000 RSUs to a service provider of the Company. The RSUs vest in four (4) equal quarterly tranches over a twelve (12) month period with the first tranche vesting on the three (3) month anniversary of completion of the Company’s initial public offering and the remaining tranches vesting thereafter. During the year ended December 31, 2024, the Company recognized an expense of \$2,292,706 (years ended December 31, 2023 and 2022 - \$nil) related to the estimated fair value of the RSUs at the date of grant charged to the consolidated statements of loss and other comprehensive loss. The fair value of the RSUs at the date of grant was valued using an estimated market price of \$15.00.

On November 7, 2024, the Company granted 275,000 RSUs to consultants of the Company. Of the 275,000 RSUs, 100,000 vested immediately and the remaining 175,000 vest on the earlier of (i) the lock-up conditions related to an initial public offering lapsing; and (ii) one year from the completion of an initial public offering of the Company. During the year ended December 31, 2024, the Company recognized an expense of \$1,866,279 (years ended December 31, 2023 and 2022 - \$nil) related to the estimated fair value of the RSUs at the date of grant charged to the consolidated statements of loss and other comprehensive loss. The fair value of the RSUs at the date of grant was valued using the market price on the date of grant of \$15.00.

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14. Share-based payments (continued)

(c) Restricted share units plan (“RSU”) (continued):

On December 4, 2024, the Company granted 120,000 RSUs to consultants of the Company. The RSUs vested immediately. During the year ended December 31, 2024, the Company recognized an expense of \$1,585,200 (years ended December 31, 2023 and 2022 - \$nil) related to the estimated fair value of the RSUs at the date of grant charged to the consolidated statements of loss and other comprehensive loss. The fair value of the RSUs at the date of grant was valued using the market price on the date of grant of \$13.21.

During the year ended December 31, 2024, the total amount related to the vesting of RSUs was an expense of \$25,853,678 (years ended December 31, 2023 and 2022 –\$nil) of which \$2,746,798 (years ended December 31, 2023 and 2022 - \$nil) was capitalized to exploration and evaluation assets and \$23,106,880 (years ended December 31, 2023 and 2022 –\$nil) is included in the consolidated statements of loss and other comprehensive loss.

15. Warrants and warrant liability

At December 31, 2024, outstanding warrants to acquire common shares of the Company were as follows:

Number of warrants	Exercise price	Expiry Date
	\$	
258,188	4.00	November 27, 2025*
100,000	19.50	November 26, 2026
358,188	8.33	

* On September 11, 2009, the Company issued 286,875 broker warrants in connection with a private placement financing. These warrants are exercisable for up to twelve months from the date the Company begins trading on a public exchange which was November 27, 2024 when the Company began trading on the NYSE under the symbol “GRO”.

Warrant Liability

Warrants with terms that result in the exercise price or number of shares delivered to be variable, are accounted for as financial liabilities in the consolidated statements of financial position. The changes in fair value are recorded in the consolidated statements of loss for the year.

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Brazil Potash Corp.

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For the years ended December 31, 2024, 2023 and 2022

15. Warrants and warrant liability (continued)

Warrant Liability (continued)

Warrant liability transactions during the years were as follows:

	Year ended December 31, 2024			Years ended December 31, 2023 and 2022		
	Number of warrants	Weighted average exercise price	Fair value	Number of warrants	Weighted average exercise price	Grant date fair value
Balance, beginning of year	—	\$ —	\$ —	—	\$ —	\$ —

Granted	100,000	19.50	519,100	—	—	—
Change in fair value	—	—	(386,900)	—	—	—
Balance, end of year	100,000	\$ 19.50	\$ 132,200	—	\$ —	\$ —

On November 29, 2024, the Company closed an initial public offering (the “IPO”) of 2,000,000 of its common shares, at a price of \$15.00 per share, for gross proceeds of \$30,000,000. In connection with the IPO, the Company issued 100,000 broker warrants with exercise prices of \$19.50. The warrants may also be exercised, in whole or in part, at the holder’s option by way of a cashless exercise in which the holder is entitled to receive the number of common shares equal to the quotient obtained by dividing the volume weighted average price (“VWAP”) on the preceding trading day minus the exercise price times the number of common shares that would be issued on exercise of the warrant divided by the VWAP. The warrants expire 2 years from the date of grant. The fair value of the warrants of \$519,100 on the date of grant was charged to share issuance costs in the consolidated statements of financial position. See Note 13.

As at December 31, 2024, the fair value of the broker warrants of \$132,200 was estimated using the using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility based on the historical volatility of comparable companies of 76.38%; risk-free interest rate of 2.93%, a stock price of \$7.70, based the market price of the Company’s shares on December 31, 2024, and an expected life of 1.9 years.

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For the years ended December 31, 2024, 2023 and 2022

15. Warrants and warrant liability (continued)**Warrants - equity**

Warrant transactions during the years were as follows:

	Year ended December 31, 2024			Years ended December 31, 2023 and 2022		
	Number of warrants	Weighted average exercise price	Grant date fair value	Number of warrants	Weighted average exercise price	Grant date fair value
Balance, beginning of year	286,875	\$ 4.00	\$ 604,000	286,875	\$ 4.00	\$604,000
Granted	93,750	16.00	\$ 459,500	—	—	—
Exercised	(122,437)	13.19	(519,899)	—	—	—
Balance, end of year	258,188	\$ 4.00	\$ 543,601	286,875	\$ 4.00	\$604,000

On May 28, 2024, the Company granted 93,750 warrants of the Company as compensation for services to a company on which a former director of the Company is the founder and CIO. Each warrant was exercisable for one common share of the Company at an exercise price of \$16.00 for one year from the date of grant. The fair value of the warrants of \$4.901 was estimated using the Black-Scholes option pricing model, with the following weighted average assumptions: a market price of common shares of \$16.00, expected dividend yield of 0%, expected volatility of 74.6% based on the historic volatility of comparable companies, risk-free interest rate of 4.36% and an expected life of 1.0 years. During the year ended December 31, 2024, the Company expensed \$459,500 (years ended December 31, 2023 and 2022 - \$nil) in share-based compensation in the consolidated statements of loss and comprehensive loss related to the fair value of the warrants on the date of grant. On June 18, 2024, the warrants were exercised for gross proceeds of \$1,500,000.

During the year ended December 31, 2024, 122,437 warrants with weighted average exercise prices of \$13.19 were exercised for gross proceeds of \$1,614,750.

There were no warrant transactions during the years ended December 31, 2023 and 2022.

16. Loss per share

The basic and diluted loss per share excludes options exercisable for 913,125 common shares of the Company at a weighted average exercise price of \$10.17, warrants exercisable for 358,188 common shares of the Company at a weighted average exercise price of \$8.33, 3,395,833 vested DSUs and 285,000 vested RSUs as these are anti-dilutive.

17. Financial Risk Management Objectives and Policies

The Company's financial instruments comprise cash and cash equivalents, other receivables, trade payables and accrued liabilities. The main purpose of these financial instruments is to raise finance to fund operations.

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Brazil Potash Corp.Notes to the Consolidated Financial Statements
For the years ended December 31, 2024, 2023 and 2022

17. Financial Risk Management Objectives and Policies (continued)

The Company does not enter into any derivative transactions.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets. With respect to credit risk arising from financial assets of the Company, which comprise cash and minimal receivables, the Company's exposure to credit risk arises from default of counterparties, with a maximum exposure equal to the carrying amount of these instruments. Cash and cash equivalents are held with high credit quality financial institutions. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2024, the Company had a cash and cash equivalents balance of \$18,861,029 (December 31, 2023 - \$2,450,239) to settle current liabilities of \$3,087,293 (December 31, 2023 - \$1,730,103).

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

(a) Interest rate risk

The Company has cash and cash equivalent balances as at December 31, 2024. The Company considers interest rate risk to be minimal as cash is held on deposit at major financial institutions.

(b) Foreign currency risk

Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates and exposure as a result of investment in its foreign subsidiary. The Company's foreign currency risk arises primarily with respect to the Canadian dollar and Brazilian Reals. Fluctuations in the exchange rates between these currencies and the US dollar could have a material impact on the Company's business, financial condition and results of operations. The Company does not engage in hedging activity to mitigate this risk.

The following summary illustrates the fluctuations in the exchange rates applied during the year ended December 31, 2024:

	<u>Average rate</u>	<u>Closing rate</u>
CAD	0.7302	0.6950
BRL	0.1855	0.1615

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Brazil Potash Corp.

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17. Financial Risk Management Objectives and Policies (continued)

(b) Foreign currency risk

A \$0.01 strengthening or weakening of the US dollar against the Canadian dollar at December 31, 2024 would result in an increase or decrease in operating loss of \$6,650 and an increase or decrease in other comprehensive income of approximately \$nil. A \$0.01 strengthening or weakening of the US dollar against the Brazilian Real would result in an increase or decrease in operating loss of approximately \$nil and an increase or decrease in other comprehensive loss in the consolidated statements of loss and other comprehensive loss of approximately \$3,755,000.

(c) Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern in order to support the ongoing exploration and development of its mineral property in Brazil and to provide sufficient working capital to meet its ongoing obligations.

In the management of capital, the Company includes the components of shareholders' equity, cash and cash equivalents, as well as short-term investments (if any).

The Company manages its capital structure and makes adjustments to it in accordance with the aforementioned objectives, as well as, in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets and adjust the amount of cash and cash equivalents and short-term investments. There is no dividend policy. The Company is not subject to any externally imposed capital requirements, nor is its subsidiary in Brazil. There were no changes to the Company's capital management during the years ended December 31, 2024, 2023 or 2022.

18. Financial Instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statements of financial position, are as follows:

	<u>Financial instrument classification</u>	<u>Carrying amount</u>	<u>Fair value</u>
As at December 31, 2024		\$	\$
Financial assets:			
Cash and cash equivalents	FVPL	18,861,029	18,861,029
Amounts receivable	Amortized cost	—	—
Financial liabilities:			
Trade payables and accrued liabilities	Amortized cost	3,016,988	3,016,988
Lease liability	Amortized cost	605,605	605,605
As at December 31, 2023		\$	\$
Financial assets:			
Cash and cash equivalents	FVPL	2,450,239	2,450,239
Amounts receivable	Amortized cost	43,972	43,972
Financial liabilities:			
Trade payables and accrued liabilities	Amortized cost	1,730,103	1,730,103

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18. Financial Instruments (continued)

The fair value of short-term financial instruments approximates their carrying value due to the relatively short period of time to maturity. These include cash and cash equivalents, amounts receivable, trade payables and accrued liabilities.

19. Related Party Disclosures

(a) Key management personnel compensation

In addition to their contracted fees, directors and executive officers also participate in the Company's Share option program and DSU and RSU plans. Certain executive officers are subject to a mutual termination notice ranging from one to twelve months. Key management personnel compensation comprised:

	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
Directors & officers compensation	\$ 4,413,442	\$4,644,388	\$ 1,589,996
Share-based payments	26,455,495	875,755	16,764,919
	\$30,868,937	\$5,520,143	\$18,354,915

Included in the above amounts, is \$579,996 (December 31, 2023 and 2022 - \$579,996) paid or accrued according to a contract for business and operational consulting services with Forbes & Manhattan, Inc. during the year ended December 31, 2024. The year ended December 31, 2023 includes a discretionary bonus of \$750,000 (December 31, 2023 and 2022 - \$2,000,000 and \$nil, respectively) paid to Forbes & Manhattan, Inc., a company for which Mr. Stan Bharti (Chair of the Advisory Board of the Company) is the Executive Chairman.

During the year ended December 31, 2024, the Company recorded an expense of \$26,455,495 (years ended December 31, 2023 and 2022 - \$875,755 and \$16,764,919, respectively) in share-based compensation related to the amortization of the estimated fair value of DSUs and RSUs granted to directors and officers of the Company in 2015, 2022, 2023 and 2024. As at December 31, 2024, 3,175,000 DSUs were granted to officers and directors of the Company of which 2,551,894 have vested, and 623,106 have not yet vested (See Note 14(b)). As of December 31, 2024, 3,000,000 RSUs were granted to officers and directors of the Company, of which 75,000 have vested and 2,925,000 have not yet vested (See Note 14(c)).

(b) Transactions with other related parties

As at December 31, 2024, trade payables and accrued liabilities included an amount of \$45,706 (December 31, 2023 - \$17,088) owing to directors and officers of the Company for consulting fees and \$26,121 owing to directors and officers for expense reimbursement.

During the year ended December 31, 2024, the Company recorded an expense of \$nil (years ended December 31, 2023 and 2022 - \$47,028 and \$1,818,755, respectively) for travel costs with Tali Flying LP, a company which has a former common director. As at December 31, 2024, trade payables and accrued liabilities included \$nil (December 31, 2023 - \$nil) owing to Tali Flying LP and prepaid expenses included \$113,893 (December 31, 2023 - \$139,785) advanced to Tali Flying LP.

See Note 15 for warrants granted during the year.

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19. Related Party Disclosures (continued)

These transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

20. Commitments and contingencies

The Company is party to certain management contracts. These contracts require payments of approximately \$17,696,000 to directors, officers and consultants of the Company upon the occurrence of a change in control of the Company, as such term is defined by each respective consulting agreement. The Company is also committed to payments upon termination of approximately \$9,138,000 pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these consolidated financial statements.

The Company has been involved in a number of lawsuits challenging the Company's environmental and construction license since 2016. The Company has been successful in defending these matters but the outcome of the recent counterclaims is not determinable yet.

On November 1, 2024, the Company and its Subsidiary entered into an option agreement (the "Option Agreement") with Franco-Nevada Corporation ("Franco Nevada"), pursuant to which, in exchange for the payment by Franco-Nevada to the Company of cash consideration of \$1,000,000, Franco-Nevada acquired an option (the "Option") to purchase a perpetual royalty equal to 4% of the gross revenue from all of the muriate of potash the Company will produce and sell from the Autazes Property (the "Royalty"). The Royalty would also apply to any potash produced and sold from other properties (including after-acquired properties) owned or held by the Subsidiary or any of its affiliates, where such potash is processed using processing facilities related to the Autazes Project. The purchase price for the Royalty (the "Royalty Purchase Price") will be equal to the amount that would result in the forecasted Royalty revenue yielding Franco-Nevada a 12.5% pre-tax internal rate of return, and will be calculated at the earlier of (i) the time at which Franco-Nevada exercises the Option, and (ii) the beginning of the final 60-day period in which Franco-Nevada is permitted to exercise the Option under the terms of the Option Agreement. The calculation of the forecasted Royalty revenue will be based on forecasted annual production volumes of the Autazes Project, as outlined in the definitive feasibility study for the Autazes Project and analyst long-term consensus prices for potash (cost and freight Brazil). Following the exercise by Franco-Nevada of the Option pursuant to the Option Agreement and subject to the conditions precedent described below, the Royalty Purchase Price will be paid by Franco-Nevada, if and when the Company has obtained full financing of project costs to achieve a minimum rate of potash production at the Autazes Project (as set forth in the Option Agreement), in quarterly installments pro rata with other sources of financing. The Royalty Purchase Price will only be used by the Company to fund costs for the construction and operation of the Autazes Project. Franco-Nevada is not obligated to pay any portion of the Royalty Purchase Price until certain conditions precedent are satisfied or waived, including, among others, (a) the Company's Subsidiary and its affiliates, Franco-Nevada, and each third-party lender providing financing for the Autazes Project entering into an intercreditor agreement; (b) receipt of all necessary regulatory and material third-party approvals and consents for the Autazes Project; and (c) the Subsidiary providing Franco-Nevada evidence of the continued availability of financing for the Autazes Project (including completed equity financings representing at least 30% of the total costs to achieve a minimum rate of potash production at the Autazes Project, as set forth in the Option Agreement). Franco Nevada is also a shareholder of the Company.

On November 13, 2024, a supplier of the Company filed a statement of claim in the Ontario Superior Court of Justice in the amount of \$367,080. As at December 31, 2024, the Company has not recorded this amount in these consolidated financial statements as it believes the claim is without merit.

21. Subsequent events

On January 24, 2025, 10,000 options with exercise prices of \$4.00, were exercised for gross proceeds of \$40,000.