AMERICAN POTASH CORP.

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Form 51-102F1

Management's Discussion & Analysis of Financial Condition and Results of Operations for the Year Ended July 31, 2024

Date: November 28, 2024

General

This Management's Discussion & Analysis ("MD&A") of American Potash Corp. (the "Company" or "American Potash") has been prepared by management and should be read in conjunction with the Company's audited consolidated financial statements for the years ended July 31, 2024 and 2023. The audited consolidated financial statements, together with this MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The audited consolidated financial statements were prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts included in this MD&A are expressed in Canadian dollars unless otherwise indicated.

The Company's critical accounting estimates, significant accounting policies and risk factors as disclosed in the Annual MD&A have remained substantially unchanged and are still applicable to the Company unless otherwise indicated.

Additional information relating to the Company, including regulatory filings, can be found on the SEDAR+ website at www.sedarplus.ca.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such statements are not historical facts but instead relate to the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Overview of Business

American Potash Corp. was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 5, 2006. The shares of the Company are traded on the Canadian Securities Exchange (“CSE”) under the symbol “KCL”.

The Company’s principal activities include the acquisition and exploration of potash and lithium/brine properties in Utah.

The consolidated financial statements of the Company for the years ended July 31, 2024 and 2023 include the accounts of the Company and its 100% interest in American Potash LLC (“American Potash”), NTM Minerales S.A. de C.V. (“NTM Minerales”) and Sweetwater Resources LLC (“Sweetwater”). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

Company Highlights Including Events Subsequent to the Company’s July 31, 2024 Year End

Green River Potash and Lithium Project

On December 14, 2022, the Company announced that it received initial approvals from the Utah Division of Oil Gas and Mining on applications for permits to drill exploratory wells on three of its eleven 100% owned Potash and Lithium State mineral leases which form part of the Green River Potash and Lithium Project, located within the Paradox Salt Basin, Utah. The Green River Potash and Lithium Project is made up of the Company’s Paradox Basin Potash Permit Project and Paradox Basin Brine and Potash Project. On October 2, 2023, the Company received final approval from the Utah Division of Oil Gas and Mining for these three exploratory wells.

On October 2, 2024, , the Company received approval from the United States Department of Interior, Bureau of Land Management (“BLM”) for the Company’s Plan of Operations which includes the issuance of eleven prospecting permits and tentative approval for four additional exploratory wells.

Name Change, Share Consolidation and Private Placement

On November 12, 2024, the Company announced that, subject to regulatory approvals, it will change its name to “American Critical Minerals Corp.” and adopt the new ticker symbol “KCLI”. The Company also announced that it will conduct a non-brokered private placement offering up to 12,500,00 units of the Company at a price of $0.08 per unit. Each unit will be comprised of one common share and one-half of one warrant. Each warrant will be exercisable to acquire an additional common share at a price of $0.15 for a period of 2 years. Following the closing of the offering, the Company intends to consolidate its issued and outstanding shares at a ratio of 2.5 pre-consolidation shares to 1 post-consolidation share.

Private Placements

On November 23, 2023, the Company closed a non-brokered private placement resulting in the issuance of 10,800,000 units at a price of $0.05 per Unit for total gross proceeds of $540,000. Each Unit consists of one common share and one transferable common share purchase warrant exercisable at a price of $0.075 until November 23, 2026. The Company paid a finder’s fee of 8% consisting of a cash payment of $37,600 and the issuance of 752,000 Broker’s Warrants having the same terms as the Warrants.

On August 23, 2024, the Company closed the first tranche of a non-brokered private placement. The Company issued 16,160,000 units at a price of $0.05 per Unit for gross proceeds of $808,000. Each Unit consisted of one common share of the Company and one common share purchase warrant exercisable at a price of $0.10 until August

23, 2026. The Company paid a finder's fee of 7% consisting of a cash payment of $50,960 and issuance of 1,019,200 broker's warrants having the same terms as the common share purchase warrants.

On September 16, 2024, the Company closed the second and final tranche of a non-brokered private placement. The Company issued 4,300,000 units at a price of $0.05 per Unit for gross proceeds of $215,000. Each Unit consisted of one common share of the Company and one common share purchase warrant exercisable at a price of $0.10 until September 16, 2026.

Grant of Stock Options and Restricted Share Units

On August 27, 2024, the Company granted an aggregate of 5,600,000 incentive stock options to certain of its directors, officers and consultants. The Options vest over a period of one year and each stock option is exercisable to acquire one common share at $0.05 for a period of 5 years from the date of grant. On September 9, 2024, 450,000 of these options were cancelled.

On October 16, 2024, the Company granted an aggregate of 1,550,000 incentive stock options to certain of its directors, officers and consultants. The options vest over a period of one year and each stock option is exercisable to acquire one common share at $0.085 for a period of 5 years from the date of grant. The Company also granted an aggregate of 1,700,000 restricted share units ("RSUs") to certain of its directors, officers and consultants. The RSUs vest and convert into an equivalent number of common shares after thirty-six months, subject to accelerated vesting in the event the closing price of the common shares of the Company is $0.35 or greater at any time, or upon the occurrence of a change of control event for the Company.

On November 12, 2024, the Company granted an aggregate of 700,000 RSUs to certain of its consultants. The RSUs vest and convert into an equivalent number of common shares after thirty-six months, subject to accelerated vesting in the event the closing price of the common shares of the Company is $0.35 or greater at any time, or upon the occurrence of a change of control event for the Company.

Debt Settlement

On August 27, 2024, the Company issued 1,000,000 common shares at a price of $0.05 per common share to settle outstanding debt in the amount of $50,000.

Management Changes

On January 30, 2024, the Company appointed Dean Besserer, a director of the Company, as interim President and CEO, replacing Jonathan George.

On August 27, 2024, the Company appointed Colin Healey to the Board of Directors.

On September 9, 2024, the Company appointed Simon Clarke as Chief Executive Officer, President & Director of the Company replacing Dean Besserer, who moved to the position of Chief Operating Officer. Messrs. Kent Ausburn and Ken Holmes resigned from the Board of Directors..

On October 17, 2024, the Company appointed Eric Miller and Steve Vanry to the Board of Directors.

Exploration and Evaluation Assets

Green River Potash and Lithium Project

The Company's Green River Potash and Lithium Project is made up of the Paradox Basin Potash Permit Project and the Paradox Basin Brine and Potash Project. The Company holds a 100% interest in eleven Potash and Lithium State of Utah mineral leases, and 1,094 federal lithium brine claims.

Paradox Basin Potash Permit Project

In May 2009, and amended on November 2, 2010, December 6, 2011, January 28, 2014, February 23, 2015 and November 4, 2015, American Potash entered into an option agreement (the "Sweetwater Option") to acquire applications to the United States Bureau of Land Management ("BLM") in respect of certain Utah permits, together with all permits and other rights issued pursuant to the applications, to allow for the exploration of potash prospects in Utah. On July 26, 2019, the Company satisfied all conditions of the Sweetwater Option. A former director of the Company was a party to the Sweetwater Option.

On January 18, 2023, the Company received tentative approval from the Utah Division of Oil Gas and Mining on applications for permits to drill exploratory wells on three of its eleven 100% owned Potash and Lithium State mineral leases. On October 2, 2023, the Company received final approval from the Utah Division of Oil Gas and Mining for these three exploratory wells.

Subsequent to July 31, 2024, the Company received approval from the United States Department of Interior, Bureau of Land Management ("BLM") for the Company's Plan of Operations which includes the issuance of eleven prospecting permits and tentative approval for four additional exploratory wells.

Paradox Basin Potash Permit Project Expenditures

	Year ended July 31, 2024	Year ended July 31, 2023
Exploration and evaluation expenditures:	$	$
Balance, beginning	-	-
Federal permit	355,144	-
General administration	14,278	-
Staking	111,219	-
Foreign exchange translation	7,638	-
Balance, ending	488,279	-

During the year ended July 31, 2024, the Company made payments totaling $13,748 (2023 - $10,569) to renew mineral property licenses and for property fees, which were expensed.

Paradox Basin Brine and Potash Project

On December 17, 2021, the Company's wholly owned subsidiary, American Potash LLC (the "Subsidiary"), entered into an option agreement (the "Option Agreement") with LiK Resources, LLC (the "Optionee") pursuant to which the Optionee was granted the right to earn up to a 100% interest in its Utah state leases for potash and mineral salts minerals along with 128 federal placer claims recently acquired by the Subsidiary (the "Project").

On April 14, 2023, the Company entered into a new option agreement with the Optionee which replaced the previous option agreement on December 17, 2021. Under the terms of the Option Agreement, to earn a 70% interest in the Project, the Optionee had to make a cash payment of USD$150,000 (paid) and advance USD$3 million to the Company by April 28, 2023. The Optionee also had to complete two separate Pre-Feasibility Studies by December 31, 2024 and commission a valuation of the Project by an independent, mutually agreed upon third-party, to be delivered 90 days from the completion date of the Pre-Feasibility Studies. In the event the Optionee was a publicly traded company with a market capitalization of over USD$100 million at the time of delivering the pre-feasibility study, the Optionee had to issue USD$1 million worth of its common shares to the Subsidiary within 45 days of completing the pre-feasibility and the valuation of the Project.

On May 8, 2023, the Company terminated the Option Agreement with the Optionee as the Optionee did not meet its obligations to advance USD$3 million to the Company by the April 28, 2023.

The USD$150,000 option payment received during the year ended July 31, 2023 net of finders' fees of USD$9,000 has been included as a credit to the exploration and evaluation asset. The net option payment received exceeded lease and placer claims by $107,967, which has been reported as other income in the consolidated statement of comprehensive loss.

Paradox Basin Brine and Potash Project Expenditures

	Year ended July 31, 2024	**Year ended July 31, 2023**
Exploration and evaluation expenditures:	$	$
Balance, beginning	-	-
Federal permit	116,375	81,240
Option Agreement payment applied to claim fees	-	(81,240)
Foreign exchange translation	1,849	-
Balance, ending	118,224	-

La Escondida Silver-Gold Project

On December 21, 2020, the Company entered into a formal agreement (the "Definitive Agreement") to acquire a 100% interest in the La Escondida Silver-Gold project, Sonora, Mexico (the "La Escondida Project"). A private syndicate comprised of three individuals (the "Syndicate") currently has the right to acquire the La Escondida Project pursuant to the terms of an underlying agreement (the "Underlying Agreement") with the owners of the two concessions which comprise the La Escondida Project. Pursuant to the Definitive Agreement, the private syndicate would have assigned its rights to the underlying agreement to the Company's wholly owned Mexican subsidiary, NTM Minerales SA de CV, in exchange for the issuance of 3,000,000 common shares to the Syndicate (being 1,000,000 common shares each). 1,500,000 common shares were issued following approval of the Canadian Securities Exchange in February 2021 and the remaining 1,500,000 common shares were issued on February 11, 2022. Two members of the syndicate would have retained a 2% Net Smelter Return (NSR) royalty, half of which may be purchased by the Company for USD$1,000,000. The Underlying Agreement required staged option payments totaling USD$450,000 over a three-year period and assumption of all annual tax obligations.

On March 16, 2023, the Company elected to terminate the option agreement on the La Escondida Project. Therefore, during the year ended July 31, 2023, the Company wrote off the La Escondida Project from $1,018,618 to $nil.

La Escondida Silver-Gold Project Expenditures

	Year ended July 31, 2024	Year ended July 31, 2023
Mineral acquisition costs:	$	$
Balance, beginning	-	383,137
Acquisition of claims	-	13,393
Impairment	-	(396,530)
Balance, ending	-	-
Exploration and evaluation expenditures:		
Balance, beginning	-	576,458
General administration	-	5,110
Value-added tax receivable	-	1,224
Foreign exchange translation	-	39,296
Impairment	-	(622,088)
Balance, ending	-	-
Total	-	-

La Tortuga Silver Project

On January 25, 2021, the Company entered into a non-binding letter of intent ("LOI") to acquire a 100% interest in the La Tortuga mineral concession. The Company was required to issue 2,250,000 common shares to the assignors of the Assignment Agreement. The assignors would have retained a 2% Net Smelter Return Royalty, half of which may have been purchased by the Company for USD$1,000,000. On July 9, 2021, the Company entered into an Assignment Agreement for the right to acquire 100% interest in the mining concession.

The purchase price of the La Tortuga mineral concession was USD$215,000 as outlined in the Assignment Agreement.

On March 16, 2023, the Company elected to terminate the Assignment Agreement for the La Tortuga mineral concession as the Company could not confirm validity of the title.

Overall Performance

The following discussion of the Company's financial performance is based on the consolidated financial statements for the year ended July 31, 2024.

The consolidated statement of financial position as at July 31, 2024 indicates a cash position of $3,348 (2023 - $234,997). The Company has prepaid expenses of $27,672 (2023 - $262,200), interest receivable of $228 (2023 - $182), and GST receivable of $3,188 (2023 - $9,215). Non-current assets consist of deposits of $462,287 (2023 - $427,885) and exploration and evaluation assets of $606,503 (2023 - $nil).

Current liabilities at July 31, 2024 total $298,741 (2023 - $89,364), comprising accounts payable of $222,991 (2023 - $57,364) and accrued liabilities of $75,750 (2023 - $32,000).

Shareholders' equity at July 31, 2024 is comprised of share capital of $12,056,854 (2023 - $11,638,258), share-based payment reserve of $1,710,773 (2023 - $1,710,773), warrant reserve of $1,096,156 (2023 - $965,452), foreign translation reserve of $362,064 (2023 - $352,982) and an accumulated deficit of $14,421,362 (2023 - $13,822,350) for total shareholders' equity of $804,485 (2023 – $845,115).

The Company had a working capital deficit of $264,305 (2023 – working capital of $417,230).

As at July 31, 2024, the Company has no significant earnings and currently finances exploration activities by the issuance of its common shares. The key determinants of the Company's operating results are the following:

(a) the state of capital markets, which affects the ability of the Company to finance its exploration activities; and
(b) the write-down and abandonment of exploration and evaluation assets should permits for exploration not be granted or should exploration results not support the underlying value of such assets.

Summary of Annual Information

	Year-ended July 31, 2024	Year-ended July 31, 2023	Year-ended July 31, 2022
Net Sales or Total Revenues	$NIL	$NIL	$NIL
Net Loss	$(599,012)	$(1,406,042)	$(360,485)
Net Comprehensive Loss	$(589,930)	$(1,367,605)	$(352,630)
Net Loss per share, basic and diluted	$(0.01)	$(0.02)	$(0.01)
Total Assets	$1,103,226	$934,479	$1,111,402
Weighted Average Number of Shares Outstanding-basic	98,646,602	71,555,194	66,699,381
Weighted Average Number of Shares Outstanding-diluted	98,646,602	71,555,194	66,699,381
Shareholders' Equity	$804,485	$845,115	$1,043,523

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last eight most recently completed fiscal quarters of the Company:

	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales/ Revenue	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net Loss	$(118,096)	$(207,241)	$(179,387)	$(94,288)	$(217,389)	$(28,972)	$(1,110,686)	$(48,995)
Basic Loss per share	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.02)	$(0.00)

Note: Fully-diluted per share amounts are omitted as they would be anti-dilutive.

Results of Operations

Three months ended July 31, 2024

During the three months ended July 31, 2024, the Company reported a net loss of $118,096 or $0.00 per share compared to a loss of $217,389 or $0.00 per share for the three months ended July 31, 2023. The most significant expenses with variances to prior periods were as follows:

- Investor relations, website and marketing of $53,313 (2023 - $10,855) relates to investor relation activities and marketing campaigns conducted by the Company to generate interest for the Company's projects.
- Professional fees of $15,742 (2023 - $57,079) for the three months ended July 31, 2024. The decrease was due to increased legal fees incurred during the comparative fiscal quarter.
- Share based payments were $nil (2023 - $44,543) for the three months ended July 31, 2024. The decrease was due to the 500,000 options vested during the comparative fiscal quarter.

Year ended July 31, 2024

During the year ended July 31, 2024, the Company reported a net loss of $599,012 or $0.01 per share compared to a loss of $1,406,042 or $0.02 per share for the year ended July 31, 2023. The most significant expenses and expenses with variances to prior periods were as follows:

- Investor relations, website and marketing of $331,505 (2023 - $18,670) relates to investor relation activities and marketing campaigns conducted by the Company to generate interest for the Company's projects and its financing completed during the year ended July 31, 2024.
- Management fees of $156,250 (2023 – $77,500) relates to the former President and CEO's termination fee and services provided by the interim President and CEO.
- Share based payments were $nil (2023 - $179,597) for the year ended July 31, 2024. The decrease was due to the vesting of 2,350,000 options during the previous fiscal year.
- Impairment of exploration and evaluation assets were $nil (2023 - $1,018,618) for the year ended July 31, 2024. The decrease was due to the termination of the option agreement on the La Escondida Project during the previous fiscal year.

Liquidity & Capital Resources

At July 31, 2024, the Company has a cash balance was $3,348 and a working capital deficit of $264,305, compared with a cash balance of $234,997 and a working capital of $417,230 at July 31, 2023.

The following capital transactions occurred in the year ended July 31, 2023:

On June 28, 2023, the Company issued 20,000,000 units (the "Units") at a price of $0.05 per Unit for total gross proceeds of $1,000,000 in a non-brokered private placement. Each Unit consists of one common share (a "Common Share") and one-half of one non-transferable Common Share purchase warrant. Each whole warrant (a "Warrant") is exercisable for one additional Common Share at an exercise price of $0.10 until June 28, 2026. The Company paid a finder's fee of 6% consisting of a cash payment of $52,800 and the issuance of 1,056,000 non-transferable broker warrants (each a "Broker's Warrant") in the amounts of 936,000 and 120,000, respectively. Each Broker's Warrant has the same terms as the Warrants.

On July 17, 2023, the Company issued 848,000 shares with a fair value of $42,400 to settle a promissory note and accrued interest.

The following capital transactions occurred in the year ended July 31, 2024:

On November 23, 2023, the Company closed a non-brokered private placement resulting in the issuance of 10,800,000 Units at a price of $0.05 per Unit for total gross proceeds of $540,000. Each Unit consists of one Common Share and one transferable Warrant exercisable at a price of $0.075 until November 23, 2026. Within the Unit, a value of $432,000 was attributed to the Common Shares and $108,000 to the Warrants using the residual value method. The Company paid a finder's fee of 8% consisting of a cash payment of $37,600 and the issuance of 752,000 Broker's Warrants with a fair value of $22,704 and having the same terms as the Warrants. The Company incurred $13,100 in transaction costs in connection with the private placement.

During the year ended July 31, 2024, the Company issued 800,000 common shares related to the exercise of 800,000 warrants at an exercise price of $0.075 per share. The weighted average share price on the date of exercise was $0.045 per share.

	Increase (Decrease) in Cash & Cash Equivalents for the year ended	
	July 31, 2024	July 31, 2023
Operating Activities	$ (194,952)	$ (395,221)
Investing Activities	(585,592)	(447,612)
Financing Activities	549,300	987,200
Effect of exchange rate changes	(405)	(859)
Total Change in Cash	(231,649)	143,508
Cash, Beginning of the year	234,997	91,489
Cash, End of the year	$ 3,348	$ 234,997

Operating Activities

Cash used in operating activities primarily consists of general and administrative expenditures. The $194,952 (2023 - $395,221) in cash used for operating activities for the year ended July 31, 2024 is attributable to the net loss during the year of $599,012 plus changes in non-cash working capital items.

Investing Activities

The cash used in investing activities for the year ended July 31, 2024 of $585,592 (2023 - $447,612) is due to the reclamation deposit and exploration and evaluation expenses during the year.

Financing Activities

The cash provided in financing activities for the year ended July 31, 2024 of $549,300 (2023 - $987,200) relates to the private placement and warrant exercises that occurred during the year.

The Company currently has no significant revenues from operations and has been dependent on equity financing to fund its operations.

Management has been successful in accessing the equity markets in the current and prior periods, but there is no assurance that such sources will be available, on acceptable terms, or at all in the future. Factors which could impact management’s ability to access the equity markets include the state of capital markets, market prices and market interest.

The Company will be required to raise additional cash for continued operations and exploration activities.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Related Party Transactions

The Company incurred the following transactions with Key Management and companies that are controlled by them:

	Year ended July 31,	
	2024	2023
	$	$
Management fees	156,250	77,500
Exploration and evaluation expenditures	7,203	160,229
	163,453	237,729

Accounts payable and accrued liabilities as at July 31, 2024 include $45,262 (July 31, 2023 - $nil) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Management fees were paid directly to the former President and CEO and to a company owned by the former President and CEO for management services.

Exploration and evaluation expenditures were paid to a company owned by a director of the Company.

Key management includes directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

Commitments

On June 7, 2018, the Company entered into an agreement with the former President and CEO, Jon George, to provide management/consulting services to the Company at a rate of $5,000 per month for a period of six months, automatically renewing at the end of each period. On December 14, 2022, the Company entered a new agreement, at a rate of $7,500 per month for a period of twelve months, automatically renewing at the end of each period. The agreement had a termination and change of control clause whereby he was entitled to the equivalent of 12 months his monthly management fee within 30 days. On January 26, 2024, the Company entered into a Termination of Management Services Agreement with the former President and CEO which contains termination fees payable upon resignation of $60,000. Subsequent to July 31, 2024, the Company paid the termination fees payable upon resignation of the former President and CEO.

Financial Instruments and Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The risk is assessed as low.

b) Foreign Exchange Rate Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company operates in Canada, US, and Mexico and a portion of the Company’s expenses are incurred in Canadian dollars (“CAD”), US dollars (“USD”), and Mexican Pesos (“MXN”). A significant change in the currency exchange rates between the Canadian, US and Mexican currencies, could have an effect on the Company’s results of operations, financial position or cash flows. The Company has not entered into financial instruments to hedge against this risk.

The following is an analysis of Canadian Dollar equivalent of financial assets and liabilities that are denominated in USD and MXN:

	July 31, 2024	July 31, 2023
	$	$
Cash	2,411	4,181
Prepaid expenses	27,672	162,659
Accounts payable and accrued liabilities	(55,972)	(13,177)
	(25,889)	153,663

Based on the above net exposures, as at July 31, 2024, a 10% change against the Canadian Dollar would impact the Company's net income by $2,589 (July 31, 2023 - $15,366).

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities have contractual maturities of less than six months. Liquidity risk is assessed as high.

d) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

e) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest bearing assets in relation to cash at banks carried at floating interest rates with reference to the market. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered immaterial.

f) Fair Values

Financial instruments recognized at fair value on the consolidated statement of financial position must be classified in one of the following three fair value hierarchy levels:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash and deposits are measured using level 1 inputs.

g) Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has not generated any significant revenues since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements.

The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period.

Summary of Outstanding Share Data

The Company's issued and outstanding share capital as at the date of this MD&A is as follows:

(1) Authorized: Unlimited common shares without par value.
(2) As at November 28, 2024, the Company has 123,622,449 common shares issued and outstanding, 2,400,000 RSUs outstanding, 9,250,000 stock options outstanding and 44,087,200 warrants outstanding.

Risks and Uncertainties

Overview

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to support commercial production stage are also very substantial.

The following sets out the principal risks faced by the Company.

Exploration Risk. The Company is seeking mineral deposits, on exploration projects where there are not yet established ore reserves. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market Risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity Price Risks. The Company's exploration projects seek mineral resources in Utah. While there have been price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target resources. An adverse change in the resource prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Financing Risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Corporation and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that price fluctuations and volatility will not continue to occur.

Key Personnel Risks. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel, including the board of directors. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties, nor has the Company yet determined that commercial development is warranted on any of its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable Risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

Grant of Permits. There is a risk that, for various potential political, environmental, or other reasons, the BLM will not grant the outstanding exploration permits to American Potash. In that event, the outstanding federal BLM applications will hold no value.

Disclosure of Controls and Procedures

The Company's President and Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the years ended July 31, 2024 and 2023 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109 the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR+ at www.sedarplus.ca.

Other MD&A Requirements

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR+ website – www.sedarplus.ca.