

**BENZ CAPITAL CORP.**  
**(the “Issuer”)**

**FORM 3B2 – INFORMATION REQUIRED IN A FILING STATEMENT FOR A QUALIFYING  
TRANSACTION  
(the “Filing Statement”)**

**Dated as at May 31, 2023**

*Neither the TSX Venture Exchange Inc. (the “Exchange”) nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this filing statement.*

## TABLE OF CONTENTS

	Page
<b>SUMMARY OF FILING STATEMENT .....</b>	<b>10</b>
CONDITIONAL LISTING APPROVAL .....	15
<b>INFORMATION CONCERNING THE ISSUER.....</b>	<b>15</b>
<b>CORPORATE STRUCTURE .....</b>	<b>15</b>
NAME AND INCORPORATION .....	15
INTERCORPORATE RELATIONSHIPS.....	15
<b>GENERAL DEVELOPMENT OF THE BUSINESS .....</b>	<b>16</b>
HISTORY OF THE ISSUER.....	16
DESCRIPTION OF THE QUALIFYING TRANSACTION.....	16
FINANCING .....	17
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS.....</b>	<b>17</b>
<b>DESCRIPTION OF THE SECURITIES .....</b>	<b>18</b>
SECURITIES .....	18
STOCK OPTION PLAN.....	18
<b>PRIOR SALES.....</b>	<b>18</b>
TRADING PRICE AND VOLUME .....	19
<b>ARM'S LENGTH TRANSACTIONS .....</b>	<b>20</b>
<b>LEGAL PROCEEDINGS.....</b>	<b>20</b>
<b>AUDITOR .....</b>	<b>20</b>
<b>TRANSFER AGENT AND REGISTRAR .....</b>	<b>20</b>
<b>MATERIAL CONTRACTS .....</b>	<b>20</b>
THE PROPERTY.....	20
PROPERTY DESCRIPTION, LOCATION AND ACCESS.....	21
HISTORY .....	21
GEOLOGICAL SETTING, MINERALIZATION AND DEPOSIT TYPES .....	22
SAMPLING, ANALYSES AND DATA VERIFICATION .....	23
MINERAL PROCESSING AND METALLURGICAL TESTING .....	23
MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES.....	23
EXPLORATION, DEVELOPMENT AND PRODUCTION .....	23
<b>CORPORATE STRUCTURE .....</b>	<b>25</b>
INTERCORPORATE RELATIONSHIPS.....	25
<b>DESCRIPTION OF THE BUSINESS .....</b>	<b>25</b>
BUSINESS OBJECTIVES AND MILESTONES .....	25
EXPLORATION AND DEVELOPMENT FOR RESULTING ISSUERS WITH MINERAL PROJECTS .....	25
<b>DESCRIPTION OF THE SECURITIES .....</b>	<b>25</b>

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
<b>PRO FORMA CONSOLIDATED CAPITALIZATION .....</b>	<b>26</b>
FULLY DILUTED SHARE CAPITAL .....	26
<b>AVAILABLE FUNDS AND PRINCIPAL PURPOSES .....</b>	<b>27</b>
DIVIDENDS .....	27
<b>PRINCIPAL SECURITYHOLDERS .....</b>	<b>28</b>
<b>DIRECTORS, OFFICERS AND PROMOTERS .....</b>	<b>28</b>
NAME, OCCUPATION AND SECURITY HOLDINGS .....	28
MANAGEMENT .....	30
PROMOTERS .....	31
CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS .....	32
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS .....	32
CONFLICTS OF INTEREST .....	33
OTHER REPORTING ISSUER EXPERIENCE .....	33
AUDIT COMMITTEE .....	34
CORPORATE GOVERNANCE .....	35
<b>EXECUTIVE COMPENSATION .....</b>	<b>36</b>
COMPENSATION DISCUSSION AND ANALYSIS .....	36
DIRECTORS COMPENSATION .....	37
SUMMARY COMPENSATION TABLE .....	38
<b>INDEBTEDNESS OF DIRECTORS AND OFFICERS .....</b>	<b>38</b>
<b>INVESTOR RELATIONS ARRANGEMENTS .....</b>	<b>39</b>
<b>SECURITY BASED COMPENSATION .....</b>	<b>39</b>
SECURITY BASED COMPENSATION PLANS .....	39
OPTIONS TO PURCHASE SECURITIES .....	39
<b>ESCROWED SECURITIES .....</b>	<b>39</b>
<b>AUDITOR, TRANSFER AGENT AND REGISTRAR .....</b>	<b>41</b>
AUDITOR .....	41
TRANSFER AGENT AND REGISTRAR .....	41
<b>RISK FACTORS .....</b>	<b>41</b>
RISKS RELATING TO THE QUALIFYING TRANSACTION .....	41
RISKS RELATING TO THE BUSINESS TO BE CARRIED ON BY THE RESULTING ISSUER .....	42
RISKS RELATING TO THE RESULTING ISSUER'S SECURITIES .....	50
<b>SPONSORSHIP AND AGENT RELATIONSHIP .....</b>	<b>50</b>
<b>EXPERTS .....</b>	<b>50</b>

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
NAMES OF EXPERTS.....	50
INTEREST OF EXPERTS.....	51
<b>OTHER MATERIAL FACTS.....</b>	<b>51</b>
<b>BOARD APPROVAL.....</b>	<b>51</b>
<b>SCHEDULE A – AUDIT COMMITTEE CHARTER</b>	<b>A-1</b>
<b>SCHEDULE B – CARVE-OUT FINANCIAL STATEMENTS</b>	<b>B-1</b>

## GLOSSARY

The following is a glossary of terms used frequently throughout this Listing Statement. Certain additional terms are defined within the body of this Listing Statement and in such cases, will have the meanings ascribed thereto.

---

<b>Agent</b>	means Research Capital Corp., the sole agent and sole bookrunner for the IPO;
--------------	---

---

<b>Agent's Options</b>	means the options granted by the Issuer to the Agent to acquire up to an aggregate of 344,400 Common Shares at an exercise price of \$0.10 per Common Share for a period of two (2) years following the Closing;
------------------------	--

---

<b>Associate</b>	<p>when used to indicate a relationship with a person or company, means:</p> <ul style="list-style-type: none"><li>(a) an issuer of which the person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,</li><li>(b) any partner of the person,</li><li>(c) any trust or estate in which the person has a substantial beneficial interest or in respect of which a person serves as trustee or in a similar capacity; and</li><li>(d) in the case of a person who is an individual<ul style="list-style-type: none"><li>(i) that person's spouse or child, or</li><li>(ii) any relative of the person or of his spouse who has the same residence as that person;</li></ul></li></ul> <p>but</p> <ul style="list-style-type: none"><li>(e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company;</li></ul>
------------------	--

---

<b>Affiliate</b>	<p>means a company that is affiliated with another company as described below. A company is an "Affiliate" of another company if:</p> <ul style="list-style-type: none"><li>(a) one of them is the subsidiary of the other, or</li><li>(b) each of them is controlled by the same person.</li></ul> <p>A company is "controlled" by a person if:</p> <ul style="list-style-type: none"><li>(a) voting shares of the company are held, other than by way of security only, by or for the benefit of that person, and</li></ul>
------------------	---

---

- 
- (b) the voting shares, if voted, entitle the person to elect a majority of the directors of the company.

A person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that person, or
- (b) an Affiliate of that person or an Affiliate of any company controlled by that person;

---

<b>Authors</b>	means, collectively, William Stone, Ph.D., P.Geo., Brian Ray, P.Geo., and Eugene Puritch, P.Eng., FEC, CET, who are each a “qualified person” and “independent” of the Issuer and the Vendor within the meaning of NI 43-101;
<b>BCBCA</b>	means the <i>Business Corporations Act</i> (British Columbia), as amended, including all regulations promulgated thereunder;
<b>Board or Board of Directors</b>	means the board of directors of the Issuer or the Resulting Issuer, as applicable;
<b>Closing</b>	means the closing of the Qualifying Transaction, which will take place on the Closing Date;
<b>Closing Date</b>	means the date on which the Exchange issues its Final Exchange Bulletin;
<b>Common Shares</b>	means the common shares in the capital of the Issuer;
<b>Concurrent Financing</b>	means the private placement of a maximum of 4,166,667 Units for gross proceeds of up to \$500,000;
<b>Control Person</b>	means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;
<b>COVID-19</b>	means the novel strain of coronavirus as more particularly described under “ <i>Information Concerning the Resulting Issuer - Risks Relating to the Business to be Carried on by the Resulting Issuer – COVID-19</i> ”;
<b>CPC</b>	means a corporation or trust: <ul style="list-style-type: none"><li>(a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and</li><li>(b) in regard to which the Final Exchange Bulletin has not yet been issued;</li></ul>
<b>CPC Escrowed Shares</b>	means the Common Shares held in escrow pursuant to the terms of the CPC Escrow Agreement;

---

<b>CPC Escrow Agreement</b>	means the escrow agreement dated June 28, 2021, among the Issuer, the Trustee and certain securityholders of the Issuer, pursuant to which an aggregate of 3,810,000 CPC Escrowed Shares and 140,000 CPC Stock Options are subject to escrow in accordance with the CPC Policy;
<b>CPC Policy</b>	means Exchange Policy 2.4 - <i>Capital Pool Companies</i> ;
<b>CPC Stock Options</b>	means the incentive stock options to acquire up to 140,000 Common Shares at an exercise price of \$0.10 per Common Share until October 4, 2024, which were granted to a technical consultant of the Issuer;
<b>Effective Date</b>	means the date on which the TSXV approves the Purchase Agreement;
<b>Exchange Policy</b>	means the policies of the Exchange under the Exchange Corporate Financial Manual;
<b>Filing Statement</b>	means this filing statement of the Issuer including the schedules attached hereto;
<b>Final Exchange Bulletin</b>	means the Exchange bulletin which is issued following Closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction;
<b>Initial Listing Requirements</b>	has the meaning ascribed to such term in Exchange Policy 2.1 entitled " <i>Initial Listing Requirements</i> ";
<b>Initial Payment Warrants</b>	means the 4,300,000 warrants to purchase Common Shares to be issued by the Issuer to the Vendor pursuant to the Purchase Agreement exercisable at an exercise price of \$0.125 per Common Share for a period of five (5) years from the date of issuance;
<b>Insider</b>	as used in relation to an Issuer, means: <ul style="list-style-type: none"> <li>(a) a director or senior officer of the Issuer;</li> <li>(b) a director or senior officer of a company that is an Insider or subsidiary of the Issuer;</li> <li>(c) a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Issuer; or</li> <li>(d) the Issuer itself if it holds any of its own securities;</li> </ul>
<b>IPO</b>	means the initial public offering of the Issuer of 3,444,000 Common Shares at a price of \$0.10 per Common Share for gross proceeds of \$344,000 completed on October 4, 2021;
<b>Issuer</b>	means Benz Capital Corp.;
<b>MD&amp;A</b>	means the management's discussion and analysis of the Issuer for the financial year ended March 31, 2022, and for the three months ended December 31, 2022;

<b>Member</b>	has the meaning given in Exchange Rule A.1.00;
<b>NEO</b>	means each of the following individuals: <ul style="list-style-type: none"> <li>(a) a chief executive officer (CEO);</li> <li>(b) a chief financial officer (CFO);</li> <li>(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, for that financial year; and</li> <li>(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;</li> </ul>
<b>NI 43-101</b>	means National Instrument 43-101 adopted by the Canadian Securities Administrators and entitled " <i>Standards of Disclosure for Mineral Projects</i> ";
<b>NI 52-110</b>	means National Instrument 52-110 adopted by the Canadian Securities Administrators and entitled " <i>Audit Committees</i> ";
<b>Non-Arm's Length Qualifying Transaction</b>	means a proposed qualifying transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction;
<b>Option Plan</b>	means the stock option plan of the Issuer dated March 8, 2021;
<b>P&amp;E</b>	means P&E Mining Consultants Inc.;
<b>Promoter</b>	has the meaning prescribed by applicable Securities Laws;
<b>Property</b>	means the certain mineral claims known as the Tolisnica and Stanca Property, located near city of Kraljevo, Republic of Serbia, as more particularly described under " <i>Information Concerning the Property</i> ";
<b>Purchase Agreement</b>	means the purchase agreement dated January 10, 2023 between the Issuer and Vendor, as may be amended from time to time, pursuant to which the Issuer has the Right to Purchase in consideration for, amongst other things, making certain cash payments and the issuance of the Initial Payment Warrants;
<b>Qualifying Transaction</b>	means the grant of the Right to Purchase by the Vendor to the Issuer pursuant to the Purchase Agreement, which is intended to constitute the Issuer's qualifying transaction in accordance with the CPC Policy, as more particularly described in this Filing Statement;
<b>qualifying transaction</b>	means generally a transaction where a CPC acquires Significant Assets other than cash, by way or purchase, amalgamation, merger or arrangement with another company or by other means;

<b>Resulting Issuer</b>	means the Issuer upon completion of the Qualifying Transaction;
<b>Resulting Issuer Common Shares</b>	means the common shares in the capital of the Resulting Issuer;
<b>Resulting Issuer Options</b>	means the CPC Stock Options, the Agent's Options and such additional incentive stock options of the Resulting Issuer as may be granted under the Option Plan to the directors, officers, employees and consultants of the Resulting Issuer;
<b>Resulting Issuer Warrants</b>	means the warrants to purchase Resulting Issuer Common Shares upon the terms and conditions applicable thereto;
<b>Right to Purchase</b>	means the right of the Issuer to acquire a 100% interest of the Vendor's recorded and/or leasehold interest in the Property, pursuant to the terms and conditions of the Purchase Agreement, which will constitute the Issuer's Qualifying Transaction;
<b>Securities Laws</b>	means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Issuer;
<b>Significant Assets</b>	means one or more assets or businesses which, when purchased, optioned or otherwise acquired by a CPC, together with any other concurrent transactions, would result in a CPC meeting the Initial Listing Requirements;
<b>Sponsor</b>	has the meaning given to it in the Sponsorship Policy;
<b>Sponsorship Policy</b>	means Exchange Policy 2.2 - <i>Sponsorship and Sponsorship Requirements</i> ;
<b>Technical Report</b>	means the technical report on the Property prepared pursuant to the provisions of NI 43-101 by the Authors dated December 20, 2022 (effective January 18, 2023), entitled "Technical Report on the Tolisnica and Stanca Property, Kraljevo, Serbia, UTM WGS84 Zone 34N 456,480 E, 4,834,530 N or Longitude 20°27'37" E and Latitude 43°39'45" N";
<b>Tolisnica and Stanca Property</b>	means the exploration license which covers 18.9km <sup>2</sup> in south-central Serbia, as more particularly described under " <i>Information Concerning the Property</i> ";
<b>Trustee</b>	means Computershare Investor Services Inc.;
<b>TSXV or the Exchange</b>	means the TSX Venture Exchange Inc.;
<b>Unit</b>	means the units of the Issuer, each comprised of one Common Share and one-half of one Warrant, to be issued pursuant to the Concurrent Financing at a price of \$0.12 per Unit;
<b>Vendor</b>	means Copper Co d.o.o., the vendor under the Purchase Agreement;
<b>Warrant</b>	means each whole Common Share purchase warrant issued by the Issuer pursuant to the Concurrent Financing, with each such warrant exercisable for one Common Share at an exercise price of \$0.15 per Common Share for two (2) years following the date of issuance;

## FORWARD-LOOKING STATEMENTS

This Filing Statement contains forward-looking statements concerning the future results, future performance, intentions, objectives, plans and expectations of the Issuer and the Resulting Issuer. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates”, or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Forward-looking statements include known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: the intention to complete the Qualifying Transaction; the intention to complete the Concurrent Financing; obtaining TSXV approval for listing of the Resulting Issuer Common Shares to be issued; the description of the Resulting Issuer that assumes completion of the Qualifying Transaction; the intention to grow the business and operations of the Resulting Issuer; the proposed expenditures for exploration on the Property; the completion and timing of the proposed exploration program on the Property; the Resulting Issuer’s anticipated cash needs and its need for additional financing; and the anticipated trends and challenges in the markets in which the Resulting Issuer will operate. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Filing Statement. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Resulting Issuer to obtain necessary financing; the satisfaction of the conditions under the Purchase Agreement; the satisfaction of the requirements of the TSXV with respect to the Qualifying Transaction; the ability to make future acquisitions; the availability and cost of labour and services; the costs of exploration activities will not deviate significantly from recent trends; the Resulting Issuer will be able to retain key personnel; that exploration timetables and capital costs for the Resulting Issuer’s exploration plans are not incorrectly estimated or affected by unforeseen circumstances or adverse weather or climate conditions; general business and economic conditions will be consistent with recent trends; the availability and final receipt of required approvals, licenses and permits; sufficient working capital; the Resulting Issuer’s anticipated financial performance following completion of the Qualifying Transaction; the success of the Resulting Issuer’s operations; that the Resulting Issuer maintains its ongoing relations with its business partners and governmental authorities; the future operations of the Resulting Issuer on its properties; and the effects of COVID-19 on the global economy and the ability of the Resulting Issuer to secure adequate staff and equipment for the operations of the Resulting Issuer as well as a safe environment that follows recommended COVID-19 safety protocols; stock market volatility and market valuations; the economy generally; competition; and anticipated and unanticipated costs. Forward-looking statements are not guarantees of future performance. These forward-looking statements should not be relied upon as representing the views of the Issuer as of any date subsequent to the date of this Filing Statement. Although the Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Issuer or the Resulting Issuer. Additional factors are noted under the heading “*Information Concerning the Resulting Issuer – Risk Factors*”.

Furthermore, the pro forma information set forth in this Filing Statement should not be interpreted as indicative of financial position had the Issuer operated as a post-closing entity as at or for the periods presented, and such information does not purport to project the Resulting Issuer’s financial position at any future time. As such, undue reliance should not be placed on such pro forma information.

The forward-looking statements contained in this Filing Statement are expressly qualified in their entirety by this cautionary statement and by the risk factors described in this Filing Statement under the heading “*Information Concerning the Resulting Issuer – Risk Factors*”. The forward-looking statements included in this Filing Statement are made as of the date of this Filing Statement and the Issuer does not undertake any obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise, except as required by applicable Securities Laws.

## SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information relating to the Property contained in this Filing Statement is derived from, and in some instances extracted from, and based on the assumptions, qualifications and procedures set out in, the Technical Report. The Authors reviewed and approved the scientific and technical information relating to the Property contained in this Filing Statement and each is a “qualified person” and “independent” of the Issuer and the Vendor within the meaning ascribed to those terms under NI 43-101. Reference should be made to the full text of the Technical Report, a copy of which has been filed and is available for review under Issuer’s profile on SEDAR at www.sedar.com.

### SUMMARY OF FILING STATEMENT

*The following is a summary of information relating to the Issuer, the Right to Purchase and Resulting Issuer (assuming completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this filing statement. Capitalized terms used in this summary will have the meanings provided in the Glossary or elsewhere in this Filing Statement.*

This Filing Statement has been prepared and filed in accordance with the CPC Policy in connection with the Issuer’s Qualifying Transaction.

#### **The Issuer**

The Issuer was incorporated on February 8, 2021 pursuant to the provisions of the BCBCA under the name “Benz Capital Corp.”. The head office and the registered office of the Issuer are located at 3847 Vance Road, Cultus Lake, British Columbia, V2R 5A6. The Issuer is authorized to issue an unlimited number of Common Shares without nominal or par value. As at the date hereof, there are 9,144,000 Common Shares issued and outstanding as fully paid and non-assessable. See “*Information Concerning the Issuer – Corporate Structure*” and “*Information Concerning the Issuer – Description of the Securities – Securities*”.

On October 4, 2021, the Issuer completed an initial public offering of 3,444,000 Common Shares at a price of \$0.10 per Common Share for gross proceeds of \$344,000. The Issuer listed on the TSXV under the trading symbol “BCC.P”. The Issuer is a capital pool company pursuant to the policies of the TSXV and to date has not carried on any operations. The principal business of the Issuer has been to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. The Issuer is a reporting issuer in British Columbia, Alberta and Ontario. See “*Information Concerning the Issuer – General Development of the Business – History of the Issuer*”.

#### **The Right to Purchase**

The Issuer entered into the Purchase Agreement with the Vendor pursuant to which the Vendor has granted the sole and exclusive right to the Issuer to acquire 100% of the interest of the Vendor in certain mineral claims known as the Tolisnica and Stanca Property, located near city of Kraljevo, Republic of Serbia, as more particularly described under “*Information Concerning the Issuer – General Development of the Business – Description of the Qualifying Transaction – The Property*” and “*Information Concerning the Property*”. The Purchase agreement will constitute the Issuer’s “Qualifying Transaction” in accordance with TSXV policies.

The Resulting Issuer expects to be listed as a Tier 2 Mining Issuer on the TSXV and will carry on the business of exploration of the Property.

See “*Information Concerning the Issuer – General Development of the Business – Description of the Qualifying Transaction*” and “*Information Concerning the Resulting Issuer*”.

**Summary of the Terms of the Qualifying Transaction**

Pursuant to the terms of the Purchase Agreement and in consideration of the grant of the Right to Purchase, the Issuer will pay a total of \$125,000 to the Vendor in cash payments per the schedule listed below and make a one-time issuance of 4,300,000 warrants to purchase Common Shares to the Vendor exercisable at an exercise price of \$0.125 per Common Share for a period of five (5) years from the date of issuance within 5 business days of the Effective Date.

The cash payments will be made as follows:

- (a) \$25,000 within 5 days of the Effective Date; and
- (b) an additional \$100,000 on the 18-month anniversary of the Effective Date.

Following the exercise of the Right to Purchase, the Issuer will also make certain milestone payments to the Vendor per the schedule listed below:

- (a) pay the Vendor \$200,000 in cash within 5 business days of the earlier of: (i) the commencement of a scoping study on the Property; or (ii) the 5th anniversary of the Effective Date; and
- (b) grant the Vendor a 0.5% net smelter returns royalty within 5 business days of the commencement of commercial production on the Property.

See “*Information Concerning the Issuer – General Development of the Business – Description of the Qualifying Transaction – Terms of the Qualifying Transaction*”.

Upon completion of the Qualifying Transaction and the Concurrent Financing, the following securities of the Issuer will be issued and outstanding:

- Resulting Issuer Common Shares: 13,644,000
- Resulting Issuer Options: 1,158,400
- Resulting Issuer Warrants: 6,716,666

See “*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*”.

A total of 3,810,000 Resulting Issuer Common Shares and 140,000 Resulting Issuer Options will be escrowed. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.

**Conditions to Completion of the Qualifying Transaction**

The Purchase Agreement and the Qualifying Transaction are subject to a number of conditions including, but not limited to, receipt of all required regulatory approvals, including Exchange approval. See “*Information Concerning the Issuer – General Development of the Business – Description of the Qualifying Transaction – Terms of the Qualifying Transaction*”.

**Directors, Officers and Insiders of the Resulting Issuer upon Completion of the Qualifying Transaction:**

Upon completion of the Qualifying Transaction, the directors and officers of the Resulting Issuer and the anticipated number of voting securities of the Resulting Issuer beneficially owned by them, directly or indirectly, or over which they exercise control or direction, will be as follows:

Name, Province or State, and Country of Residence, and Position	Number and Percentage of Resulting Issuer Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(3)</sup>
<b>Miloje Vicentijevic</b> <sup>(1)</sup> British Columbia, Canada <i>President and Chief Executive Officer,  Director and Promoter</i>	1,410,000 <sup>(4)(6)</sup> 10.33%
<b>Carlos Escribano</b> <sup>(1)</sup> British Columbia, Canada <i>Chief Financial Officer and Director</i>	500,000 <sup>(6)</sup> 3.66%
<b>Jason Birmingham</b> <sup>(1)(2)</sup> British Columbia, Canada <i>Director</i>	400,000 2.93%
<b>Gordon Bub</b> <sup>(1)(2)</sup> British Columbia, Canada <i>Director</i>	500,000 <sup>(5)(6)</sup> 3.66%
<b>Nick Tintor</b> <sup>(1)(2)</sup> Ontario, Canada <i>Director</i>	300,000 2.20%
<b>Christine Pankiw</b> British Columbia, Canada <i>Corporate Secretary</i>	100,000 0.73%

(1) Each director became a director on February 8, 2021, the date of incorporation of the Issuer, and holds office until the next annual meeting of shareholders.

(2) Member of the Issuer’s audit committee. The Issuer does not have any other board committees.

(3) Based on 13,644,000 Common Shares issued and outstanding following completion of the Qualifying Transaction and the Concurrent Financing. These Common Shares are subject to escrow restrictions. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.

(4) 50,000 are held by Mr. Vicentijevic’s spouse.

(5) All 500,000 Shares are held by Yoko Enterprises Ltd., a private company controlled by Gordon Bub.

(6) These securities are subject to escrow pursuant to TSXV policies. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.

Upon completion of the Qualifying Transaction and the Concurrent Financing, the directors and officers of the Resulting Issuer, as a group, will own, directly or indirectly, 3,210,000 Resulting Issuer Common Shares, representing 23.53% of the issued and outstanding Resulting Issuer Common Shares.

See “*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*”.

To the knowledge of the Resulting Issuer, the only persons as at the date hereof who will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the Resulting Issuer Common Shares upon completion of the Qualifying Transaction and the Concurrent Financing, are as follows:

Name	Type of Ownership	Number of Securities Owned, Controlled or Directed	% of Class <sup>(3)(4)</sup>
Miloje Vicentijevic	Direct & Indirect	1,410,000 <sup>(1)(2)</sup>	10.33%

(1) These securities are subject to escrow pursuant to TSXV policies. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.

(2) 50,000 are held by Mr. Vicentijevic’s spouse.

(3) Based on 13,644,000 Common Shares issued and outstanding.

(4) On a fully diluted basis, the percentage of Common Shares that will be beneficially owned, directly or indirectly, by the principal securityholder listed in the table above is approximately 6.55% based on 21,519,066 Common Shares issued and outstanding.

See “*Information Concerning the Resulting Issuer – Principal Securityholders*”.

**Arm's Length Party Transaction:**

The Qualifying Transaction is not a Non-Arm’s Length Qualifying Transaction.

**Shareholder Approval:**

The Qualifying Transaction will be an arm’s length transaction in accordance with the policies of the TSXV and will not require approval of the shareholders of the Issuer.

**Available Funds:**

As at April 30, 2023, the Issuer had approximately \$359,000 in working capital. Upon completion of the Qualifying Transaction and the Concurrent Financing, the Resulting Issuer will have approximately \$890,000 of funds available. The principal purpose of such funds, after the completion of the Qualifying Transaction and for the 12 months thereafter, will be for, among other things, working capital and future exploration activities on the Property as recommended in the Technical Report. See “*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*”.

**Principal Purpose of Funds:**

It is anticipated that the Resulting Issuer will use the available funds for the 12 month period following completion of the Qualifying Transaction as follows:

Use of Available Funds	Funds
Estimated remaining costs of the Qualifying Transaction	\$64,000
Exploration of the Property	\$238,000
Finder’s fees in connection with the Concurrent Financing	\$40,000
Payment due under the Purchase Agreement	\$25,000
General and administrative expenses for 12 months	\$105,000
Unallocated working capital	\$387,000
<b>TOTAL</b>	<b>\$859,000</b>

See “*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*”.

<b>Selected Consolidated Statements:</b>	<b>Pro Forma Financial</b>	No pro forma financial statements have been prepared since the acquisition if the Property is not considered to be an acquisition of a business for purposes of Canadian securities laws. The acquisition of the Property was an arm’s length transaction, no other assets were transferred and no other liabilities were assumed as part of the acquisition, and all previous exploration within the past three years is disclosed in the Technical Report.
<b>Trading Price:</b>		The Common Shares were listed and posted for trading on the TSXV on October 4, 2021 under the trading symbol “BCC.P”. Trading in the Common Shares was halted on January 10, 2023 pending the announcement of the Qualifying Transaction. On January 10, 2023, immediately prior to the halt, the closing price of the Common Shares on the TSXV was \$0.115 per Common Share. See “ <i>Information Concerning the Issuer – Prior Sales – Trading Price and Volume</i> ”.
<b>Conflicts of Interest:</b>		Directors and officers of the Resulting Issuer also serve as directors and/or officers of other companies and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm’s length negotiations, but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Resulting Issuer which arise under British Columbia corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Resulting Issuer. All conflicts of interest will be resolved in accordance with the BCBCA. Any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Resulting Issuer, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval. See “ <i>Information Concerning the Resulting Issuer – Directors, Officers and Promoters – Conflicts of Interest</i> ”, “ <i>Information Concerning the Resulting Issuer – Directors, Officers and Promoters – Other Reporting Issuer Experience</i> ” and “ <i>Information Concerning the Resulting Issuer – Risk Factors – Risks relating to the business to be carried on by the Resulting Issuer – conflicts of interest</i> ”.
<b>Sponsorship for the Qualifying Transaction:</b>		No Sponsor has been retained in connection with the Qualifying Transaction of the Issuer as the Issuer has applied for and received for a waiver of the sponsorship requirement.
<b>Interests of Experts:</b>		No professional person who has provided an opinion or report referenced in this Filing Statement currently holds any Common Shares and, upon completion of the Qualifying Transaction, will not hold any Resulting Issuer Common Shares, and no such professional person is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer.
<b>Risk Factors:</b>		The following is a summary of certain risk factors relating to the Qualifying Transaction, including risk factors relating to the Resulting Issuer, its business, the Property and the industry in which it will operate. These risk factors are not a definitive list of all risk factors associated with the Qualifying Transaction or the Resulting Issuer. Additional risks and uncertainties, including those

currently unknown or considered immaterial by the Issuer, may also adversely affect the Issuer, the Resulting Issuer, the Property, the business of the Resulting Issuer and/or the price or value of the Common Shares following completion of the Qualifying Transaction. Readers should carefully consider all such risks, which include but are not limited to the following:

- **Risks relating to the Qualifying Transaction:** completion risk; possible termination of the Purchase Agreement; dilutive effect of the Qualifying Transaction and the Concurrent Financing; and diversion of attention of the Issuer’s management.
- **Risks relating to the business to be carried on by the Resulting Issuer:** limited operating history, uncertain liquidity and capital resources; going concern and requirement to generate cash flow for financial obligations; COVID-19; Ukraine-Russia conflict; mineral exploration risks; fluctuations in metal prices; global financial conditions; title risk; community groups; land use approvals and permits; exploration and development risk; environmental laws and regulations; volatility of mineral prices; infrastructure; climate change; claims and legal proceedings; force majeure; uncertainty of use of proceeds; influence of third party stakeholders; uninsurable risks; competition; management; Purchase Agreement obligations; conflicts of interest; risks associated with acquisitions; dividends; reporting issuer status; estimates and assumptions; and costs and compliance risks.
- **Risks relating to the Resulting Issuer’s securities:** potential dilution following completion of the Qualifying Transaction; trading market risk; valuation risk; and volatility risk.

See “*Information Concerning the Resulting Issuer – Risk Factors*”.

**Conditional Approval:** The Issuer has applied to the Exchange for conditional approval of the Qualifying Transaction.

## CONDITIONAL LISTING APPROVAL

The Issuer has applied to the Exchange for conditional approval of the Qualifying Transaction.

## INFORMATION CONCERNING THE ISSUER

### CORPORATE STRUCTURE

#### NAME AND INCORPORATION

The Issuer was incorporated on February 8, 2021 pursuant to the provisions of the BCBCA under the name “Benz Capital Corp.”.

The head office and the registered office of the Issuer are located at 3847 Vance Road, Cultus Lake, British Columbia, V2R 5A6.

#### INTERCORPORATE RELATIONSHIPS

The Issuer does not have any subsidiaries.

## GENERAL DEVELOPMENT OF THE BUSINESS

### HISTORY OF THE ISSUER

The Issuer is a capital pool company pursuant to the policies of the TSXV and to date has not carried on any operations. The principal business of the Issuer has been to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. The Issuer is a reporting issuer in British Columbia, Alberta and Ontario.

On October 4, 2021, the Issuer completed an initial public offering (the “**IPO**”) of 3,444,000 common shares of the Issuer (the “**Common Shares**”) at a price of \$0.10 per Common Share for gross proceeds of \$344,000. In connection with the IPO, the Issuer listed on the TSXV under the trading symbol “BCC.P”. Research Capital Corp. (the “**Agent**”) acted as the sole agent and sole bookrunner for the IPO. In connection with the offering, the Agent received a cash commission equal to 10% of the gross proceeds of the IPO, and an administration fee. In addition, the Issuer granted to the Agent non-transferable options to acquire up to an aggregate of 344,400 Common Shares (the “**Agent's Options**”). Each Agent's Option is exercisable to acquire one Common Share at an exercise price of \$0.10 for a period of two (2) years following the date of completing a qualifying transaction in accordance with TSXV policies.

Following the closing of the IPO, the Issuer also granted stock options to a technical consultant of the Issuer exercisable to acquire up to an aggregate of 140,000 Common Shares. The options are exercisable to acquire one Common Share at an exercise price of \$0.10 per Common Share for a period of three (3) years from the date of issuance.

On November 1, 2021, the Issuer issued 1,000,000 Common Shares at a price of \$0.10 per Common Share by way of a non-brokered private placement for gross proceeds of \$100,000.

On January 10, 2023, the Common Shares were halted for trading on the TSXV pending the announcement of the Qualifying Transaction and will remain halted until completion of the Qualifying Transaction in accordance with TSXV policies.

### DESCRIPTION OF THE QUALIFYING TRANSACTION

The Issuer entered into an agreement dated January 10, 2023 (the “**Purchase Agreement**”) with Copper Co d.o.o. (the “**Vendor**”). Pursuant to the Purchase Agreement, the Vendor has granted the sole and exclusive right (the “**Right to Purchase**”) to the Issuer to acquire 100% of the interest of the Vendor in certain mineral claims known as the Tolisnica and Stanca Property, located near the city of Kraljevo, Republic of Serbia (the “**Property**”).

The Purchase Agreement with the Vendor will constitute the Issuer’s “Qualifying Transaction” (the “**Qualifying Transaction**”) in accordance with TSXV policies. Upon completion of the Qualifying Transaction, the Issuer expects to be listed as a Tier 2 Mining Issuer on the TSXV and will carry on the business of exploration of the Property. The Qualifying Transaction will be an arm’s length transaction in accordance with the policies of the TSXV and will not require approval of the shareholders of the Issuer.

### Terms of the Qualifying Transaction

In consideration of the grant of the Right to Purchase, the Issuer will pay a total of \$125,000 to the Vendor in cash payments per the schedule listed below and make a one-time issuance of 4,300,000 warrants to purchase Common Shares to the Vendor exercisable at an exercise price of \$0.125 per Common Share for a period of five (5) years from the date of issuance (the “**Initial Payment Warrants**”) within 5 business days of the date on which the TSXV approves the Purchase Agreement (the “**Effective Date**”).

The cash payments will be made as follows:

- (a) \$25,000 within 5 days of the Effective Date; and
- (b) an additional \$100,000 on the 18-month anniversary of the Effective Date.

Following the exercise of the Right to Purchase, the Issuer will also make certain milestone payments to the Vendor per the schedule listed below:

- (a) pay the Vendor \$200,000 in cash within 5 business days of the earlier of: (i) the commencement of a scoping study on the Property; or (ii) the 5th anniversary of the Effective Date; and
- (b) grant the Vendor a 0.5% net smelter returns royalty within 5 business days of the commencement of commercial production on the Property.

The Purchase Agreement and the Qualifying Transaction are subject to a number of conditions including, but not limited to, receipt of all required regulatory approvals, including Exchange approval. There are no finder's fees or commissions associated with the Qualifying Transaction.

## **The Property**

The Property consists of exploration license 2422, which covers 18.9 km<sup>2</sup> in south-central Serbia. It is located approximately 220 km south by road from the capital city of Belgrade, near the city of Kraljevo. A network of asphalt and mainly gravel and dirt roads connects almost all parts of the Property.

The Property has a history of intermittent exploration starting in the mid-1970s. From 1975 to 1978, the state mining company, RTB Bor, completed drilling and rock chip sampling work. At the Stanca prospect, 13 diamond drill holes totalling 2,086.50 m were completed and at the Tolisnica prospect, 15 diamond drill holes totalling 2,325.10 m were completed.

The drill holes intersected several styles of mineralization. Results included Hole SB-12 which intersected multiple vein structures within a 25.5 m wide zone assaying 0.945% Cu, including 9 m assaying 2.147% Cu. Hole SB-6 returned a reported 15.3 m zone assaying 1.011% Cu. Cobalt grades in the historical rock chips range from several hundred ppm to 2,000 ppm Co. The cobalt appears to be associated with magnetite and chalcopyrite.

The ground magnetics survey was completed in April 2018 by S.C. Belevion S.R.L., a Romanian based geophysical contractor, over the property prospect areas.

See "*Information Concerning the Property*".

## **FINANCING**

In connection with the Qualifying Transaction, the Issuer is anticipating that it will complete a concurrent private placement (the "**Concurrent Financing**") of a maximum of 4,166,667 units (the "**Units**") at a price of \$0.12 per Unit for gross proceeds of up to \$500,000. Each Unit will consist of one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of \$0.15 per Common Share for a period of two (2) years following the closing date of the Concurrent Financing.

The Issuer may pay certain finder's fees to eligible persons in connection with the Concurrent Financing equal to 8% of the amount of Units issued to subscribers introduced by such eligible persons by way of (i) the payment of a cash commission, (ii) the issuance of Common Shares and (iii) the issuance of finder's warrants exercisable to purchase an additional Common Share at an exercise price of \$0.12 per Common Share for a period of two (2) years following the closing date of the Concurrent Financing.

The Issuer intends to use the net proceeds of the Concurrent Financing to fund the recommended work program on the Property and working capital.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's discussion and analysis ("**MD&A**") of the Issuer for the financial year ended March 31, 2022, and for the three months ended December 31, 2022, is filed on SEDAR and incorporated by reference to this Filing Statement. The MD&A should be read in conjunction with the Issuer's financial statements for such periods, together with the notes thereto, which are filed on SEDAR and incorporated by reference to this Filing Statement.

## DESCRIPTION OF THE SECURITIES

### SECURITIES

#### Common Shares

The Issuer is authorized to issue an unlimited number of Common Shares without nominal or par value. As at the date hereof, there are 9,144,000 Common Shares issued and outstanding as fully paid and non-assessable.

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board of Directors, to one vote per Common Share at meetings of the shareholders of the Issuer and, upon dissolution, to share equally in such assets of the Issuer as are distributable to the holders of Common Shares. All Common Shares to be outstanding after completion of this Offering will be fully paid and non-assessable.

#### STOCK OPTION PLAN

The Issuer has adopted a stock option plan dated March 8, 2021 (the “**Option Plan**”), which provides that the Board of Directors may from time to time, in its discretion, and in accordance with TSXV Policies, grant to directors, officers and technical consultants to the Issuer, non-transferable options to purchase Common Shares (“**CPC Stock Options**”), provided that the number of Common Shares reserved for issuance will not exceed 10% of the Common Shares issued and outstanding from time to time, and provided that so long as the Issuer remains classified as a CPC the number of Common Shares reserved for issuance under the Option Plan will not exceed 10% of the Common Shares of the Issuer issued and outstanding at the closing of the Issuer’s IPO, such CPC Stock Options being exercisable for a period of up to ten years from the date of grant.

In connection with the foregoing, the number of Common Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares as at the closing of the Offering, and the number of Common Shares reserved for issuance to all technical consultants in aggregate will not exceed 2% of the issued and outstanding Common Shares of the Issuer as at the date of grant of any CPC Stock Option. As required by the CPC Policy, the Issuer, as long as it is a CPC, will not grant CPC Stock Options to any person providing investor relations activities, promotional or market-making services.

The term of a CPC Stock Option issued pursuant to the Option Plan must expire not later than 12 months after the optionee ceases to be a director, officer or technical consultant of the Issuer, or of the Resulting Issuer, as the case may be, subject to any earlier expiry date of such CPC Stock Options.

All CPC Stock Options and Common Shares issued prior to the date of the Final Exchange Bulletin pursuant to the exercise of CPC Stock Options are subject to escrow under the CPC Escrow Agreement. In addition, all Common Shares issued on or after the date of the Final Exchange Bulletin pursuant to the exercise of CPC Stock Options granted prior to the IPO with an exercise price that is less than the issue price of the IPO are also subject to escrow under the CPC Escrow Agreement.

#### PRIOR SALES

As of the date hereof, there are 9,144,000 Common Shares and 1,158,400 options issued and outstanding as summarized below:

Date	Number of Common Shares	Issue Price per Share (\$)	Aggregate Issue Price (\$)	Nature of Consideration Received or To Be Received
February 8, 2021	3,400,000 <sup>(1)</sup>	0.05	170,000.00	Cash
March 16, 2021	1,200,000	0.10	120,000.00	Cash
May 25, 2021	100,000 <sup>(1)</sup>	0.05	5,000.00	Cash

Date	Number of Common Shares	Issue Price per Share (\$)	Aggregate Issue Price (\$)	Nature of Consideration Received or To Be Received
October 4, 2021	3,444,000 <sup>(2)</sup>	0.10	344,000.00	Cash
October 4, 2021	344,400 <sup>(3)</sup>	0.10	34,440	Cash
October 4, 2021	140,000 <sup>(4)</sup>	0.10	14,000	Cash
October 6, 2021	674,000 <sup>(5)</sup>	0.10	67,400	Cash
November 1, 2021	1,000,000 <sup>(6)</sup>	0.10	100,000.00	Cash
<b>Total:</b>	<b>10,302,400</b>		<b>\$854,840.00</b>	

(1) These Common Shares were issued to the Issuer's incorporator, directors and others, and are subject to escrow restrictions. See "Information Concerning the Resulting Issuer – Escrowed Securities".

(2) These Common Shares were issued under the Issuer's IPO.

(3) Agent's Options issued under the Issuer's IPO. Each Agent's Option is exercisable to acquire one Common Share for a period of two (2) years following the date of completing a qualifying transaction in accordance with TSXV policies.

(4) Stock options granted pursuant to the Option Plan to Dahrouge Geological Consulting Ltd. is a company controlled by Jody Dahrouge, a technical consultant to the Issuer. See "Information Concerning the Resulting Issuer - Security Based Compensation – Options to Purchase Securities".

(5) Stock options granted pursuant to the Option Plan to certain directors, officers and consultants of the Issuer. See "Information Concerning the Resulting Issuer - Security Based Compensation – Options to Purchase Securities".

(6) These Common Shares were issued pursuant to a non-brokered private placement of Common Shares.

## TRADING PRICE AND VOLUME

The Common Shares were listed and posted for trading on the TSXV on October 4, 2021 under the trading symbol "BCC.P". Trading in the Common Shares was halted on January 10, 2023 pending the announcement of the Qualifying Transaction. On January 10, 2023, immediately prior to the halt, the closing price of the Common Shares on the TSXV was \$0.115 per Common Share.

The following table sets the daily high and low prices and the volume of trading of the Common Shares for the periods indicated:

Date	High (\$)	Low (\$)	Volume
March 2023 <sup>(1)</sup>	N/A	N/A	N/A
February 2023 <sup>(1)</sup>	N/A	N/A	N/A
January 2023 <sup>(1)</sup>	0.115	0.115	1,900
December 2022	0.145	0.05	164,225
November 2022	0.06	0.06	20,000
October 2022	0.075	0.065	40,500
September 2022	0.105	0.045	59,000
August 2022 <sup>(2)</sup>	N/A	N/A	Nil
July 2022 <sup>(3)</sup>	N/A	N/A	Nil
June 2022	0.06	0.055	57,800
May 2022	0.10	0.085	113,200

<b>Date</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume</b>
April 2022	0.10	0.10	50,000

- (1) Trading in the Common Shares was halted on January 10, 2023 pending the announcement of the Qualifying Transaction.  
(2) No Common Shares were traded on the TSXV during the month of August 2022.  
(3) No Common Shares were traded on the TSXV during the month of July 2022.

### **ARM’S LENGTH TRANSACTIONS**

The Qualifying Transaction is not a Non-Arm’s Length Qualifying Transaction.

### **LEGAL PROCEEDINGS**

The Issuer is not currently a party to any legal proceedings, nor is the Issuer currently contemplating any legal proceedings. Management of the Issuer is currently not aware of any legal proceedings contemplated against the Issuer.

### **AUDITOR**

The auditors of the Issuer are Lancaster & David, Chartered Professional Accountants, of 510 – 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6.

### **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar of the Common Shares is Computershare Investor Services Inc. (the “Trustee”), of 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

### **MATERIAL CONTRACTS**

The following are the material contracts of the Issuer entered into since the date of its incorporation:

1. Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated April 13, 2021 between the Issuer and the Trustee;
2. CPC Escrow Agreement dated June 28, 2021 among the Issuer, the Trustee and certain shareholders of the Issuer. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.
3. Option Plan referred to under “*Information Concerning the Issuer – Stock Option Plan*”.
4. Consulting Agreement dated April 14, 2021 between the Issuer and Dahrouge Geological Consulting Ltd. See “*Information Concerning the Resulting Issuer - Security Based Compensation – Options to Purchase Securities*”.
5. Purchase Agreement dated January 10, 2023 between the Issuer and the Vendor.

Copies of the material contracts described above are available under the Issuer’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **INFORMATION CONCERNING THE PROPERTY**

See “*Information Concerning the Issuer - Description of the Qualifying Transaction*” for the details of the Purchase Agreement.

### **THE PROPERTY**

Unless stated otherwise, the information in this section is summarized, compiled or extracted from the Technical Report. The Technical Report was prepared by P&E Mining Consultants Inc. (“P&E”) in relation to the Property dated effective December 20, 2022. The Technical Report was prepared in accordance with NI 43-101 and has been filed with the securities regulatory authorities in British Columbia.

William Stone, Ph.D., P.Geo., Brian Ray, P.Geo. and Eugene Puritch, P.Eng., FEC, CET, who are qualified persons within the meaning of NI 43-101 were contracted by P&E to provide the Technical Report.

For readers to fully understand the technical information in this Filing Statement, they should read the Technical Report (available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Issuer's profile) in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this Filing Statement.

## **PROPERTY DESCRIPTION, LOCATION AND ACCESS**

The Property consists of exploration license 2422, which covers 18.9 km<sup>2</sup> in south-central Serbia. The Property includes the Stanca and Tolisnica prospects and is 100% owned by the Vendor, subject to a 5% royalty to the Serbian government. The Property is to be 100% acquired by the Issuer pursuant to the Qualifying Transaction for listing as a public company on the TSXV. The exploration license that covers the Property is in good standing as of the effective date of the Technical Report.

The Property is located approximately 220 km south by road from the capital city of Belgrade. A network of asphalt and mainly gravel and dirt roads connects almost all parts of the Property. The climate in the Property area is continental, with temperatures ranging from -3° to -15°C in winter and 21° to 28°C in summer. Precipitation maximums are in April and May (94 mm), whereas minimums occur in July and August and in February and March (51 mm). Average number of days per year with precipitation is 136. The average number of days per year with snow in the past ten years ranges from 12 to 56. Drilling and geophysical surveys can be carried out year-round on the Property. Surface bedrock exploration can be carried out for about seven to eight months of the year. Any future mining operations could be conducted year-round.

The Property area itself is sparsely populated. The villages of Stanca and Tolisnica have a total population of 511 adult inhabitants and the main industry is agriculture. The nearest larger communities are Čačak (to the north), Ivanjica (to the southwest), and Kraljevo (25 km to the northeast by road). The city of Kraljevo has an urban population of 67,142 (as of 2016) and is an administrative centre in central Serbia. In 2019, the total number of registered people employed in mining and quarrying was 176. An arterial road, Ibarska Magistrala, trends north-south 10 km to the east of the Property, connecting it to a railway marshalling yard at Bogutovac, near Kraljevo. Within the Property itself, access is gained to almost all parts by a network of asphalt and gravel and dirt roads. Access is better in the northern part of the Property (Stanca), where the elevation is lower. There is water flowing in the rivers and streams on the Property. Power is available from 110 kW and 220 kW transmission lines located east and north of the Property, respectively. Power is also available from a number of small hydroelectric power plants in the area.

The Property terrain is quite rugged and mountainous. Altitudes range from 350 masl in the north to >1,000 masl in the south. Both prospect areas have difficult access with dense vegetation, steep slopes, and dangerous snakes.

In the exploration stage, deals are made with the landowners to lease the land for geological exploration activity. Surface rights for mining operations are granted following completion of exploration work, issuance of certificates of mineral resources and reserves, and awarding of an exploitation field permit. The surface rights must be obtained prior to application for a mining construction license.

## **HISTORY**

The Tolisnica and Stanca Property has a history of intermittent exploration starting in the mid-1970s. In 1975 to 1978, the state mining company, RTB Bor (“**RTB Bor**”), completed drilling and rock chip sampling work in the Stanca and Tolisnica areas of what is now known as the Tolisnica and Stanca Property.

At the Stanca Prospect, 13 diamond drill holes totalling 2,086.50 m were completed by RTB Bor from 1975 to 1978. Prior to the drilling, RTB Bor interpreted the mineralization to be VMS-type. However, the mineralization intersected in the drilling was clearly a vein-style system and RTB Bor ceased exploration. In addition to the drilling, RTB Bor collected rock chip samples at Stanca and submitted them to an assay laboratory for analysis.

At the Tolisnica Prospect, 15 diamond drill holes totalling 2,325.10 m were completed by RTB Bor between 1975 and 1978. The drill holes intersected several styles of mineralization. Co grades in the historical rock chips range from several hundred ppm to 1,500 ppm Co. The cobalt appears to be associated with magnetite and chalcopyrite.

Historical mineral reserve estimations for Stanca and Tolisnica were undertaken in 1979.

In 2018, exploration activities on the Tolisnica and Stanca Property included a ground magnetic survey, rock chip sampling surveys, and delineation of an exploration target. No drilling has been completed on the Property since the 1970s. All the drilling is historical.

The ground magnetic survey of the Stanca prospect area revealed the presence of a strong west-northwest trend (fault?) traversing the area, a secondary north-northwest-trending structure; and several magnetic lows that coincide in the east with sandstone, marl, tuff deposits and in the north possibly with quartz latite. The magnetic lows define the vein system in the mafic/ultramafic units. The magnetic low signature is attributed to magnetite destruction during hydrothermal alteration of the mafic and ultramafic rocks.

The ground magnetic survey in the Tolisnica prospect area revealed the presence of two boundaries oriented north-northwest that separate an inner magnetic low (gabbro) from an outer magnetic high and a high-intensity homogeneous anomaly to the east and south and a high-frequency, intense anomaly to the west. As at Stanca, the mineralized vein system at Tolisnica appears to coincide broadly with magnetic lows.

Also in 2018, geological mapping and rock chip sampling surveys were completed in the Stanca and Tolisnica areas. The purpose of the work was to confirm the presence of the Cu-Co mineralization at the historical sites. At Stanca, a total of 10 rock chip samples were taken and submitted for assay. Elevated assays of Cu and Co confirmed the presence of the copper-cobalt mineralization reported originally in the 1970s. In addition to Stanca, geological mapping and rock chip sampling of outcrops was also completed at the historical sites of mineralization at Tolisnica. In total, 12 rock chip samples were taken and submitted for assay. Similar to Stanca, the 2018 work at Tolisnica confirmed presence of the mineralization as reported historically. Additional geological mapping and rock chip sampling work was completed at Stanca and Tolisnica in 2021.

Additionally, an exploration target for Stanca was estimated at 2.5 to 3.5 Mt grading between 0.60% and 0.70% Cu and containing between 33 and 54 Mlbs Cu. The exploration target was determined from 13 historical drill holes on six vertical cross-sections. Grade estimations were completed using the available assay data and applying a simple length-weighted arithmetic mean. The volume of the main vein at Stanca was determined for a 500 m strike length, between 10 and 30 m thickness, and a depth of approximately 150 m down-dip.

***The exploration target takes no account of possible mining method or metallurgical recovery factors. Potential estimates are highly speculative and can only be treated as a guide to support further information; it should be clearly understood that at this stage any potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a mineral resource and that it is uncertain if further exploration will result in the estimation of a mineral resource.***

## **GEOLOGICAL SETTING, MINERALIZATION AND DEPOSIT TYPES**

The Tolisnica and Stanca Property is located within the Vardar Zone of the Dinaric-Hellenic Belt. The rock types are serpentinite, gabbro and diabase. There are Paleozoic schists to the west and a small Tertiary quartz latite body and Miocene lacustrine sediments to the north. The Vardar Zone is a north- to northwest-striking assemblage of oceanic and continental rock units, each showing different metamorphic grade and deformation features. In addition, the Vardar Zone is characterized by a wide range of syn- to post-collisional, gabbro and diabase intrusions of Late Cretaceous to Miocene age. The Vardar Zone is interpreted to be the suture developed in Late Cretaceous through the closure of the NeoTethys oceanic basin and the following collision between the Adria and the Eurasian continental margins.

Mineralization at the Stanca Prospect is hosted in a hydrothermally altered diabase striking north-northwest and dipping 40° to 75° east. The main vein is located close to the contact of the gabbro, which is sheared. The mineralized and altered zone is reported to be from 30 to 100 m thick. Apart from disseminated mineralization, in which copper

content ranges from 0.1 to 1.0% Cu, irregularly spaced veins with grades up to 6.5% Cu have been sampled from the main mineralized structure. The mineralized veins and lenses vary from 0.3 to >2.0 m thick and can be traced for >100 m. Stanca also has anomalous cobalt grades. Grades of up to 1,500 ppm Co have been recorded for historical rock chip samples. The sulphide and oxide minerals present at Stanca are magnetite, pyrite, chalcopyrite, cubanite, chalcocite, ilvaite, linneite and limonite, in fine-grained lenses and irregular stockworks. Alteration envelopes around the veins include chloritized and carbonated rocks.

At the Tolisnica prospect, 10 km south-southwest of Stanca, chalcopyrite-pyrite veins and lenses, quartz veins and lenses, and pyrite-chalcopyrite impregnations are hosted in brecciated diabase. The mineralization at Tolisnica is generally more disseminated and has more cobalt and gold than at Stanca. The dominance of copper sulphides and association with mafic and ultramafic host rocks suggest an origin as Cyprus type VMS deposits, perhaps associated with an ophiolite complex in a distal setting. Alternatively, the lack of massive sulphide, elevation of Co, Ni, and Ag, and presence of linnaeite suggests affinity to Five-Element Vein type deposits.

### **SAMPLING, ANALYSES AND DATA VERIFICATION**

The Vendor supplied the data for the Technical Report, as previously digitized from the original 1970s drill plans and cross-sections of RTB Bor. The data supplied to the Authors include spreadsheets of historical drill assays, images of cross-sections through Stanca and Tolisnica as drilled by RTB Bor, MS Excel spreadsheets of tabulated assays from drilling and rock chip assays, rock chip and outcrop photos, and geological maps. In addition, MS PowerPoint presentations and short reports were supplied, some in Serbian. Although diamond drilling programs were completed at Stanca and Tolisnica in the 1970s, the whereabouts of the drill core is unknown, there is no known QAQC and the information was not derived from a proper database. There is no downhole survey information. Drill holes were located from historical maps and have not been field checked. However, the presence of mineralized outcrops in each of the two areas is known from historical, 2018 and 2021 rock chip sampling results.

The Authors of the Technical Report have not sighted the original data sources and cannot verify the veracity of the data. However, representatives of Lancaster Corporate Pty Ltd. (previous operator) and RS Mining Serbia visited the Geological Department in Belgrade and thoroughly reviewed all historical reports and conducted several site visits to Stanca and Tolisnica. Although not ideal, the Authors consider the confidence level of data provided to be reasonable for the Technical Report.

Mr. Brian Ray, P.Geol., of P&E, a Qualified Person under the regulations of NI 43-101, conducted a site visit to the Tolisnica and Stanca Property on December 12, 2022. At that time, an independent verification sampling program was conducted by Mr. Ray. Mr. Ray collected six samples from mineralized outcrops at Stanca and six samples from mineralized outcrops at Tolisnica, for a total of 12 samples. The samples labelled and sealed and transported by truck to Belgrade, where they were flown to Vancouver, Canada and delivered to Activation Laboratories Ltd. in Ancaster, Ontario, for assay analysis. The assay results confirm the presence of copper-cobalt sulphide mineralization at Stanca and at Tolisnica, consistent with the results of recent and historical chip sampling and historical diamond drilling.

The Authors consider the site visit sample verification results to be satisfactory for the Technical Report.

### **MINERAL PROCESSING AND METALLURGICAL TESTING**

Mineral processing and metallurgical testing have not been completed for the Technical Report.

### **MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES**

Mineral Resources have not been estimated for the Technical Report.

### **EXPLORATION, DEVELOPMENT AND PRODUCTION**

The Tolisnica and Stanca Property contains significant mineralization at Stanca and Tolisnica that is associated with mafic and ultramafic rocks in a paleosuture zone tectonic setting. The Property has potential for delineation of mineral resources by in-fill and extensional drilling of known mineralized zones and for discovery of new mineralized zones.

The Authors of the Technical Report recommend that the Issuer advance the Stanca and Tolisnica prospects with drilling, assaying and surveying, with the intention of advancing the Property to a mineral resource estimate level. The assaying must be done with independent quality control samples inserted at regular intervals to monitor independent laboratory performance. Best efforts should be made to locate and survey the collar location of all the historical drill holes. At least three of the holes at Stanca and three at Tolisnica should be twinned to confirm grade, thickness and orientation of the mineralized systems.

A one-year program is recommended costing an estimated C\$238,000, as summarized in Table 1.1 below.

<b>TABLE 0.1 RECOMMENDED PROGRAM AND BUDGET</b>	
<b>Program</b>	<b>Budget (C\$)</b>
Drilling	210,000
Assaying	17,500
Surveying	10,000
<b>Total</b>	<b>237,500</b>

## INFORMATION CONCERNING THE RESULTING ISSUER

### CORPORATE STRUCTURE

Upon completion of the Qualifying Transaction, the Resulting Issuer will retain the name “Benz Capital Corp.” and continue to be governed under the BCBCA.

The head office and the registered office of the Resulting Issuer will be located at 3847 Vance Road, Cultus Lake, British Columbia, V2R 5A6.

### INTERCORPORATE RELATIONSHIPS

The Resulting Issuer will not have any subsidiaries.

### DESCRIPTION OF THE BUSINESS

#### BUSINESS OBJECTIVES AND MILESTONES

Upon completion of the Qualifying Transaction, the Resulting Issuer will operate within the mining sector and be listed on the Exchange as a Tier 2 mining issuer. The Resulting Issuer currently anticipates being a junior natural resource company and will focus on successfully exercising the Right to Purchase under the Purchase Agreement and advancing the Property by carrying out the exploration activities as described in the Technical Report. See “*Information Concerning the Property*”.

To accomplish the Resulting Issuer’s business objectives, the Resulting Issuer will need to achieve the milestones listed in the table below:

Milestone	Timing	Estimated Costs
Completion of Exploration Program on the Property	12 months from completion of Qualifying Transaction	\$237,500
Evaluation of mineral property acquisition opportunities	12 months from completion of Qualifying Transaction	Subject to unallocated working capital

In regard to the above-listed milestones, see “*Forward-Looking Statements*”.

### EXPLORATION AND DEVELOPMENT FOR RESULTING ISSUERS WITH MINERAL PROJECTS

The Resulting Issuer intends to explore and develop the Property in accordance with the recommendations set forth in the Technical Report. See “*Information Concerning the Property*”.

### DESCRIPTION OF THE SECURITIES

The authorized capital of the Resulting Issuer will not change as a result of the Qualifying Transaction. For a full description of the authorized capital of the Resulting Issuer, see “*Information Concerning the Issuer – Description of the Securities*”.

In connection with the Qualifying Transaction, the Resulting Issuer will issue 4,300,000 Initial Payment Warrants to the Vendor, entitling the Vendor to purchase Resulting Issuer Common Shares at an exercise price of \$0.125 per Resulting Issuer Common Share for a period of five (5) years from the day of issuance. See “*Information Concerning the Issuer - Description of the Qualifying Transaction – Terms of the Qualifying Transaction*”.

Upon Completion of the Qualifying Transaction, the Resulting Issuer will also retain the Option Plan, pursuant to which an aggregate of 814,000 Resulting Issuer Options will be issued and outstanding and a further 550,400 Resulting Issuer Options may be issued pursuant to future option grants under the Option Plan. See “*Information Concerning the Issuer – Stock Option Plan*”.

## PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidation capitalization of the Resulting Issuer after giving effect to the Qualifying Transaction:

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding After Giving Effect to the Qualifying Transaction	Amount Outstanding After Giving Effect to the Qualifying Transaction and the Concurrent Financing
Resulting Issuer Common Shares	Unlimited	9,144,000 <sup>(1)</sup>	13,644,000 <sup>(3)</sup>
Resulting Issuer Options	10% of the Common Shares issued and outstanding	1,158,400 <sup>(2)</sup>	1,158,400
Resulting Issuer Warrants	N/A	4,300,000	6,716,666 <sup>(4)</sup>

<sup>(1)</sup> Of these Common Shares, 3,400,000 were issued to the Issuer’s incorporator, directors and others, and are subject to escrow restrictions. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.

<sup>(2)</sup> Of this amount, there are 814,000 stock options issued and outstanding under the Option Plan. See “*Information Concerning the Resulting Issuer - Security Based Compensation – Options to Purchase Securities*”. For the remaining 344,400, see “*Information Concerning the Issuer - Prior Sales – Prior Sales*”.

<sup>(3)</sup> Of these Resulting Issuer Common Shares, 4,166,667 will be issued pursuant to the Concurrent Financing, assuming the maximum number of Units are issued, and 333,333 will be issued as finder’s fees.

<sup>(4)</sup> Of these Resulting Issuer Warrants, (i) 2,083,333 will be issued pursuant to the Concurrent Financing, assuming the maximum number of Units are issued. Each Resulting Issuer Warrant issued pursuant to the Concurrent Financing will be exercisable for a Resulting Issuer Common Share at an exercise price of \$0.15 per Resulting Issuer Common Share for a period of two (2) years from the date of issuance and (ii) 333,333 will be issued to certain eligible persons as finder’s fees in connection with the Concurrent Financing, assuming the maximum number of subscriptions are introduced by such eligible persons. Each Resulting Issuer Warrant issued to such eligible persons pursuant to the Concurrent Financing will be exercisable for a Resulting Issuer Common Share at an exercise price of \$0.12 per Resulting Issuer Common Share for a period of two (2) years from the date of issuance.

## FULLY DILUTED SHARE CAPITAL

In addition to the information set out in the capitalization table above, the following table sets out the fully diluted share capital of the Resulting Issuer after giving effect to the Qualifying Transaction and the Concurrent Financing:

Description of Security	Number of Resulting Issuer Common Shares	% of Total
Resulting Issuer Common Shares currently issued and outstanding	9,144,000	42.5%
Resulting Issuer Common Shares to be issued under the Concurrent Financing	4,166,667 <sup>(1)</sup>	19.4%

Description of Security	Number of Resulting Issuer Common Shares	% of Total
Resulting Issuer Common Shares to be issued upon exercise of the Warrants issued under the Concurrent Financing	2,083,333 <sup>(1)</sup>	9.7%
Resulting Issuer Options currently issued and outstanding	1,158,400	5.4%
Resulting Issuer Common Shares to be issued as finder's fees under the Concurrent Financing	666,666 <sup>(1)(2)</sup>	3.1%
Resulting Issuer Common Shares to be issued upon exercise of the Initial Payment Warrants under the Purchase Agreement	4,300,000	20%
<b>TOTAL</b>	<b>21,519,066</b>	<b>100%</b>

<sup>(1)</sup> Assuming the maximum number of Units are issued under the Concurrent Financing.

<sup>(2)</sup> Inclusive of the issuance of Common Shares and the issuance of Common Shares upon the exercise of finder's warrants in connection with the Concurrent Financing.

#### AVAILABLE FUNDS AND PRINCIPAL PURPOSES

As at April 30, 2023, the Issuer had approximately \$359,000 in working capital. Upon completion of the Qualifying Transaction and the Concurrent Financing, the Resulting Issuer will have approximately \$859,000 of funds available.

The principal purpose of such funds, after the completion of the Qualifying Transaction and for the 12 months thereafter, will be for, among other things, working capital and future exploration activities on the Property as recommended in the Technical Report. It is anticipated that the Resulting Issuer will use such funds as follows:

Use of Available Funds	Funds
Estimated remaining costs of the Qualifying Transaction	\$64,000
Exploration of the Property	\$238,000
Finder's fees in connection with the Concurrent Financing	\$40,000
Payment due under the Purchase Agreement	\$25,000
General and administrative expenses for 12 months	\$105,000
Unallocated working capital	\$387,000
<b>TOTAL</b>	<b>\$859,000</b>

The Resulting Issuer will spend the funds available to it on Completion of the Qualifying Transaction and for the principal purposes as indicated above. Notwithstanding the foregoing, there may also be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve these objectives. The Resulting Issuer may require additional funds in order to fulfill all of its expenditure requirements and objectives, in which case the Resulting Issuer expects to either issue additional securities or incur indebtedness. There is no assurance that additional funding required by the Resulting Issuer will be available if required.

#### DIVIDENDS

The Resulting Issuer has no plans to pay dividends. The directors of the Resulting Issuer will determine if and when dividends should be declared and paid in the future based on the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Common Shares are entitled to an equal share in any dividends declared and paid.

## PRINCIPAL SECURITYHOLDERS

To the knowledge of the Resulting Issuer, the only persons as at the date hereof who will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the Resulting Issuer Common Shares upon completion of the Qualifying Transaction and the Concurrent Financing, are as follows:

Name	Type of Ownership	Number of Securities Owned, Controlled or Directed	% of Class <sup>(3)(4)</sup>
Miloje Vicentijevic	Direct & Indirect	1,410,000 <sup>(1)(2)</sup>	10.33%

- (1) These securities are subject to escrow pursuant to TSXV policies. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.
- (2) 50,000 are held by Mr. Vicentijevic’s spouse.
- (3) Based on 13,644,000 Common Shares issued and outstanding.
- (4) On a fully diluted basis, the percentage of Common Shares that will be beneficially owned, directly or indirectly, by the principal securityholder listed in the table above is approximately 6.55% based on 21,519,066 Common Shares issued and outstanding.

## DIRECTORS, OFFICERS AND PROMOTERS

### NAME, OCCUPATION AND SECURITY HOLDINGS

The following table sets out the names of the members of the Board of Directors and management of the Resulting Issuer, their municipalities of residence, the anticipated number of voting securities of the Resulting Issuer beneficially owned by them, directly or indirectly, or over which they exercise control or direction, and their principal occupations during the past five (5) years are as follows:

Name, Province or State, and Country of Residence, and Position	Principal Occupation or Employment in Past Five (5) Years	Number and Percentage of Resulting Issuer Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(3)</sup>
<b>Miloje Vicentijevic</b> <sup>(1)</sup> British Columbia, Canada <i>President and Chief Executive Officer, Director and Promoter</i>	Professional Engineer; President and CEO of the Benz Mining Corp. from November 2011 to September 2019, and from November 2019 to July 2020, and a Director from November 2011 to August 2020. President and CEO of Avaron Mining Corp., a private junior mining company from December 2011 to present.	1,410,000 <sup>(4)(6)</sup> 10.33%
<b>Carlos Escribano</b> <sup>(1)</sup> British Columbia, Canada <i>Chief Financial Officer and Director</i>	Chartered Professional Accountant; CFO of Reconnaissance Energy Africa Ltd. from January 2020 to present; CFO of Renaissance Oil Corp. from January 2017 to December 2021; CFO of Benz Mining Corp. from November 2011 to October 2021, and Director from November 2011 to Jul 2020.	500,000 <sup>(6)</sup> 3.66%

Name, Province or State, and Country of Residence, and Position	Principal Occupation or Employment in Past Five (5) Years	Number and Percentage of Resulting Issuer Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(3)</sup>
<b>Jason Birmingham</b> <sup>(1)(2)</sup> British Columbia, Canada <i>Director</i>	President of Birmingham Consulting Ltd. Director of Nortec Minerals Corp. since December 2017; Director of Cassius Ventures Ltd. from June 2011 to present; President, CEO and Director of Cerro Mining Corp. from December 2011 to June 2020.	400,000 2.93%
<b>Gordon Bub</b> <sup>(1)(2)</sup> British Columbia, Canada <i>Director</i>	Retired mining engineer. Director of Benz Mining Corp. from November 2011 to September 2019.	500,000 <sup>(5)(6)</sup> 3.66%
<b>Nick Tintor</b> <sup>(1)(2)</sup> Ontario, Canada <i>Director</i>	Managing Director of RG Mining Investments Inc. from January 2007 to present. Director of Big Ridge Gold Corp. from October 2020 to present; Director of Benz Mining Corp. since April 2019, and President and CEO, from September 2019 to November 2019; President, CEO and Director of Toachi Mining Inc. from January, 2015 to September 2017.	300,000 2.20%
<b>Christine Pankiw</b> British Columbia, Canada <i>Corporate Secretary</i>	Securities/Corporate Paralegal at Harper Grey LLP from April 2019 to present; President and Owner of CTP Consulting Ltd. from May 2017 to present; Securities/Corporate Paralegal at Salley Bowes Harwardt LC from September 2008 to March 2016.	100,000 0.73%

<sup>(1)</sup> Each director became a director on February 8, 2021, the date of incorporation of the Issuer, and holds office until the next annual meeting of shareholders.

<sup>(2)</sup> Member of the Issuer's audit committee. The Issuer does not have any other board committees.

<sup>(3)</sup> Based on 13,644,000 Common Shares issued and outstanding following completion of the Qualifying Transaction and the Concurrent Financing. These Common Shares are subject to escrow restrictions. See "*Information Concerning the Resulting Issuer – Escrowed Securities*".

<sup>(4)</sup> 50,000 are held by Mr. Vicentijevic's spouse.

<sup>(5)</sup> All 500,000 Shares are held by Yoko Enterprises Ltd., a private company controlled by Gordon Bub.

<sup>(6)</sup> These securities are subject to escrow pursuant to TSXV policies. See "*Information Concerning the Resulting Issuer – Escrowed Securities*".

### Aggregate Ownership of Securities

Upon completion of the Qualifying Transaction and the Concurrent Financing, the directors and officers of the Resulting Issuer, as a group, will own, directly or indirectly, 3,210,000 Resulting Issuer Common Shares, representing 23.53% of the issued and outstanding Resulting Issuer Common Shares.

## MANAGEMENT

The following are brief biographies, including their principal occupations during the past five (5) years, of the persons who will be serving as directors and officers of the Resulting Issuer upon completion of the Qualifying Transaction.

### **Miloje Vicentijevic, President, Chief Executive Officer, Director and Promoter**

Mr. Vicentijevic, age 58, has been President, Chief Executive Officer, director and promoter of the Issuer since February 8, 2021.

Mr. Vicentijevic was a director of Benz Mining Corp. from November 2011 to August 2020, President and Chief Executive Officer from November 2011 to September 2019 and November 2019 to July 2020. He was a director and officer of a CPC company which was also named Benz Capital Corp. (now Benz Mining Corp.) which completed its Qualifying Transaction in 2013. Miloje Vicentijevic holds a Master of Engineering Management from the University of Alberta in Edmonton, Alberta, and a Bachelor of Science in Mining Engineering from the University of Belgrade, from Belgrade, Serbia.

Mr. Vicentijevic will devote the time necessary to perform the work required in connection with the management of the Resulting Issuer.

Mr. Vicentijevic will be an independent contractor of the Resulting Issuer.

### **Carlos Escribano, Chief Financial Officer and Director**

Mr. Escribano, age 45, has been Chief Financial Officer and a director of the Issuer since February 8, 2021.

Mr. Escribano is the Chief Financial Officer of Benz Mining Corp. from November 2011 until October 2021 and Renaissance Oil Corp. from January 2017 until December 2021. Mr. Escribano was a director and officer of a CPC company which was also named Benz Capital Corp. (now Benz Mining Corp.) which completed its Qualifying Transaction in 2013. Mr. Escribano is or has been a director or officer of other reporting companies listed on the Exchange, see “*Other Reporting Issuer Experience*” below for details. Mr. Escribano is a Chartered Professional Account and graduate of the University of British Columbia.

Mr. Escribano will devote the time necessary to perform the work required in connection with the management of the Resulting Issuer.

Mr. Escribano will be an independent contractor of the Resulting Issuer.

### **Jason Birmingham, Director**

Mr. Birmingham, age 52, has been a director of the Issuer since February 8, 2021.

Mr. Birmingham was a director of the following CPC companies: Cassius Ventures Ltd. which completed its Qualifying Transaction in 2010; and Fitch Street Capital Corp. Mr. Birmingham is or has been a director of other reporting companies listed on the Exchange, see “*Other Reporting Issuer Experience*” below for details. Mr. Birmingham completed the Canadian Securities Course in 1995 and completed the Real Estate Salesperson’s Sub-Mortgage Broker’s Pre-Licensing Course through the Faculty of Commerce and Business Administration at the University of British Columbia in 1996.

Mr. Birmingham will devote the time necessary to perform the work required in connection with the management of the Resulting Issuer.

Mr. Birmingham will be an independent contractor of the Resulting Issuer.

**Gordon Bub, Director**

Mr. Bub, age 80, has been a director of the Issuer since February 8, 2021.

Mr. Bub is a retired mining engineer with more than 40 years' experience. Mr. Bub was a Director of Benz Mining Corp. from November 2011 to September 2019. Mr. Bub was a director of a CPC company which was also named Benz Capital Corp. (now Benz Mining Corp.) which completed its Qualifying Transaction in 2013. Mr. Bub is or has been a director of other reporting companies listed on the Exchange, see "*Other Reporting Issuer Experience*" below for details. Mr. Bub holds a Bachelor of Applied Science in Mining Engineering from Queen's University.

Mr. Bub will devote the time necessary to perform the work required in connection with the management of the Resulting Issuer.

Mr. Bub will be an independent contractor of the Resulting Issuer.

**Nick Tintor, Director**

Mr. Tintor, age 67, has been a director of the Issuer since February 8, 2021.

Mr. Tintor is a mining executive and geologist with more than 30 years of experience in the Canadian mining industry. For the past 20 years, he has been involved in all aspects of junior mining company management from project generation, to finance and executive management. He also has deep global relationships in the mining industry and especially in the Canadian resources investment. Mr. Tintor is or has been a director of other reporting companies listed on the Exchange, see "*Other Reporting Issuer Experience*" below for details. Mr. Tintor holds a Bachelor of Science in Geology from the University of Toronto.

Mr. Tintor will devote the time necessary to perform the work required in connection with the management of the Resulting Issuer.

Mr. Tintor will be an independent contractor of the Resulting Issuer.

**Christine Pankiw, Corporate Secretary**

Mrs. Pankiw, age 45, has been Corporate Secretary of the Issuer since February 8, 2021.

Ms. Pankiw is a Securities/Corporate Paralegal with over 20 years of experience working with public and private companies, in a law firm setting and/or in-house. She currently works as a Securities Paralegal at a Vancouver law firm. Mrs. Pankiw completed her Corporate Paralegal Certificate on December 1, 2015 and her Legal Secretary Certificate in December 1997.

Mrs. Pankiw will devote the time necessary to perform the work required in connection with the management of the Resulting Issuer.

Mrs. Pankiw will be an independent contractor of the Resulting Issuer.

**PROMOTERS**

Miloje Vicentijevic may be considered to be the promoter of the Resulting Issuer, in that he took the initiative in founding and organizing the Issuer. See "*Information Concerning the Issuer - Prior Sales*" and "*Information Concerning the Resulting Issuer - Principal Securityholders*".

## **CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

### **Cease Trade Orders**

No director, officer, Insider or promoter of the Resulting Issuer has, within the last 10 years, been a director, officer Insider or promoter of any reporting issuer that:

- (a) was subject to a cease trade or similar order or an order that denied the other issuer access to any exemption under applicable securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while the director, officer, Insider, promoter or shareholder was acting in the capacity as director, officer, Insider or promoter; or
- (b) was subject to a cease trade or similar order or an order that denied the other issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the director, officer, Insider, promoter or shareholder ceased to be a director, officer, Insider or promoter and which resulted from an event that occurred while that person was acting in the capacity as director, officer, Insider or promoter.

### **Penalties or Sanctions**

No director, officer, Insider or promoter of the Resulting Issuer has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body or self-regulating authority that would likely be considered important to a reasonable investor in making an investment decision.

### **Bankruptcies**

Other than Carlos Escribano, who was an officer of Oracle Mining Corp. in December 2015 when a receiver was appointed by the Superior Court of Arizona to take control of its wholly-owned subsidiary, Oracle Ridge Mining LLC, no director, officer, Insider or Promoter of the Resulting Issuer, or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting:

- (a) is, as at the date of this Filing Statement, or has been within the 10 years before the date of this Filing Statement, a director, officer, Insider or promoter of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or
- (b) has, within the 10 years before the date of this Filing Statement become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer, Insider, promoter or shareholder, state the fact.

## **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The directors and officers of the Resulting Issuer will all hold Resulting Issuer Common Shares. See *“Information Concerning the Resulting Issuer - Principal Securityholders”*.

## CONFLICTS OF INTEREST

Directors and officers of the Resulting Issuer also serve as directors and/or officers of other companies and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's length negotiations, but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Resulting Issuer which arise under British Columbia corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Resulting Issuer. All conflicts of interest will be resolved in accordance with the BCBCA. Any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Resulting Issuer, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval.

For information concerning the director and officer positions held by the proposed directors of the Resulting Issuer, please see “*Information Concerning the Resulting Issuer - Directors, Officers and Promoters - Other Reporting Issuer Experience*” directly below.

## OTHER REPORTING ISSUER EXPERIENCE

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last five (5) years, directors, officers or promoters of other reporting issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	Period (month/year)
<b>Miloje Vicentijevic</b>	Benz Mining Corp.	TSXV	President, CEO and Secretary	November 2011 to September 2019
			Chairman	September 2019 to November 2019
			President and CEO	November 2019 to July 2020
			Director	November 2011 to August 2020
<b>Carlos Escribano</b>	Benz Mining Corp.	TSXV	CFO	November 2011 to October 2021
			Director	November 2011 to July 2020
	Renaissance Oil Corp.	TSXV	CFO	January 2017 to December 2021
	Reconnaissance Energy Africa Ltd.	TSXV	CFO	January 2020 to present
<b>Jason Birmingham</b>	Nortec Minerals Corp.	TSXV	Director	December 2017 to present
	Cassius Ventures Ltd.	NEX	Director	June 2011 to present
	Pure Extraction Corp.	TSX	Director	April 2008 to May 2016
	Veritas Pharma Inc.	CSE	Director	August 2014 to July 2016
	Cerro Mining Corp.	NEX	Director, CEO and President	December 2011 to June 2020
	Clean Seed Capital Group Ltd.	TSXV	Director	July 2010 to December 2016

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Name of Exchange or Market (if applicable)</b>	<b>Position</b>	<b>Period (month/year)</b>
<b>Gordon Bub</b>	Benz Mining Corp.	TSXV	Director	November 2011 to September 2019
<b>Nick Tintor</b>	Benz Mining Corp.	TSXV	Director	April 2019 to present
			President and CEO	September 2019 to November 2019
			Chairman	November 2019 to September 2020
	Adyton Resources Corporation	TSXV	Director	February 2021 to present
	Big Ridge Gold Corp.	TSXV	Director	October 2020 to present
	Toachi Mining Inc.	N/A <sup>(1)</sup>	Director, President and CEO	January, 2015 to September 2017
<b>Christine Pankiw</b>	Nil			

<sup>(1)</sup> Following the closing of a plan of arrangement on September 11, 2019, between Atico Mining Issuer (“**Atico**”) and Toachi Mining Inc. (“**Toachi**”), Toachi became a wholly owned subsidiary of Atico (the “**Arrangement**”). Subsequently, Toachi made an application to cease to be a reporting issuer in British Columbia, Alberta and Ontario. Prior to the Arrangement and while Mr. Tintor was a Director and Officer of Toachi, it traded on the TSXV.

## **AUDIT COMMITTEE**

### **Audit Committee Charter**

The Charter of the Resulting Issuer’s Audit Committee is attached to this Filing Statement as Schedule “A”.

### **Composition of the Audit Committee**

The audit committee of the Resulting Issuer will consist of Nick Tintor, Gordon Bub and Jason Birmingham, all of whom are independent directors within the meaning set out in NI 52-110.

### **Education and Experience**

See “*Information Concerning the Resulting Issuer - Directors, Officers and Promoters – Management*” for relevant education and experience.

### **Audit Committee Oversight**

At no time since the commencement of the Issuer's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Issuer's most recently completed financial year has the Issuer relied on an exemption in Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*), Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) (*Events Outside Control of Member*), Subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of such instrument.

## Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

## External Auditor Service Fees

The aggregate fees billed by the Issuer's external auditors in each of the last two (2) fiscal years for audit fees are as follows:

Year	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2022	\$10,500	Nil	\$2,993	Nil

## CORPORATE GOVERNANCE

Canadian securities regulatory policy as reflected in National Instrument 58-101 – Disclosure of Corporate Governance Practices requires that venture issuers like the Resulting Issuer must disclose on an annual basis their approach to corporate governance. National Policy 58-201 – Corporate Governance Guidelines provides regulatory staff guidance on preferred governance practices, although the guidelines are not prescriptive, other than for audit committees. The Resulting Issuer's approach to corporate governance in the context of NI 58-101 and NP 58-201 as well as its compliance with the mandatory rules relating to audit committees is set out below.

### Board of Directors

The Board of Directors intends to exercise independent supervision over management through frequent board meetings and meetings with senior management.

Each of the directors serving on the Board of Directors are considered independent with the exception of Miloje Vicentjevic and Carlos Escribano given the executive officer roles they will hold with the Resulting Issuer.

### Directorships

Please see “*Information Concerning the Resulting Issuer – Directors, Officers and Promoters - Other Reporting Issuer Experience*”.

### Orientation and Continuing Education

The Resulting Issuer has not yet developed an official orientation or training program for new directors or for the continuing education of directors. Each new director will receive an orientation, minutes of meetings, written mandates, guidelines and other relevant corporate documents needed to understand the Resulting Issuer's business and processes. The commitment needed from directors, particularly the commitment of time and energy, will be emphasized to directors prior to their appointment nomination. Directors will be encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to keep themselves up to date with best director and corporate governance practices. The Resulting Issuer intends to provide continuing education for its directors as the need arises. Directors will have full access to the Resulting Issuer's records.

### Ethical Business Conduct

The Resulting Issuer has not adopted a written code of ethics for its directors, officers, employees and consultants. The Board of Directors, however, is expected to conduct itself with high business and moral standards and follow all applicable legal and financial requirements, and set an example for management. It is expected that the Board of Directors will adopt a code of business conduct and ethics upon completion of the Qualifying Transaction.

The Board of Directors will take appropriate measures to exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have a material interest. Where appropriate, directors will abstain from portions of board or committee meetings to allow independent discussion of points in issue.

### **Nomination of Directors**

The Board of Directors does not intend to establish a nominating committee. The Board of Directors as a whole will be responsible for filling vacancies on the Board of Directors and recommending potential nominees for directors, and will use an informal consultative process. The Board of Directors will analyze the needs of the board when vacancies arise and identify and propose new nominees who have the necessary competencies and characteristics to meet those needs. In order to foster an objective nomination process, the independent members of the Board of Directors will be encouraged to recommend nominees for the Board of Directors.

### **Compensation**

The Resulting Issuer does not intend to establish a compensation committee. The Board of Directors will review directors' compensation once a year, taking into consideration the compensation paid to directors of comparable publicly traded Canadian companies. The Board of Directors will decide the compensation of the Resulting Issuer's officers based on industry standards and the Resulting Issuer's financial situation.

### **Other Board Committees**

The Board of Directors does not intend to have committees other than the Audit Committee. The Board of Directors will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Board of Directors.

### **Assessments**

The Board of Directors will monitor the adequacy of information given to directors, communication between the Board of Directors and management and the strategic direction and processes of the Board of Directors and the Audit Committee.

## **EXECUTIVE COMPENSATION**

It is currently anticipated that the Resulting Issuer will have two named executive officers ("NEOs"): Miloje Vicentijevic (Chief Executive Officer); and Carlos Escribano (Chief Financial Officer).

## **COMPENSATION DISCUSSION AND ANALYSIS**

When determining compensation policies and individual compensation levels for the Resulting Issuer's executive officers, a variety of factors, will be considered including: the overall financial and operating performance of the Resulting Issuer, each executive officer's individual performance and contribution towards meeting corporate objectives; each executive officer's level of responsibility and length of service; and industry comparables.

The Resulting Issuer's compensation philosophy for its executive officers will follow three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with other companies in the industry in which it operates, which are of similar size and scope of operations, so as to attract and retain talented executives; and to align the interests of its executive officers with the long-term interests of the Resulting Issuer and its shareholders through equity related programs.

Compensation for the NEOs of the Resulting Issuer and other key employees will be determined in connection with or following the completion of the Qualifying Transaction and will be in line with similar development-stage companies.

## **Option-Based Awards**

The Resulting Issuer intends to grant option-based awards, being awards under an equity incentive plan of options, including share options, share appreciation rights, and similar instruments that have option-like features by granting stock options to its directors, officers and employees. Resulting Issuer stock options are expected to be granted under the Option Plan. Subject to the completion of the Qualifying Transaction, Resulting Issuer stock options will be granted to certain executive officers, directors and consultants of the Resulting Issuer.

Please see “*Information Concerning the Issuer – Stock Option Plan*” for a discussion of the Option Plan. Also, see “*Information Concerning the Resulting Issuer - Security Based Compensation – Options to Purchase Securities*”.

## **Pension Plan Benefits**

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

## **Termination of Employment, Change in Responsibilities and Employment Contracts**

The Resulting Issuer may enter into employment or consulting agreements with any NEOs or key employees in connection with the completion of the Qualifying Transaction or in the 12 months following completion of the Qualifying Transaction, which agreements may include terms with respect to: (a) the resignation, retirement or other termination of employment of the NEO or key employee; (b) a change in control of the Resulting Issuer; or (c) a change in the NEO’s responsibilities following a change in control of the Resulting Issuer.

## **DIRECTORS COMPENSATION**

### **Summary Compensation for Directors**

The Resulting Issuer expects to grant option-based awards to its directors upon completion of the Qualifying Transaction. In addition, the Resulting Issuer may decide to grant option-based awards to its directors during the 12-month period following completion of the Qualifying Transaction. Details of such grants will be announced by the Resulting Issuer in the event such a determination is made.

It is not anticipated that any directors of the Resulting Issuer who are not NEOs will receive, in the 12 months following completion of the Qualifying Transaction, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as director; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

The Resulting Issuer expects to compensate directors primarily through the grant of Stock Options and reimbursement of expenses incurred by such persons acting as directors of the Resulting Issuer.

### **Pension Plan Benefits for Directors**

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the directors, other than NEOs, at, following, or in connection with retirement.

## SUMMARY COMPENSATION TABLE

In the 12-month period after giving effect to the Qualifying Transaction, the Resulting Issuer anticipates compensating the NEOs and directors as follows. No specific compensation agreements with the Resulting Issuer are currently in place and the compensation amounts are subject to discussion with the Board of Directors:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Miloje Vicentijevic</b> British Columbia, Canada <i>President and Chief Executive Officer, Director and Promoter</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Carlos Escribano</b> British Columbia, Canada <i>Chief Financial Officer and Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Jason Birmingham</b> British Columbia, Canada <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Gordon Bub</b> British Columbia, Canada <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Nick Tintor</b> Ontario, Canada <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Christine Pankiw</b> British Columbia, Canada <i>Corporate Secretary</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

## INDEBTEDNESS OF DIRECTORS AND OFFICERS

No proposed director, executive officer, promoter, member of management, of the Resulting Issuer nor any of their associates or affiliates is or has been indebted to the Resulting Issuer or to the Issuer.

## INVESTOR RELATIONS ARRANGEMENTS

As of the date of this Filing Statement, the Resulting Issuer has no intention of entering into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Resulting Issuer or its securities or to engage in activities for the purposes of stabilizing the market.

## SECURITY BASED COMPENSATION

### SECURITY BASED COMPENSATION PLANS

The Resulting Issuer will maintain the Option Plan as its stock option plan. The purpose of the Option Plan is to offer to directors, officers, employees and consultants of the Resulting Issuer and its affiliates the opportunity to acquire a proprietary interest in the Resulting Issuer, thereby providing an incentive to such parties to promote the best interests of the Resulting Issuer and to provide the means to the resulting Issuer to attract qualified persons. See "*Information concerning the Issuer - Stock Option Plan*".

### OPTIONS TO PURCHASE SECURITIES

There are 814,000 stock options currently issued and outstanding under the Option Plan as follows:

Name	Number of Options to Purchase Resulting Issuer Common Shares	Exercise Price	Expiry Date
All executive officers and past executive officers of the Issuer as a group <sup>(1)</sup>	249,000	0.10	October 6, 2024
All directors and past directors of the Issuer who are not also executive officers as a group <sup>(2)</sup>	225,000	0.10	October 6, 2024
All other employees and past employees of the Issuer as a group	Nil	-	-
All consultants of the Issuer as a group	140,000	0.10	October 4, 2024
	200,000	0.10	October 6, 2024
<b>TOTAL</b>	<b>814,000</b>		

<sup>(1)</sup> The aggregate number of executive officers to whom the above information applies is two (2).

<sup>(2)</sup> The aggregate number of directors to whom the above information applies is three (3).

## ESCROWED SECURITIES

The following table lists, to the knowledge of the Issuer as of the date of this Filing Statement, the holders of escrowed securities, the numbers of securities held in escrow and the percentage of securities held in escrow by each person who will be a holder of escrowed securities before and after the completion of the Qualifying Transaction:

Name and Municipality of Residence	Designation of Class	Prior to Giving Effect to the Qualifying Transaction		After Giving Effect to the Qualifying Transaction and Concurrent Financing	
		Number of Securities Held in Escrow	Percentage of Class	Number of Securities to be Held in Escrow	Percentage of Class
<b>Miloje Vicentijevic</b> <sup>(4)</sup> West Vancouver, BC	Common Shares	1,410,000	15.42% <sup>(1)</sup>	1,410,000	10.33% <sup>(3)</sup>
<b>Carlos Escribano</b> Vancouver, BC	Common Shares	500,000	5.47% <sup>(1)</sup>	500,000	3.66% <sup>(3)</sup>
<b>Nick Tintor</b> Mississauga, ON	Common Shares	300,000	3.28% <sup>(1)</sup>	300,000	2.20% <sup>(3)</sup>
<b>Gordon Bub</b> <sup>(5)</sup> Parksville, BC	Common Shares	500,000	5.47% <sup>(1)</sup>	500,000	3.66% <sup>(3)</sup>
<b>Jason Birmingham</b> Vancouver, BC	Common Shares	400,000	4.37% <sup>(1)</sup>	400,000	2.93% <sup>(3)</sup>
<b>Ronald Hall</b> Vancouver, BC	Common Shares	200,000	2.19% <sup>(1)</sup>	200,000	1.47% <sup>(3)</sup>
<b>Kevin Drover</b> Vancouver, BC	Common Shares	400,000	4.37% <sup>(1)</sup>	400,000	2.93% <sup>(3)</sup>
<b>Christine Pankiw</b> Coquitlam, BC	Common Shares	100,000	1.10% <sup>(1)</sup>	100,000	0.73% <sup>(3)</sup>
<b>Total</b>	<b>Common Shares</b>	<b>3,810,000</b>	<b>41.67%<sup>(1)</sup></b>	<b>3,810,000</b>	<b>27.92%<sup>(3)</sup></b>
<b>Dahrouge Geological Consulting Ltd.</b> <sup>(6)</sup> Edmonton, AB	Options	140,000	12.09% <sup>(2)</sup>	140,000	12.09% <sup>(2)</sup>
<b>Directors and Management</b>	Options	474,000	40.92%	474,000	40.92%
<b>Total</b>	<b>Options</b>	<b>814,000</b>	<b>70.27%<sup>(2)</sup></b>	<b>814,000</b>	<b>70.27%<sup>(2)</sup></b>
<b>Vendor</b>	<b>Warrants</b>	<b>4,300,000</b>	<b>100%</b>	<b>4,300,000</b>	<b>64.02%<sup>(7)</sup></b>
<b>Total</b>	<b>Warrants</b>	<b>4,300,000</b>	<b>100%</b>	<b>4,300,000</b>	<b>64.02%<sup>(7)</sup></b>

<sup>(1)</sup> Based on 9,144,000 Common Shares issued and outstanding.

<sup>(2)</sup> Based on 1,158,400 Options issued and outstanding.

<sup>(3)</sup> Based on 13,644,000 Common Shares issued and outstanding.

<sup>(4)</sup> 50,000 are held by Mr. Vicentijevic's spouse.

<sup>(5)</sup> All 500,000 Common Shares are held by Yoko Enterprises Ltd., a private company controlled by Gordon Bub.

<sup>(6)</sup> Dahrouge Geological Consulting Ltd. is a company controlled by Jody Dahrouge, a technical consultant to the Issuer.

<sup>(7)</sup> Based on 6,716,666 Warrants issued and outstanding.

The securities held under the Escrow Agreement shall be released in accordance with the following timeline:

Release Date	Percentage to be Released (%)
Date of Final QT Exchange Bulletin	25

<b>Release Date</b>	<b>Percentage to be Released (%)</b>
Date 6 months following Final QT Exchange Bulletin	25
Date 12 months following Final QT Exchange Bulletin	25
Date 18 months following Final QT Exchange Bulletin	25
<b>TOTAL:</b>	<b>100%</b>

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

### **AUDITOR**

See “*Information Concerning the Issuer – Auditor, Transfer Agent and Registrar*”.

### **TRANSFER AGENT AND REGISTRAR**

See “*Information Concerning the Issuer – Auditor, Transfer Agent and Registrar*”.

## **RISK FACTORS**

The following is a summary of certain risk factors relating to the Qualifying Transaction, including risk factors relating to the Resulting Issuer, its business, the Property and the industry in which it will operate. These risk factors are not a definitive list of all risk factors associated with the Qualifying Transaction or the Resulting Issuer. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Issuer, may also adversely affect the Issuer, the Resulting Issuer, the Property, the business of the Resulting Issuer and/or the price or value of the Common Shares following completion of the Qualifying Transaction. Readers should carefully consider all such risks, which include but are not limited to the following.

Prospective investors should consult with their professional advisors to assess an investment in the Issuer.

The risks discussed below also include forward-looking statements and actual results may differ substantially from those discussed in these forward-looking statements.

The securities of the Resulting Issuer must be considered speculative, generally because of the nature of the business. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Resulting Issuer’s securities prior to purchasing any of the securities offered hereunder.

## **RISKS RELATING TO THE QUALIFYING TRANSACTION**

### **Completion Risk**

Completion of the Qualifying Transaction is subject to a number of conditions, certain of which may be outside the control of the Issuer, including, without limitation, completion of the Concurrent Financing and receipt of Exchange approval. There can be no assurance, nor can the Issuer provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied or that the Qualifying Transaction will be completed as currently contemplated or at all. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Resulting Issuer or the trading price of the Common Shares.

Final acceptance of the Qualifying Transaction by the TSXV will be subject to the Issuer fulfilling all requirements of the TSXV. If such requirements are not met, the Qualifying Transaction will not be completed. There is no guarantee that the Issuer will be able to satisfy the requirements of the TSXV such that it will issue the Final Exchange Bulletin.

If the Qualifying Transaction is not completed, the Issuer will remain liable for significant consulting, accounting and legal costs relating to the Qualifying Transaction and will not realize anticipated benefits of the Qualifying Transaction. If the Qualifying Transaction is not completed and the Board of Directors decides to seek another merger or business combination, there can be no assurance that it will be able to find a party that will agree to equivalent or more attractive terms than those of the Qualifying Transaction.

#### **Possible Termination of the Purchase Agreement**

Each of the Issuer and the Vendor has the right to terminate the Purchase Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Issuer provide any assurance, that the Purchase Agreement will not be terminated by either the Issuer or the Vendor before the completion of the Qualified Transaction. See *“Information Concerning the Issuer – Description of the Qualifying Transaction”*.

#### **Dilutive Effect of the Qualifying Transaction and the Concurrent Financing**

The issuance of the Initial Payment Warrants to the Vendor, and the issuance of the Units under the Concurrent Financing will have a significant dilutive effect on the ownership interest of the current shareholders of the Issuer.

#### **Diversion of Attention of the Issuer’s Management**

The Qualifying Transaction could cause the attention of the Issuer’s management to be diverted from their day-to-day operations. These disruptions could be exacerbated by a delay in completion of the Qualifying Transaction and could have an adverse effect on the business, operating results or prospects of the Issuer regardless of whether the Qualifying Transaction is ultimately completed, or of the Resulting Issuer if the Qualifying Transaction is completed.

### **RISKS RELATING TO THE BUSINESS TO BE CARRIED ON BY THE RESULTING ISSUER**

#### **Limited Operating History**

The Issuer has a limited operating history upon which an evaluation of the Issuer, its current business and its prospects can be based. You should consider any purchase of the Issuer’s securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development. There is no assurance that the Issuer will be successful in achieving a return on shareholders’ investment and the likelihood of success of the Issuer must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. An investment in the Common Shares carries a high degree of risk and should be considered speculative by purchasers. There is little probability of dividends being paid on the Common Shares.

#### **Uncertain Liquidity and Capital Resources**

In addition to the Concurrent Financing, the Issuer may need to raise additional capital by way of an offering of equity securities, an offering of debt securities, or by obtaining financing through a bank or other entity. In particular, the Issuer may not have sufficient funds to complete the recommended exploration program on the Property. The Issuer has not established a limit as to the amount of debt it may incur nor has it adopted a ratio of its equity to debt allowance. If the Issuer needs to obtain additional financing, there is no assurance that financing will be available from any source, that it will be available on terms acceptable to the Issuer, or that any future offering of securities will be successful. If additional funds are raised through the issuance of equity securities, there may be a significant dilution in the value of the Common Shares. The Issuer could suffer adverse consequences if it is unable to obtain additional capital which would cast substantial doubt on its ability to continue its operations and growth.

The Issuer does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Issuer will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Issuer will be successful in obtaining such additional financing; failure to do so could result in the loss of the Issuer’s interest in the Property.

## **Going Concern and Requirement to Generate Cash Flow for Financial Obligations**

While the information in this Filing Statement has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Issuer's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Issuer is making its commercial best efforts in this regard, the outcome of these matters cannot be predicted at this time. The Issuer's ability to generate sufficient cash flow from operations to make scheduled payments to its contractors, service providers and merchants will depend on future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative and business factors, many of which are outside of its control. If the Issuer does not generate sufficient cash flow from operations to satisfy its contractual obligations, it may have to undertake alternative financing plans. The Issuer's inability to generate sufficient cash flow from operations or undertake alternative financing plans would have an adverse effect on its business, financial condition and results or operations, as well as its ability to satisfy its contractual obligations. Any failure to meet its financial obligations could result in termination of key contracts, which could harm the Issuer's ability to provide its products and services.

## **COVID-19**

Since March 30, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Issuer and its operations in future periods. Rapid spread of COVID-19 and declaration of the outbreak as a global pandemic has resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which are having direct impacts on businesses in Canada, the United States and around the world and could result in travel bans, closure of assay labs, work delays, difficulties for contractors and employees getting to site, and diversion of management attention all of which in turn could have a negative impact on exploration and development of the Property and the Issuer generally.

The government of Canada and/or British Columbia are continually issuing new rules and restrictions and changing them periodically based on the specific circumstances of the COVID-19 outbreak. The Issuer follows all rules, guidelines and restrictions that are implemented by the applicable governmental authorities. The Issuer's exploration work on the Property to date has not been adversely affected by COVID-19 other than to the extent that exploration activities and laboratory results have taken longer than expected due to certain delays.

## **Ukraine-Russia Conflict**

In late February 2022, a conflict commenced in Ukraine. In response, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the conflict and related impact of imposed sanctions on the Issuer's business cannot be reasonably estimated at this time. While the Issuer expects no direct impacts of the conflict in Ukraine, the direct impacts on the economy may negatively affect the business and future operations of the Issuer.

## **Mineral Exploration Risks**

The Issuer is an exploration stage company and the Property is at an early stage of exploration. The mineral exploration business is very speculative. Mineral exploration involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour

disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain adequate machinery, equipment and/or labour are some of the risks involved in mineral exploration activities. The Issuer has relied on and may continue to rely on consultants and others for mineral exploration expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that commercial or any quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that the Property will be brought into commercial production or that the funds required to exploit any mineral reserves and resources discovered by the Issuer will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as gold prices. Most of the above factors are beyond the control of the Issuer. There can be no assurance that the Issuer's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Issuer may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

### **Fluctuations in Metal Prices**

Factors beyond the Issuer's control may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the Issuer's exploration activities cannot be predicted. For example, gold prices are affected by numerous factors including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold production levels also affect gold prices. As well, the price of gold has on occasion been subject to rapid short-term changes due to speculative activities.

### **Global Financial Conditions**

Global financial conditions continue to be subject to volatility arising from international geopolitical developments and global economic phenomenon, as well as inflation, general financial market turbulence, including but not limited to a significant recent market reaction to the COVID-19 pandemic, resulting in a significant reduction in many major market indices. Access to public financing and credit can be negatively impacted by the effect of these events on Canadian and global credit markets. The health of the global financing and credit markets may impact the ability of the Issuer to obtain equity or debt financing in the future and the terms at which financing or credit is available to the Issuer. These instances of volatility and market turmoil could adversely impact the Issuer's operations and the trading price of the Common Shares. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Issuer is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Issuer's business, operating results, and financial condition.

### **Title Risk**

The Property may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. There is no guarantee that title to the Issuer's mineral properties will not be challenged or impugned. The Issuer's claims may be subject to prior unregistered agreements or transfers and title may be affected by unidentified or unknown defects. The Issuer has conducted as thorough an investigation as possible on the title of the Property to confirm that there are no other claims or agreements that could affect its title to the concessions or claims. If title to the Issuer's properties is disputed it may result in the Issuer paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Issuer.

### **Community Groups**

There is an ongoing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations who oppose resource development can be vocal critics of the mining industry. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Issuer or its relationships with

the communities in which it operates, which could have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows or prospects.

### **Land Use Approvals and Permits**

The proposed exploration program of the Property described in the Technical Report is expected to include exploration work for which land use approvals or permits must be obtained from the applicable regulatory authorities. The Issuer cannot guarantee that it will be able to obtain all such approvals or permits in a timely manner or at all, and any delay or failure to receive any required land use approvals or permits could negatively impact the Issuer's future exploration of the Property.

In the ordinary course of business, the Issuer will be required to obtain and/or renew governmental licenses or permits for exploration, development, construction and commencement of mining at the Property. Obtaining or renewing the necessary governmental licenses or permits is a complex and time-consuming process involving public hearings and costly undertakings on the part of the Issuer. The duration and success of the Issuer's efforts to obtain and renew licenses or permits are contingent upon many variables not within the Issuer's control, including the interpretation of applicable requirements implemented by the licensing authority. The Issuer may not be able to obtain or renew licenses or permits that are necessary to its operations, including, without limitation, an exploitation license, or the cost to obtain or renew licenses or permits may exceed what the Issuer believes they can recover from the Property. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Issuer's operations and profitability. There can be no guarantee that the Issuer will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Property.

### **Exploration and Development Risk**

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Issuer may be affected by numerous factors which are beyond the control of the Issuer and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Issuer not receiving an adequate return of investment capital.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

### **Environmental Laws and Regulations**

The Issuer's operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Issuer's operations.

The operations of the Issuer including exploration and any development activities or commencement of production on its properties, require permits from various federal, provincial and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. To the extent that such approvals are required and not obtained, the Issuer may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties.

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

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. The Issuer may be liable for environmental contamination and natural resource damages relating to the Property that occurred before the Issuer owned or had rights to the Property. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at the Property do not exist.

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 Issuer and cause increases in capital expenditures or require abandonment or delays in development of new mining properties.

### **Volatility of Mineral Prices**

The Issuer's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Issuer may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Issuer's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which the Issuer may realize from its operations, since most mineral commodities are sold in a world market in United States dollars.

### **Infrastructure**

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Property. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Property will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect the Issuer's operations.

### **Climate Change**

Due to changes in local and global climatic conditions, many analysts and scientists predict an increase in the frequency of extreme weather events such as floods, droughts, forest and brush fires and extreme storms. Such events could materially disrupt the Issuer's operations, particularly if they affect the Issuer's sites, impact local infrastructure or threaten the health and safety of the Issuer's employees and contractors. Any such event could result in material economic harm to the Issuer. The Issuer is focused on operating in a manner designed to minimize the environmental impacts of its activities; however, environmental impacts from mineral exploration and mining activities are inevitable. Increased environmental regulation and/or the use of fiscal policy by regulators in response to concerns

over climate change and other environmental impacts, such as additional taxes levied on activities deemed harmful to the environment, could have a material adverse effect on the Issuer's financial condition or results of operations.

### **Claims and Legal Proceedings**

The Issuer may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give rise to legal uncertainties or have unfavourable results. The Issuer may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from the Issuer's operations. In addition, the Issuer may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact the Issuer's financial position, cash flow, results of operations, and reputation, regardless of the specific outcome.

### **Force Majeure**

The Issuer's projects now or in the future may be adversely affected by risks outside the control of the Issuer, including the price of gold on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

### **Uncertainty of Use of Proceeds**

Although the Issuer has set out its intended use of proceeds in this Filing Statement, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Issuer to apply these funds effectively could have a material adverse effect on the Issuer's business, including the Issuer's ability to achieve its stated business objectives.

### **Influence of Third Party Stakeholders**

The Property or the roads or other means of access which the Issuer intends to utilize in carrying out its work programs or general business mandates on the Property may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Issuer's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Issuer.

### **Uninsurable Risks**

Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on our operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Issuer.

### **Competition**

Significant and increasing competition exists for the limited number of mineral 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 Issuer, the Issuer may be unable to acquire attractive mineral properties on terms it considers acceptable. The Issuer also competes with other companies for the recruitment and retention of qualified employees and other personnel.

### **Management**

The Issuer's prospects depend in part on the ability of its senior management and directors to operate effectively and the loss of the services of such persons could have a material adverse effect on the Issuer. To manage its growth, the

Issuer may have to attract and retain additional highly qualified management, financial and technical personnel and continue to implement and improve operational, financial and management information systems. The Issuer does not have key man insurance in place in respect of any of its directors or officers. If the Issuer is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition. There is no assurance the Issuer can maintain the services of its directors, officers or other qualified personnel required to operate its business.

### **Purchase Agreement Obligations**

The Purchase Agreement provides that Issuer upon completion of the Qualifying Transaction, must make a series of payments in cash over certain time periods and an issuance of Initial Payment Warrants. If the Issuer fails to make such payments or issuances in a timely fashion, the Issuer may lose its interest in the Property.

The Issuer does not own the mineral rights pertaining to the Property. Rather, it holds a right to purchase the mineral rights. There is no guarantee the Issuer will be able to raise sufficient funding in the future to explore and develop the Property so as to maintain its interests therein or pursue the acquisition of other property interests. If the Issuer loses or abandons its interest in the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Issuer, whether by way of option or otherwise, should the Issuer wish to acquire any additional properties. Unless the Issuer acquires additional property interests, any adverse developments affecting the Property could have a material adverse effect upon the Issuer and would materially and adversely affect any profitability, financial performance and results of operations of the Issuer.

Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond the control of the Issuer. In addition, because of these risks, there is no certainty that the expenditures to be made by the Issuer on the exploration of its Property as described herein will result in the discovery of commercial quantities of ore. The Issuer has no history of operating earnings and the likelihood of success must be considered in light of problems, expenses, etc. which may be encountered in establishing a business.

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Issuer's mineral exploration and development programs at the Property will result in the definition of bodies of commercial mineralization.

### **Conflicts of Interest**

Certain directors and officers of the Issuer and proposed directors and officers of the Resulting Issuer are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Issuer or the Resulting Issuer. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Issuer or the Resulting Issuer. Directors and officers of the Issuer and proposed directors and officers of the Resulting Issuer with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

### **Risks Associated with Acquisitions**

If appropriate opportunities present themselves, the Issuer may acquire mineral claims, material interests in other mineral claims, and companies that the Issuer believes are strategic. The Issuer currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Issuer will be able to identify, negotiate or finance future

acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired Issuer or mineral claims into the Issuer may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Issuer's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Issuer's business, results of operations and financial condition.

## **Dividends**

The Issuer has not declared or paid any dividends on its common shares and does not currently have a policy on the payment of dividends. For the foreseeable future, the Issuer anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and the Resulting Issuer's financial condition, current and anticipated cash needs and such other factors as the directors of the Resulting Issuer consider appropriate.

## **Reporting Issuer Status**

As a reporting issuer, the Issuer will be subject to reporting requirements under applicable securities law and stock exchange policies. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Issuer will be required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Issuer's business and results of operations. The Issuer may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Management of the Issuer expects that being a reporting issuer will make it more expensive to maintain director and officer liability insurance. This factor could also make it more difficult for the Issuer to retain qualified directors and executive officers.

## **Estimates and Assumptions**

Preparation of its financial statements requires the Issuer to use estimates and assumptions. Accounting for estimates requires the Issuer to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Issuer could be required to write down its recorded values. On an ongoing basis, the Issuer re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

## **Costs and Compliance Risks**

Legal, accounting and other expenses associated with public company reporting requirements are significant. The Issuer anticipates that costs may increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Issuer also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Issuer and the Resulting Issuer to attract and retain qualified individuals to serve on its Board of Directors or as executive officers.

## **RISKS RELATING TO THE RESULTING ISSUER'S SECURITIES**

### **Potential Dilution Following Completion of the Qualifying Transaction**

Following completion of the Qualifying Transaction, the Resulting Issuer may issue equity securities to finance its activities, including in order to finance exploration of the Property. If the Resulting Issuer were to issue additional equity securities, the ownership interest of existing shareholders of the Issuer may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced. Moreover, as the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected.

### **Trading Market Risk**

Prior to the Qualifying Transaction, there has been no active public market for the Common Shares. An active trading market may not develop following completion of the Qualifying Transaction or, if developed, may not be sustained. The lack of an active market may impair an investor's ability to sell its shares at the time he or she wishes to sell them or at a price that he or she considers reasonable. The lack of an active market may also reduce the fair market value of the Common Shares. An inactive market may also impair an investor's ability to raise capital by selling its Common Shares and may impair the Resulting Issuer's ability to acquire other companies by using the Common Shares as consideration.

### **Valuation Risk**

The valuation placed on the Property for the purposes of the Qualifying Transaction has been determined by negotiation between and the Vendor. Among the factors included in determining valuation were the exploration potential of the Property (including with reference to the Technical Report) and the value of the Common Shares. There can be no assurance that the cash payments or the number of Initial Payment Warrants to be issued to the Vendor under the Qualifying Transaction will not, in the fullness of time, prove to be excessive. If the market determines that such consideration is excessive, the market price of the Common Shares could be adversely affected.

### **Volatility Risk**

If the Qualifying Transaction is completed, the market price of the Common Shares could be volatile and could be subject to further significant fluctuations due to changes in sentiment in the market regarding operations or business prospects, among other factors.

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Issuer, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares on the Exchange in the future cannot be predicted.

## **GENERAL MATTERS**

### **SPONSORSHIP AND AGENT RELATIONSHIP**

No Sponsor has been retained in connection with the Qualifying Transaction of the Issuer as the Issuer has applied for and received a waiver of the sponsorship requirement.

### **EXPERTS**

#### **NAMES OF EXPERTS**

The experts responsible for opinions referred to in this Filing Statement are as follows:

- (a) Lancaster & David, Chartered Professional Accountants, the auditors of the Issuer; and
- (b) William Stone, Ph.D., P.Geo., Brian Ray, P.Geo. and Eugene Puritch, P.Eng., FEC, CET, the authors of the Technical Report.

#### **INTEREST OF EXPERTS**

No professional person who has provided an opinion or report referenced in this Filing Statement currently holds any Common Shares and, upon completion of the Qualifying Transaction, will not hold any Resulting Issuer Common Shares, and no such professional person is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer.

#### **OTHER MATERIAL FACTS**

There are no other material facts relating to the Issuer, the Resulting Issuer, or the Qualifying Transaction that have not been disclosed elsewhere in this Filing Statement.

#### **BOARD APPROVAL**

The contents and sending of this Filing Statement have been approved by the Board of Directors of the Issuer. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than the Issuer, the Issuer has relied upon information furnished by such person.

**CERTIFICATE OF THE ISSUER**

Dated: May 31, 2023

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Benz Capital Corp. assuming completion of the Qualifying Transaction.

(signed) "Miloje Vicentijevic"  
**Miloje Vicentijevic**  
President and Chief Executive Officer

(signed) "Carlos Escribano"  
**Carlos Escribano**  
Chief Financial Officer

**On Behalf of the Board of Directors**

(signed) "Jason Birmingham"  
**Jason Birmingham**  
Director

(signed) "Nick Tintor"  
**Nick Tintor**  
Director

## ACKNOWLEDGEMENT OF PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement/information circular that are analogous to Items 4.2, 11, 12.1, 15, 17.3, 18, 22, 23, 25, 30.3, 31, 32, 33, 34, 35, 36, 37, 40 and 41 of the Exchange Form 3B2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (c) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Form 3B2; and
- (d) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF BENZ CAPITAL CORP.**

(signed) “Miloje Vicentijevic”  
Miloje Vicentijevic  
Director

**SCHEDULE A**  
**AUDIT COMMITTEE CHARTER**

# **Benz Capital Corp.**

## **AUDIT COMMITTEE CHARTER**

### **1. Mandate and Purpose of the Committee**

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of **Benz Capital Corp.** (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company’s financial statements;
- (b) the Company’s compliance with legal and regulatory requirements, as they relate to the Company’s financial statements;
- (c) the qualifications, independence and performance of the Company’s auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company’s internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

### **2. Authority**

The Committee has the authority to:

- (i) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (ii) communicate directly with the Company’s auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

### **3. Composition and Expertise**

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. A majority of the Committee’s members must be “independent” and “financially literate” as such terms are defined in applicable securities legislation.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office

until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

#### **4. Meetings**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

#### **5. Committee and Charter Review**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter.

The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Canadian Securities Exchange and shall recommend changes to the Board thereon.

## **6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

## **7. Duties and Responsibilities**

### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) **Auditor**

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) **Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) **Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;

- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) **Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) **Controls and Control Deviations**

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) **Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

(h) **Related Party Transactions**

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the Securities Act (British Columbia)), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

**8. Non-Audit Services**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

**9. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chair of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

## **10. Procedure for Reporting of Fraud or Control Weaknesses**

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chair of the Audit Committee. Should a new Chair be appointed prior to the updating of this document, current Chair will ensure that the whistleblower is able to reach the new Chair in a timely manner. In the event that the Chair of the Audit Committee cannot be reached, the whistleblower should contact the Chair of the Board of Directors. Access to the names and place of employment of the Company's Directors can be found in the Company's website.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

## **11. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

**SCHEDULE B**

**CARVE-OUT FINANCIAL STATEMENTS**

**YEARS ENDED MARCH 31, 2022 AND 2021**

# **TOLISNICA AND STANCA PROPERTY**

Carve-Out Financial Statements  
For the years ended March 31, 2022 and 2021  
(Expressed in Canadian dollars)

# LANCASTER & DAVID

CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

---

To the Directors of Benz Capital Corp.:

### Opinion

We have audited the accompanying carve-out financial statements of the Tolisnica and Stanca Property (the "Property"), which comprise of the carve-out statements of financial position as at March 31, 2022, and 2021, and the carve-out statements of comprehensive loss, cash flows and changes in equity for the years then ended, and notes to the carve-out financial statements, including a summary of significant accounting policies.

In our opinion, these carve-out financial statements present fairly, in all material respects, the financial position of the Property as at March 31, 2022, and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRSs").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Property in accordance with the ethical requirements that are relevant to our audit of the carve-out financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the carve-out financial statements, which indicates that as at March 31, 2022, the Property does not have working capital, and the continuing operations of the Property are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Property's ability to continue as a going concern. Our opinion is not modified in respect of these matters.

### Emphasis of Matter – Basis of Presentation

We draw attention to Note 2 in the carve-out financial statements, which describes the basis of presentation used in these carve-out financial statements and the purpose of the carve-out financial statements. The Property did not operate as a separate entity during the years presented and, therefore, the carve-out financial statements are not necessarily indicative of results that would have occurred if the Property had been a separate stand-alone entity during the years presented or of future results of the Property. Our opinion is not modified in respect of this matter.

## **Responsibilities of Management and Those Charged with Governance for the Carve-Out Financial Statements**

Management is responsible for the preparation and fair presentation of these carve-out financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, management is responsible for assessing the Property's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Property or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Property's financial reporting process.

## **Auditor's Responsibilities for the Audit of Carve-Out Financial Statements**

Our objectives are to obtain reasonable assurance about whether the carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these carve-out financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Property's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Property to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Aaron D. Oye.

/s/ Lancaster & David

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC  
May 11, 2023

# Tolisnica and Stanca Property

Carve-Out Statements of Comprehensive Loss

(Expressed in Canadian Dollars, unless otherwise noted)

---

	Years ended March 31,	
	2022	2021
<hr/>		
<b>Operating Costs</b>		
Total operating costs	-	-
<hr/>		
<b>Net loss</b>	-	-
<hr/>		
<b>Other Comprehensive Loss</b>		
Foreign exchange translation	(5,758)	(3,818)
<b>Comprehensive loss</b>	<b>(5,758)</b>	<b>(3,818)</b>

The accompanying notes are an integral part of these carve-out financial statements

# Tolisnica and Stanca Property

## Carve-Out Statements of Financial Position

(Expressed in Canadian Dollars, unless otherwise noted)

---

	Note	March 31, 2022	March 31, 2021
<b>ASSETS</b>			
Non-current Assets			
Exploration and evaluation assets	6	111,602	70,128
		\$ 111,602	\$ 70,128
<b>LIABILITIES AND EQUITY</b>			
Net owner investment	6,7	\$ 53,433	\$ 71,876
Other contributions	6,7	65,675	-
Accumulated other comprehensive loss		(7,506)	(1,748)
Deficit		-	-
		\$ 111,602	\$ 70,128

Nature of Operations and Going Concern (Note 1)

Events After the Reporting Period (Note 9)

These carve-out financial statements were approved and authorized for issue by the Board of Directors of Benz Capital Corp., on behalf of the Tolisnica and Stanca Property, on May 11, 2023. They are signed on Benz Capital Corp.'s behalf by:

"Miloje Vicentijevic"  
Miloje Vicentijevic, President, CEO and Director

"Carlos Escribano"  
Carlos Escribano, CFO and Director

The accompanying notes are an integral part of these carve-out financial statements

# Tolisnica and Stanca Property

## Carve-Out Statements of Cash Flows

(Expressed in Canadian Dollars, unless otherwise noted)

	Note	Years Ended March 31,	
		2022	2021
<b>Cash Flows from Operating Activities</b>			
Net loss for the year	\$	-	\$ -
Net cash flows provided by operating activities		-	-
<b>Cash Flows from Investing Activities</b>			
Exploration and evaluation	6	(70,136)	(4,055)
Option payment received from Raiden Resources Limited	6	22,904	-
Net cash flows used in investing activities		(47,232)	(4,055)
<b>Cash Flows from Financing Activities</b>			
Investment provided by owner, net	6,7	(18,443)	4,055
Contribution from Raiden Resources Limited	6,7	65,675	-
Net cash flows provided by financing activities		47,232	4,055
<b>Net change in cash</b>		-	-
<b>Cash, Beginning of Year</b>		-	-
<b>Cash, End of Year</b>	\$	-	\$ -

The accompanying notes are an integral part of these carve-out financial statements

# Tolisnica and Stanca Property

## Carve-Out Statements of Changes in Equity

(Expressed in Canadian Dollars, unless otherwise noted)

	Note	Net Owner Investment	Other Contributions	Accumulated Other Comprehensive Loss	Deficit	Total
<b>Balance, April 1, 2020</b>		\$ 67,821	\$ -	\$ 2,070	\$ -	\$ 69,891
Net owner investment	6,7	4,055	-	-	-	4,055
Foreign exchange translation		-	-	(3,818)	-	(3,818)
Net loss		-	-	-	-	-
<b>Balance, March 31, 2021</b>		\$ 71,876	\$ -	\$ (1,748)	\$ -	\$ 70,128
Net owner investment	6,7	(18,443)	-	-	-	(18,443)
Contribution from Raiden Resources Limited	6,7	-	65,675	-	-	65,675
Foreign exchange translation		-	-	(5,758)	-	(5,758)
Net loss		-	-	-	-	-
<b>Balance, March 31, 2022</b>		\$ 53,433	\$ 65,675	\$ (7,506)	\$ -	\$ 111,602

The accompanying notes are an integral part of these carve-out financial statements

# Tolisnica and Stanca Property

Notes to the Carve-Out Financial Statements

For the years ended March 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

---

## 1. NATURE OF OPERATIONS AND GOING CONCERN

The Tolisnica and Stanca Property (the “Property”) is an early-stage copper carbonate exploration project which covers 18.9 kilometres<sup>2</sup> in south-central Serbia. It is located approximately 220 kilometres south by road from the capital city of Belgrade, near the city of Kraljevo.

It has not yet been determined whether the Property contains ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable ore reserves, the ability of the Property to obtain necessary financing to complete the exploration and development, and upon future profitable production.

These carve-out financial statements have been prepared on a going concern basis which assumes that the Property will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2022, the Property does not have working capital, and the continuing operations of the Property are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. These material uncertainties may cast significant doubt upon the Property’s ability to continue as a going concern. If the Property is unable to secure additional financing, repay liabilities as they come due, and/or continue as a going concern, then material adjustments would be required to the carrying value of assets and liabilities and the carve-out statement of financial position classifications used. These carve-out financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Property be unable to continue as a going concern.

## 2. BASIS OF PRESENTATION

These carve-out financial statements of the Property have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The policies set out were consistently applied to all the periods presented unless otherwise noted below.

The carve-out financial statements reflect the assets, liabilities, comprehensive loss, and cash flows of the Property undertaken by Copper Co d.o.o. (100% owned by Mr. Dragan Milosevic), and its related entities, (together, the “Owner”) for the years ended March 31, 2022, and 2021.

The purpose of these carve-out financial statements is to provide general purpose historical financial information of the Property in connection with the purchase agreement entered into between the Owner and Benz Capital Corp. (“Benz”), as further described in Note 9, to reflect the Property expenditures as if the Property had been operating separately. Therefore, these carve-out financial statements present the historical financial information of the Owner that make up the Property to be optioned to Benz.

The Owner originally acquired an exploration license on the Property on March 18, 2016. On February 16, 2021, the Owner entered into an option agreement with Raiden Resources Limited (“Raiden”), whereby Raiden had an option to acquire a 100% interest in the license. Subsequent to the year ended March 31, 2022, the option agreement with Raiden was terminated (Notes 6 and 9). On January 10, 2023, the Owner

# Tolisnica and Stanca Property

Notes to the Carve-Out Financial Statements

For the years ended March 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

---

entered into a purchase agreement to grant an option to Benz to acquire up to a 100% interest in the Property.

The carve-out financial statements have been prepared on an accrual basis and are based on historical costs modified where applicable. The carve-out financial statements are presented in Canadian dollars unless otherwise noted. The basis of preparation for the carve-out statements of financial position, comprehensive loss, cash flows and changes in equity of the Property is described below. The carve-out financial statements have been extracted and carved out from the historical accounting records of the Owner.

- The carve-out statements of financial position reflect the assets and liabilities recorded by the Owner on the basis that they are specifically identifiable and attributable to the Property which will be optioned to Benz; and
- The carve-out statements of comprehensive loss includes operating expenses of the Owner on the basis that they are specifically identifiable and attributable to the Property which will be optioned to Benz. Management concluded that there were no operating expenses incurred by the Owner that would be reasonable to allocate to the Property.
- Income taxes have been considered as if the Property had been a separate legal entity and had filed separate tax returns for the years presented.

Although the Property has taken steps to verify title to the exploration and evaluation asset on which it is conducting its exploration activities, these procedures do not guarantee the Property's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements. The Property's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

Management cautions readers of these carve-out financial statements, that the Property's results do not necessarily reflect what the financial position, comprehensive loss or cash flows would have been had the Property been a separate entity. Further, the allocation of income and expenses in these carve-out statements of comprehensive loss do not necessarily reflect the nature and level of the Property's future income and operating expenses.

### *Significant accounting judgments and estimates*

Estimates and judgements are continuously 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 these estimates.

### Critical Judgments

#### ***Going Concern***

The preparation of these carve-out financial statements requires management to make judgments regarding the going concern assumption for the Property as discussed in Note 1.

# Tolisnica and Stanca Property

Notes to the Carve-Out Financial Statements

For the years ended March 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

---

## ***Functional Currency***

The Property's functional currency has been assessed by management with consideration given to the currency and economic factors that mainly influence the Property's business. Specifically, the Property considers the currencies in which its revenues and expenses are settled by the Property, as well as the currency in which the Property may receive or raise financing. Management determined that the functional currency of the Property is the Serbian Dinar.

## **Key Sources of Estimation Uncertainty**

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of carve-out financial statements in conformity with IFRS requires management to make estimates and assumptions. Actual results could differ from those estimates and such differences could be significant.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the carrying value of the exploration and evaluation asset, and the recoverability and measurement of deferred tax assets.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Exploration and Evaluation Assets**

Mineral property interest acquisition costs are recorded at historical cost. Exploration and evaluation expenditures are capitalized except for those expenditures incurred on properties prior to obtaining legal rights to explore the specific area which are recognized in profit or loss as incurred. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to development assets within property, plant and equipment.

The carrying values of exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When impairment indicators exist, the asset's recoverable amount is estimated. If it is determined that the estimated recoverable amount is less than the carrying value of an asset, then a write-down is recognized in profit or loss. An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

### **Income Taxes**

Any income tax on profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income/loss, in which case the income tax is recognized in equity or other comprehensive income/loss.

# Tolisnica and Stanca Property

Notes to the Carve-Out Financial Statements

For the years ended March 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

---

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Property intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, on a non-discounted basis using tax rates at the end of the reporting period applicable to the period of expected realization. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

## Foreign Currency Translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Property is the Serbian Dinar and its presentation currency is the Canadian Dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

For the purposes of translating the functional currency of the Property to the presentation currency in these carve-out financial statements:

- At each period end, assets and liabilities denominated in a foreign currency are translated at the exchange rate prevailing at the period end date.
- Non-monetary transactions denominated in a foreign currency and measured at historical cost are translated at the exchange rate in effect at the transaction date.
- Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange differences resulting from the above are recorded in equity as accumulated other comprehensive income (loss).

## Restoration and Environmental Obligations

Liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of long-term assets are recognized when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

# Tolisnica and Stanca Property

Notes to the Carve-Out Financial Statements

For the years ended March 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

---

The estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. The Property currently has no measurable obligations for restoration and environmental costs.

## **Contributions**

Investment from the Owner to the Property and other contributions are presented as part of equity. The Property has no share capital, options or warrants, and as a result, there is no applicable share-related disclosures.

## **Accounting Standards Issued But Not Yet Adopted**

There are no IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Property's carve-out financial statements.

## **4. CAPITAL MANAGEMENT**

The Property defines its capital as working capital and equity. The Property manages its capital structure and makes adjustments to it based on the funds available to the Property in order to support future business opportunities. The Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Property's management to sustain future development of the business. The Property is dependent upon external financing. In order to carry future activities and pay for administrative costs, the Property will raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Property, is reasonable. The Property is not subject to externally imposed capital requirements.

## **5. FINANCIAL INSTRUMENTS AND RISK**

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. directly from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### *Credit risk*

Credit risk is the risk of financial loss to a corporation if a counter party to a financial instrument fails to meet its contractual obligations. The Property is currently not exposed to credit risk. The Property assessed credit risk as low.

# Tolisnica and Stanca Property

Notes to the Carve-Out Financial Statements

For the years ended March 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

## *Market risk*

Market risk is the risk that changes in market prices, such as currency risk, commodity risk and interest risk will affect the Property's net earnings, future cash flows, the value of financial instruments, or the fair value of its assets and liabilities. The Property is not exposed to currency risk or interest risk since it currently has no financial instruments, and commodity price risk is remote as the Property is not a producing entity. The Property closely monitors commodity prices to determine the appropriate course of action to be taken by the Property.

## *Liquidity risk*

Liquidity risk is the risk that the Property will not be able to meet its financial obligations as they fall due. The Property's liquidity and operating results may be adversely affected if its access to owner and other contributions are hindered. The Property has no source of revenue, and there is no assurance that the Property will be able to raise equity financing. The Property assesses liquidity risk as high.

## **6. EXPLORATION AND EVALUATION ASSET**

Exploration and evaluation asset consists of the following expenditures on the Property:

Balance, April 1, 2020	\$	69,891
Exploration expenditures		
License application fees		826
Geological consulting		3,229
Effects of exchange rate changes		(3,818)
Balance, March 31, 2021		70,128
Exploration expenditures		
License fees		4,461
Geological consulting		65,675
Proceeds from option payment (Aus\$25,000)		(22,904)
Effects of exchange rate changes		(5,758)
Balance, March 31, 2022	\$	111,602

On February 16, 2021, the Owner entered into an option agreement with Raiden, a publicly listed Australian company. The option agreement granted Raiden the right to purchase 100% of the exploration and evaluation asset, subject to the following conditions:

- On approval of the project license by the Ministry of Mines, Raiden will pay \$25,000 Australian Dollars (received).
- On the 18-month anniversary of approval of the license, Raiden may acquire 100% interest in project by paying \$100,000 Australian Dollars in cash or common share equivalent.
- If Raiden publishes a Scoping Study on the project within 5 years of anniversary of the option agreement, Raiden will pay \$200,000 Australian Dollars in cash or common share equivalent.

During the year ended March 31, 2022, Raiden incurred \$65,675 in expenditures on the exploration and evaluation asset on behalf of the Owner.

On November 23, 2022, Raiden terminated the option agreement (Note 9).

# Tolisnica and Stanca Property

Notes to the Carve-Out Financial Statements

For the years ended March 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

---

## 7. NET OWNER INVESTMENT AND OTHER CONTRIBUTIONS

The Owner's investment in the Property is presented as net owner investment in the carve-out financial statements. Other contributions consist of expenditures incurred on the exploration and evaluation asset by Raiden on behalf of the Owner. Equity represents the accumulated net investment from the Owner and contributions from Raiden. Net financing transactions with the Owner and contributions from Raiden as presented in the carve-out statements of cash flows represents the net contributions related to the funding of the Property.

## 8. INCOME TAX

The Property is subject to a statutory income tax rate of 15% on net income in Serbia. As at March 31, 2022, and 2021, the Property has not recognized deferred tax assets in respect of Serbian deductible temporary differences since the realizability of these deferred tax assets is not probable. In addition, the Property is not an incorporated entity and, therefore, is not subject to any loss carryforward or exploration and evaluation asset pool rules for tax purposes.

## 9. EVENTS AFTER THE REPORTING PERIOD

On November 23, 2022, the option agreement with Raiden was terminated (Note 6).

On January 10, 2023, Benz entered into an agreement (the "Purchase Agreement") with the Owner. Pursuant to the Purchase Agreement, the Owner has granted the sole and exclusive right (the "Right to Purchase") to Benz to acquire 100% of the interest of the Owner in the Property. In order to maintain the Right to Purchase, Benz must pay (a) \$25,000 within 5 days of the date on which the Exchange approves the Purchase Agreement (the "Effective Date"); and (b) an additional \$100,000 on the 18-month anniversary of the Effective Date. In addition, Benz must make a one-time issuance of 4,300,000 warrants to purchase common shares of Benz ("Common Shares") to the Owner with an exercise price of \$0.125 per Common Share for a period of 5 years from the date of issuance within 5 business days of the date from the Effective Date. Following the exercise of the Right to Purchase, Benz is required to make certain milestone payments to the Owner as follows:

- pay the Owner \$200,000 in cash within 5 business days of the earlier of: (i) the commencement of a scoping study on the Property; or (ii) the 5<sup>th</sup> anniversary of the Effective Date; and
- grant the Owner a 0.5% net smelter returns royalty within 5 business days of the commencement of commercial production on the Property.

The Purchase Agreement is subject to a number of conditions including, but not limited to, receipt of all required regulatory approvals, including Exchange approval. There are no finder's fees or commissions associated with the Purchase Agreement.

**NINE MONTHS ENDED DECEMBER 31, 2022 AND 2021**

# **TOLISNICA AND STANCA PROPERTY**

Condensed Interim Carve-Out Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

(Unaudited)

## Tolisnica and Stanca Property

Condensed Interim Carve-Out Statements of Comprehensive Income (Loss)

(Expressed in Canadian Dollars, unless otherwise noted)

(Unaudited)

---

	Three months ended		Nine months ended	
	December 31,		December 31,	
Note	2022	2021	2022	2021
<b>Operating Costs</b>				
Total operating costs	-	-	-	-
<b>Net loss</b>				
	-	-	-	-
<b>Other Comprehensive Income (Loss)</b>				
Foreign exchange translation	9,023	(1,069)	6,167	(1,253)
<b>Comprehensive Income (Loss)</b>	<b>9,023</b>	<b>(1,069)</b>	<b>6,167</b>	<b>(1,253)</b>

---

The accompanying notes are an integral part of these condensed interim carve-out financial statements

# Tolisnica and Stanca Property

Condensed Interim Carve-Out Statements of Financial Position  
(Expressed in Canadian Dollars, unless otherwise noted)  
(Unaudited)

	Note	December 31, 2022		March 31, 2022	
<b>ASSETS</b>					
Non-current Assets					
Exploration and evaluation assets	6		126,125		111,602
		\$	126,125	\$	111,602
<b>LIABILITIES AND EQUITY</b>					
Net owner investment	6,7	\$	53,433	\$	53,433
Other contributions	6,7		74,031		65,675
Accumulated other comprehensive loss			(1,339)		(7,506)
Deficit			-		-
		\$	126,125	\$	111,602

Nature of Operations and Going Concern (Note 1)  
Events After the Reporting Period (Note 8)

These condensed interim carve-out financial statements were approved and authorized for issue by the Board of Directors of Benz Capital Corp., on behalf of the Tolisnica and Stanca Property, on May 16, 2023. They are signed on Benz Capital Corp.'s behalf by:

"Miloje Vicentijevic"  
Miloje Vicentijevic, President, CEO and Director

"Carlos Escribano"  
Carlos Escribano, CFO and Director

The accompanying notes are an integral part of these condensed interim carve-out financial statements

# Tolisnica and Stanca Property

Condensed Interim Carve-Out Statements of Cash Flows  
(Expressed in Canadian Dollars, unless otherwise noted)  
(Unaudited)

		Nine Months Ended December 31,	
	Note	2022	2021
<b>Cash Flows from Operating Activities</b>			
Net loss for the period		\$ -	\$ -
Net cash flows provided by operating activities		-	-
<b>Cash Flows from Investing Activities</b>			
Exploration and evaluation	6	(8,356)	(67,731)
Option payment received from Raiden Resources Limited	6	-	22,904
Net cash flows used in investing activities		(8,356)	(44,827)
<b>Cash Flows from Financing Activities</b>			
Investment provided by owner, net	6,7	-	(20,848)
Contribution from Raiden Resources Limited	6,7	8,356	65,675
Net cash flows provided by financing activities		8,356	44,827
<b>Net change in cash</b>		-	-
<b>Cash, Beginning of Period</b>		-	-
<b>Cash, End of Period</b>		\$ -	\$ -

The accompanying notes are an integral part of these condensed interim carve-out financial statements

## Tolisnica and Stanca Property

Condensed Interim Carve-Out Statements of Changes in Equity

(Expressed in Canadian Dollars, unless otherwise noted)

(Unaudited)

	Note	Net Owner Investment	Other Contributions	Accumulated Other Comprehensive Loss	Deficit	Total
<b>Balance, April 1, 2021</b>		\$ 71,876	\$ -	\$ (1,748)	\$ -	\$ 70,128
Net owner investment	6,7	(20,848)	-	-	-	(20,848)
Contribution from Raiden Resources Limited	6,7	-	65,675	-	-	65,675
Foreign exchange translation		-	-	(1,253)	-	(1,253)
Net loss		-	-	-	-	-
<b>Balance, December 31, 2021</b>		\$ 51,028	\$ 65,675	\$ (3,001)	\$ -	\$ 113,702
Net owner investment	6,7	2,405	-	-	-	2,405
Foreign exchange translation		-	-	(4,505)	-	(4,505)
Net loss		-	-	-	-	-
<b>Balance, March 31, 2022</b>		\$ 53,433	\$ 65,675	\$ (7,506)	\$ -	\$ 111,602
Contribution from Raiden Resources Limited	6,7	-	8,356	-	-	8,356
Foreign exchange translation		-	-	6,167	-	6,167
Net loss		-	-	-	-	-
<b>Balance, December 31, 2022</b>		\$ 53,433	\$ 74,031	\$ (1,339)	\$ -	\$ 126,125

The accompanying notes are an integral part of these condensed interim carve-out financial statements

# Tolisnica and Stanca Property

Notes to the Condensed Interim Carve-Out Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

(Unaudited)

---

## 1. NATURE OF OPERATIONS AND GOING CONCERN

The Tolisnica and Stanca Property (the “Property”) is an early-stage copper carbonate exploration project which covers 18.9 kilometres<sup>2</sup> in south-central Serbia. It is located approximately 220 kilometres south by road from the capital city of Belgrade, near the city of Kraljevo.

It has not yet been determined whether the Property contains ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable ore reserves, the ability of the Property to obtain necessary financing to complete the exploration and development, and upon future profitable production.

These condensed interim carve-out financial statements have been prepared on a going concern basis which assumes that the Property will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2022, the Property does not have working capital, and the continuing operations of the Property are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. These material uncertainties may cast significant doubt upon the Property’s ability to continue as a going concern. If the Property is unable to secure additional financing, repay liabilities as they come due, and/or continue as a going concern, then material adjustments would be required to the carrying value of assets and liabilities and the condensed interim carve-out statement of financial position classifications used. These condensed interim carve-out financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Property be unable to continue as a going concern.

## 2. BASIS OF PRESENTATION

These condensed interim carve-out financial statements of the Property have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), including IAS 34, “*Interim Financial Reporting*”, and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed interim carve-out financial statements should be read in conjunction with the Property’s audited carve-out financial statements for the year ended March 31, 2022. The policies set out were consistently applied to all the periods presented unless otherwise noted below.

The condensed interim carve-out financial statements reflect the assets, liabilities, comprehensive income (loss), and cash flows of the Property undertaken by Copper Co d.o.o. (100% owned by Mr. Dragan Milosevic), and its related entities, (together, the “Owner”) for the nine months ended December 31, 2022, and 2021.

The purpose of these condensed interim carve-out financial statements is to provide general purpose historical financial information of the Property in connection with the purchase agreement entered into between the Owner and Benz Capital Corp. (“Benz”), as further described in Note 8, to reflect the Property expenditures as if the Property had been operating separately. Therefore, these condensed interim carve-

# Tolisnica and Stanca Property

Notes to the Condensed Interim Carve-Out Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

(Unaudited)

---

out financial statements present the historical financial information of the Owner that make up the Property to be optioned to Benz.

The Owner originally acquired an exploration license on the Property on March 18, 2016. On February 16, 2021, the Owner entered into an option agreement with Raiden Resources Limited (“Raiden”), whereby Raiden had an option to acquire a 100% interest in the license. On November 23, 2022, the option agreement with Raiden was terminated (Note 6). On January 10, 2023, the Owner entered into a purchase agreement to grant an option to Benz to acquire up to a 100% interest in the Property.

The condensed interim carve-out financial statements have been prepared on an accrual basis and are based on historical costs modified where applicable. The condensed interim carve-out financial statements are presented in Canadian dollars unless otherwise noted. The basis of preparation for the condensed interim carve-out statements of financial position, comprehensive income (loss), cash flows and changes in equity of the Property is described below. The condensed interim carve-out financial statements have been extracted and carved out from the historical accounting records of the Owner.

- The condensed interim carve-out statements of financial position reflect the assets and liabilities recorded by the Owner on the basis that they are specifically identifiable and attributable to the Property which will be optioned to Benz; and
- The condensed interim carve-out statements of comprehensive income (loss) includes operating expenses of the Owner on the basis that they are specifically identifiable and attributable to the Property which will be optioned to Benz. Management concluded that there were no operating expenses incurred by the Owner that would be reasonable to allocate to the Property.
- Income taxes have been considered as if the Property had been a separate legal entity and had filed separate tax returns for the years presented.

Although the Property has taken steps to verify title to the exploration and evaluation asset on which it is conducting its exploration activities, these procedures do not guarantee the Property’s title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements. The Property’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

Management cautions readers of these condensed interim carve-out financial statements, that the Property’s results do not necessarily reflect what the financial position, comprehensive income (loss) or cash flows would have been had the Property been a separate entity. Further, the allocation of income and expenses in these condensed interim carve-out statements of comprehensive income (loss) do not necessarily reflect the nature and level of the Property’s future income and operating expenses.

### *Significant accounting judgments and estimates*

Estimates and judgements are continuously 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 these estimates.

# Tolisnica and Stanca Property

Notes to the Condensed Interim Carve-Out Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

(Unaudited)

---

## Critical Judgments

### ***Going Concern***

The preparation of these condensed interim carve-out financial statements requires management to make judgments regarding the going concern assumption for the Property as discussed in Note 1.

### ***Functional Currency***

The Property's functional currency has been assessed by management with consideration given to the currency and economic factors that mainly influence the Property's business. Specifically, the Property considers the currencies in which its revenues and expenses are settled by the Property, as well as the currency in which the Property may receive or raise financing. Management determined that the functional currency of the Property is the Serbian Dinar.

## Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of condensed interim carve-out financial statements in conformity with IFRS requires management to make estimates and assumptions. Actual results could differ from those estimates and such differences could be significant.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the carrying value of the exploration and evaluation asset, and the recoverability and measurement of deferred tax assets.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Exploration and Evaluation Assets**

Mineral property interest acquisition costs are recorded at historical cost. Exploration and evaluation expenditures are capitalized except for those expenditures incurred on properties prior to obtaining legal rights to explore the specific area which are recognized in profit or loss as incurred. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to development assets within property, plant and equipment.

The carrying values of exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When impairment indicators exist, the asset's recoverable amount is estimated. If it is determined that the estimated recoverable amount is less than the carrying value of an asset, then a write-down is recognized in profit or loss. An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

# Tolisnica and Stanca Property

Notes to the Condensed Interim Carve-Out Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

(Unaudited)

---

## Income Taxes

Any income tax on profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income/loss, in which case the income tax is recognized in equity or other comprehensive income/loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Property intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, on a non-discounted basis using tax rates at the end of the reporting period applicable to the period of expected realization. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

## Foreign Currency Translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Property is the Serbian Dinar and its presentation currency is the Canadian Dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

For the purposes of translating the functional currency of the Property to the presentation currency in these condensed interim carve-out financial statements:

- At each period end, assets and liabilities denominated in a foreign currency are translated at the exchange rate prevailing at the period end date.
- Non-monetary transactions denominated in a foreign currency and measured at historical cost are translated at the exchange rate in effect at the transaction date.
- Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange differences resulting from the above are recorded in equity as accumulated other comprehensive income (loss).

## Restoration and Environmental Obligations

Liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of long-term assets are recognized when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

# Tolisnica and Stanca Property

Notes to the Condensed Interim Carve-Out Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

(Unaudited)

---

The estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. The Property currently has no measurable obligations for restoration and environmental costs.

## **Contributions**

Investment from the Owner to the Property and other contributions are presented as part of equity. The Property has no share capital, options or warrants, and as a result, there is no applicable share-related disclosures.

## **Accounting Standards Issued But Not Yet Adopted**

There are no IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Property's condensed interim carve-out financial statements.

## **4. CAPITAL MANAGEMENT**

The Property defines its capital as working capital and equity. The Property manages its capital structure and makes adjustments to it based on the funds available to the Property in order to support future business opportunities. The Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Property's management to sustain future development of the business. The Property is dependent upon external financing. In order to carry future activities and pay for administrative costs, the Property will raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Property, is reasonable. The Property is not subject to externally imposed capital requirements.

## **5. FINANCIAL INSTRUMENTS AND RISK**

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. directly from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# Tolisnica and Stanca Property

Notes to the Condensed Interim Carve-Out Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

(Unaudited)

---

## *Credit risk*

Credit risk is the risk of financial loss to a corporation if a counter party to a financial instrument fails to meet its contractual obligations. The Property is currently not exposed to credit risk. The Property assessed credit risk as low.

## *Market risk*

Market risk is the risk that changes in market prices, such as currency risk, commodity risk and interest risk will affect the Property's net earnings, future cash flows, the value of financial instruments, or the fair value of its assets and liabilities. The Property is not exposed to currency risk or interest risk since it currently has no financial instruments, and commodity price risk is remote as the Property is not a producing entity. The Property closely monitors commodity prices to determine the appropriate course of action to be taken by the Property.

## *Liquidity risk*

Liquidity risk is the risk that the Property will not be able to meet its financial obligations as they fall due. The Property's liquidity and operating results may be adversely affected if its access to owner and other contributions are hindered. The Property has no source of revenue, and there is no assurance that the Property will be able to raise equity financing. The Property assesses liquidity risk as high.

## **6. EXPLORATION AND EVALUATION ASSET**

Exploration and evaluation asset consists of the following expenditures on the Property:

Balance, April 1, 2021	\$	70,128
Exploration expenditures		
License fees		4,461
Geological consulting		65,675
Proceeds from option payment (Aus\$25,000)		(22,904)
Effects of exchange rate changes		(5,758)
Balance, March 31, 2022		111,602
Exploration expenditures		
Annual report		5,543
Exploration planning		2,813
Effects of exchange rate changes		6,167
Balance, December 31, 2022	\$	126,125

# Tolisnica and Stanca Property

Notes to the Condensed Interim Carve-Out Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars, unless otherwise noted)

(Unaudited)

---

On February 16, 2021, the Owner entered into an option agreement with Raiden, a publicly listed Australian company. The option agreement granted Raiden the right to purchase 100% of the exploration and evaluation asset, subject to the following conditions:

- On approval of the project license by the Ministry of Mines, Raiden will pay \$25,000 Australian Dollars (received).
- On the 18-month anniversary of approval of the license, Raiden may acquire 100% interest in project by paying \$100,000 Australian Dollars in cash or common share equivalent.
- If Raiden publishes a Scoping Study on the project within 5 years of anniversary of the option agreement, Raiden will pay \$200,000 Australian Dollars in cash or common share equivalent.

During the nine months ended December 31, 2022, Raiden incurred \$8,356 in expenditures on the exploration and evaluation asset on behalf of the Owner (2021 - \$65,675). On November 23, 2022, Raiden terminated the option agreement.

## 7. NET OWNER INVESTMENT AND OTHER CONTRIBUTIONS

The Owner's investment in the Property is presented as net owner investment in the condensed interim carve-out financial statements. Other contributions consist of expenditures incurred on the exploration and evaluation asset by Raiden on behalf of the Owner. Equity represents the accumulated net investment from the Owner and contributions from Raiden. Net financing transactions with the Owner and contributions from Raiden as presented in the condensed interim carve-out statements of cash flows represents the net contributions related to the funding of the Property.

## 8. EVENTS AFTER THE REPORTING PERIOD

On January 10, 2023, Benz entered into an agreement (the "Purchase Agreement") with the Owner. Pursuant to the Purchase Agreement, the Owner has granted the sole and exclusive right (the "Right to Purchase") to Benz to acquire 100% of the interest of the Owner in the Property. In order to maintain the Right to Purchase, Benz must pay (a) \$25,000 within 5 days of the date on which the Exchange approves the Purchase Agreement (the "Effective Date"); and (b) an additional \$100,000 on the 18-month anniversary of the Effective Date. In addition, Benz must make a one-time issuance of 4,300,000 warrants to purchase common shares of Benz ("Common Shares") to the Owner with an exercise price of \$0.125 per Common Share for a period of 5 years from the date of issuance within 5 business days of the date from the Effective Date. Following the exercise of the Right to Purchase, Benz is required to make certain milestone payments to the Owner as follows:

- pay the Owner \$200,000 in cash within 5 business days of the earlier of: (i) the commencement of a scoping study on the Property; or (ii) the 5<sup>th</sup> anniversary of the Effective Date; and
- grant the Owner a 0.5% net smelter returns royalty within 5 business days of the commencement of commercial production on the Property.

The Purchase Agreement is subject to a number of conditions including, but not limited to, receipt of all required regulatory approvals, including Exchange approval. There are no finder's fees or commissions associated with the Purchase Agreement.