



**Borealis Mining Company Limited**  
**(formerly 1329300 B.C. Ltd.)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED  
OCTOBER 31, 2024**

*The following management's discussion and analysis of the results of operations and financial condition ("MD&A") for Borealis Mining Company Limited (formerly, 1329300 B.C. Ltd.) (the "Company" or "Borealis"), is prepared as of October 31, 2024, and should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the three months ended October 31, 2024 and the audited consolidated financial statements and related notes for the year ended July 31, 2024 (the "Financial Statements"). Readers are encouraged to read the Cautionary Note Regarding Forward-Looking Information included on page 2 of this MD&A. The financial information in this MD&A is derived from the Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A has been prepared effective December 27, 2024, and has been approved by the Board of Directors of the Company. All figures contained herein are expressed in United States dollars ("US\$" or "\$"), except for production or as otherwise stated.*

## **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

Certain statements in this MD&A constitute forward-looking information. Often, but not always, forward-looking statements use words or phrases such as: "expects", "does not expect" or "is expected", "anticipates" or "does not anticipate", "plans" or "planned", "estimates" or "estimated", "projects" or "projected", "forecasts" or "forecasted", "believes", "intends", "likely", "possible", "probable", "scheduled", "positioned", "goal", "objective" or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved or any variations (including negative variations) of such words and phrases. Such forward-looking statements, including but not limited to statements with respect to anticipated business plans or strategies, total cash costs, the mineral resource estimate (MRE) and capital expenditures, involve known and unknown risks, uncertainties and other factors which may cause the actual actions, events and results to be materially different from estimated actions, events or results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "Risk Factors" in the Company's management information circular dated February 16, 2024, which is available for review on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Company believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

## **BUSINESS DESCRIPTION**

Borealis Mining Company Limited (formerly 1329300 B.C. Ltd.) ("Borealis", "BMCL", or the "Company") was incorporated under the Business Corporations Act (British Columbia) on October 20, 2021. The head office and registered office is located at 5th Floor, 410 West Georgia Street, Vancouver, British Columbia, V6B 1Z3, and a mailing address is located at 401-217 Queen Street West, Toronto, Ontario, Canada M5V 0R2. Borealis is an exploration and development stage mining company engaged in the business of acquiring and exploring mineral properties. The Company's principal project is the Borealis Gold Project ("Borealis Project") held via its wholly owned subsidiary, Borealis Mining Company, LLC. The Borealis Project is a fully permitted gold-silver mine and absorption, desorption, and refining ("ADR") plant, located near Hawthorne, Nevada. The Borealis Project has been mined by previous owners intermittently since 1981.

Currently, the business objective of Borealis is to identify mineral resources at the Borealis Project and produce gold and silver utilizing its existing heap leach and ADR facilities. In the long term, the business objective of Borealis is to identify, evaluate, acquire and explore additional mineral properties for the purposes of identifying additional mineral resources and extracting gold and silver.

## **BOREALIS PROPERTY**

Unless otherwise indicated, the technical information included in this MD&A is based upon information included in the Technical Report for the Borealis Project prepared by SRK Consulting (U.S.), Inc. consultants Douglas Reid, P. Eng, titled "NI 43-101 Technical Report Project Status Report Borealis Mine, Nevada, U.S.A." with an effective date of October 10, 2023 (the "Borealis Technical Report"). The Borealis Gold Project is located in western Nevada, approximately 16 road miles southwest of the town of Hawthorne in the Walker Lane Mineral Belt and 12 miles northeast of the California border. Hawthorne is 144 highway miles southeast of Reno and 331 highway miles northwest of Las Vegas. The Borealis property is comprised of 815 unpatented mining claims of approximately 20 acres each totaling about 16,900 acres and one unpatented mill site claim of about 5 acres.

The principal operating permits are currently in place for a heap leach operation in the center of the property. The status of all approved permits is current and can be maintained with the appropriate fees being paid on an annual basis. The balance of the property is prospective for epithermal gold and silver mineralization, with several exploration permits active and in good standing for drilling and other activities.

Appreciable gold mineralization was first identified in 1979 by Houston International Minerals Company, which led to rapid exploration and development that resulted in production beginning in October 1981 as an open-pit mining and heap leaching operation. The project was then acquired by Tenneco Minerals in 1981, who assumed operations and also identified and developed several additional gold deposits (all of which now comprise the Borealis Project). In 1986, Echo Bay Mines acquired the Nevada assets of Tenneco Minerals, including the Borealis Project, and assumed operations. In 1990, mining operations ceased. During the period of mining from 1981 through to 1990, gold recovered from material placed on heap leach pads was approximately 500,000 troy ounces plus an estimated 1,500,000 troy ounces of silver. Reclamation of the mine began immediately upon cessation of production and continued for several years.

In subsequent years, a number of operators conducted various exploration activities on the Borealis Project. In 2005, Gryphon Gold Corporation, through its wholly owned subsidiary Borealis Mining Company, earned 100% in the Borealis Project and conducted several exploration campaigns. In June of 2011, Gryphon Gold began construction of the Borealis Project, and its first shipment of loaded carbon was sent out in October 2011. Owing to cost overruns and construction delays, Gryphon entered into a debt facility with Waterton Global Value. Gryphon filed for voluntary Chapter 11 bankruptcy protection in July of 2013, triggering a protracted series of lawsuits over the ownership of the Borealis Project. The case was dismissed in Waterton's favour, who foreclosed on Gryphon. Waterton assumed control of Borealis Mining Company and operated the project until April of 2023, when it was sold to Borealis Mining Company Limited.

The Borealis Project is an advanced exploration and development asset that is permitted for production and maintains all necessary permits and infrastructure for possible future development. Office buildings, laboratory facilities, an adsorption, desorption, and recovery (ADR) plant, and storage facilities were constructed or installed after 2011 and are in good condition. Roads in the Borealis Project area are a mix of open and maintained haul roads to recently operating pit areas, two-track roads along previously reclaimed roadways, and several all-terrain trails to access undeveloped portions of the Project. Power is supplied to the site via 69kV overhead line from the Hawthorne Substation located approximately 14.5 miles from the site. Water is supplied to the site from a topographically isolated basin. Two wells are located approximately 3 miles from the mine facilities and are in operable condition.

## **OPERATIONAL HIGHLIGHTS AND BUSINESS DEVELOPMENTS**

- During the Period of August 1<sup>st</sup> to October 31<sup>st</sup>, Borealis completed a listing of its common shares on the TSX Venture Exchange under the symbol BOGO. The listing occurred on August 7<sup>th</sup>.

- During the Period of August 1<sup>st</sup> to October 31<sup>st</sup>, Borealis management attended several investor conferences to increase awareness of the newly listed company. These conferences included the Beaver Creek Precious Metals Summit, Red Cloud's Fall Mining Showcase, and the International Mining and Resources Conference, along with several online webinars and in-person investor roadshows.
- During the Period of August 1<sup>st</sup> to October 31<sup>st</sup>, Borealis recovered gold and silver from residual leaching of its permitted heap leach pad. Recovered gold was treated in Borealis' permitted and active ADR facility, resulting in a total of ~372 troy ounces of gold and ~293 troy ounces of silver being poured in the form of doré bars. These gold and silver laden doré bars were shipped to Asahi Refining of Salt Lake City, Utah for further refining. During the Period, the Company sold 247.3 ounces of gold and 281.6 ounces of silver for \$937,170 and \$8,945, respectively.
- During the Period of August 1<sup>st</sup> to October 31<sup>st</sup>, engineering studies were advanced for Borealis with a dedicated mine engineer joining the Borealis team at the end of July 2024. Engineering works completed or ongoing include contract vs. owner mining and crushing evaluations, identifying permitting requirements and timelines and bringing pit designs from economic pits (which identify areas of potential economic value) to detailed pit designs (mining-ready, with access and other considerations built in). This engineering work has brought the project forward significantly in terms of mine readiness
- During the Period of August 1<sup>st</sup> to October 31<sup>st</sup>, several repairs and updates occurred on the Borealis Project:
  - The electrowinning cell was updated with new anodes and cathodes, insulators and copper busbars. This update allows for increased gold recovery and time in-circuit of gold-laden solution during the gold extraction process in the plant;
  - Dewatering works on the pregnant pond, one of three ponds used for solution storage from the heap leach pad, began mid-October and is expected to be completed in mid-January. The dewatering allows for necessary and essential pond liner repairs; and
  - Borealis' on-site laboratory underwent significant improvements and modifications, including the purchase and installation of two fire assay furnaces, a new crusher and pulverizer, and scales. The existing equipment was calibrated and updated, and a dedicated lab technician was hired.
- During the Period of August 1<sup>st</sup> to October 31<sup>st</sup>, RC drilling continued with a focus on confirmation and expansion of the known Graben, Jamie's Ridge, and Curro Duro mineralization. Assay results from this RC program are pending. External consultants have been actively compiling historical data from the Borealis project, much of which was in scanned or paper format, with the objective of modernizing the datasets for use in targeting software. Geological mapping and sampling programs have been ongoing, with a focus on a portion of the western side of the Borealis property dubbed Middle Earth. Objectives of this mapping program are to identify and follow mineralizing structures and alteration to the south under pediment cover to identify new drill targets.
- On August 6<sup>th</sup>, 2024, Borealis announced receipt of conditional approval for listing its common shares on the TSX Venture Exchange under the symbol BOGO and that trading of said shares will begin on August 7<sup>th</sup>, 2024.
- On August 28<sup>th</sup>, 2024, Borealis announced its first gold pour of 2024, comprising approximately 143 troy ounces of gold and 131 troy ounces of silver. The Company also announced a senior management change with Ms. Lisanna Lewis replacing Mr. Mike Dai as CFO.
- On October 3<sup>rd</sup>, 2024, Borealis announced its second gold pour of 2024, comprising approximately 229 troy ounces of gold and 162 troy ounces of silver. The Company also announced the listing of its shares on the Frankfurt Stock Exchange under the symbol L4B0, along with the engagement of several investor awareness contractors.

- On October 29th, 2024, Borealis announced the expansion of its Borealis Property in Nevada. This occurred through claim staking, which added 3.66 square miles to the previous 22.9 square mile land package: sixty-four new claims. These new claims are host to numerous grab samples containing anomalous to ore-grade oxide gold mineralization, which were confirmed by 14 drillholes, some of which contained meaningful gold mineralization over reasonable widths, all of which occur close to surface. These historical drill results include:
  - 20 m of 0.55 g/t Au in BRB003 and 12 m of 0.62 g/t Au in BRB005, both from surface;
  - 3 m of 1.51 g/t Au beginning at 12 m in BRB006;
  - 12 m of 0.42 g/t Au beginning at 4.6 m in BRB004; and
  - 10.7 m of 0.48 g/t Au beginning at 11 m in BRB008.

### ACQUISITION OF BOREALIS MINING COMPANY, LLC

On April 17, 2023, the Company completed the acquisition of 100% of the outstanding membership interests in Borealis Mining Company, LLC (“BMC LLC”), which owns the Borealis Project. The Company determined that it obtained control over BMC LLC on the acquisition date. The transaction was classified as an asset acquisition as the assets and liabilities acquired as part of this transaction did not meet the definition of a business.

The fair value of the consideration for its interest and the net assets acquired is as follows:

|   |    |                   |
|---|----|-------------------|
| Cash  | \$ | 100,000           |
| Contingent consideration                              |    | 5,013,307         |
| <hr/>   |    |                   |
| Total consideration                                   |    | 5,113,307         |
|   |    |                   |
| Identifiable assets acquired and liabilities assumed: |    |                   |
| Cash and cash equivalents                             |    | 5,489             |
| Restricted cash                                       |    | 25,630            |
| Prepaid expenses                                      |    | 194,417           |
| Property and equipment                                |    | 509,234           |
| Accounts payable and accrued liabilities              |    | (286,801)         |
| Decommissioning obligation                            |    | (10,357,983)      |
| <hr/>   |    |                   |
| <b>Mineral property interests acquired</b>            |    | <b>15,023,321</b> |

The Company recognized the value of mineral properties acquired as project acquisition expense for the period. In conjunction with the acquisition, the Company incurred \$86,656 in legal fees that have been recorded as transaction costs in the period from November 17, 2022 (date of incorporation) to July 31, 2023. The Company estimated the useful lives of property, plant and equipment acquired to range between 1 to 2 years at the date of acquisition.

Pursuant to the transaction, the Company has committed to the following contingencies:

- i) Upon the completion of a future reverse takeover transaction (“RTO”) between the Company and an RTO target, the resulting issuer shall issue common shares to the seller of BMC LLC in the amount that is equal to the greater of:
  - a. 19.99% of the issued and outstanding common shares of the resulting issuer at the closing of the RTO; and
  - b. That number of common shares having value equal to \$5,000,000, based on the value of the resulting issuer’s common stock at the closing of the RTO.

On May 9, 2024, the Company issued 15,558,338 shares to satisfy this commitment. As at July 31, 2024, contingent consideration balance was \$Nil (as at July 31, 2023, the Company had accrued a total of \$5,000,000 for this contingency).

- ii) \$5,000,000 payable in cash upon publishing an NI 43-101 resource report for the sulphide portion of the BMC LLC property describing a resource of 2,800,000 or more ounces of gold equivalents;

- iii) \$2,500,000 payable in cash upon passing environmental assessment, permitting and approval for underground mining site;
- iv) \$7,500,000 payable in cash upon commercial production of sulphide ore at the BMC LLC property;

As at the date of acquisition and as at October 31, 2024, the Company has provided for the contingencies noted in (ii) to (iv) above in the amount of \$13,307 (July 31, 2024: \$13,307), reflecting management's estimate that the likelihood of these being paid is low.

- v) \$500,000 payable in cash if such an RTO transaction is not completed by October 17, 2023 ("RTO Deadline"). Subsequent to July 31, 2023, the parties amended the agreement and the RTO Deadline was extended to April 15, 2024. During the year ended July 31, 2024, the contingency noted in (i) above was transferred by the seller to a third party, and this contingency was waived.

### SELECTED FINANCIAL INFORMATION

|  | For the three months<br>ended October 31, 2024 | For the three months<br>ended October 31, 2024 |
|--|--|--|
|  | \$   | \$   |
| Revenue                                | 943,811  | 865,494  |
| Net loss                               | (2,267,874)                                    | (323,878)                                      |
| Comprehensive loss                     | (2,252,094)                                    | (507,993)                                      |
| Net loss per share (basic and diluted) | (\$0.03)                                       | (\$0.01)                                       |

|                               | As at October 31, 2024 | As at July 31, 2024 |
|-------------------------------|------------------------|---------------------|
|                               | \$                     | \$                  |
| Total assets                  | 5,914,124              | 7,374,188           |
| Working capital               | 2,507,971              | 4,103,274           |
| Total non-current liabilities | 10,310,974             | 10,694,234          |

Since inception, the Company has incurred losses while advancing its business plan. The comprehensive loss for the three months ended October 31, 2024 was \$2,252,094 (October 31, 2024: loss of \$507,993).

As at October 31, 2024, the Company had not yet achieved profitable operations, has accumulated losses since its inception, and expects to incur further losses in the development of its business. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. The Company has been successful in raising funds, therefore, the Company's ability to obtain additional financing is enough to assume that the Company will continue as a going concern, however there is no certainty this will occur in the future at terms acceptable to the Company.

### RESULTS OF OPERATIONS

|                                  | For the three months<br>ended October 31, 2024 | For the three months<br>ended October 31, 2023 |
|----------------------------------|--|--|
|                                  | \$   | \$   |
| Exploration and evaluation costs | 806,207  | 135,710  |
| Operating expenses               | 243,030  | 178,824  |
| Consulting and professional fees | 1,261,845                                      | 159,352  |
| General and administrative       | 550,002  | 282,345  |

Exploration and evaluation costs are provided in additional detail below:

|                                     | For the three months<br>ended October 31,<br>2024 | For the three months<br>ended October 31, 2023 |
|-------------------------------------|---|--|
| Drilling                            | 589,636   | 23,454   |
| Personnel                           | 207,055   | 100,864  |
| Travel                              | 9,363   | 5,539  |
| Permits, licenses and subscriptions | -   | 6,108  |
| Other                               | 153   | 215  |
|                                     | <b>806,207</b>                                    | <b>136,179</b>                                 |

The Company incurred \$806,207 in exploration and evaluation costs for the three months ended October 31, 2024, an increase of \$670,028 over the comparative period. The Company had not commenced its initial drilling program on the project in three months ended October 31, 2023, and costs in the comparative period consisted primarily of personnel and hiring costs in preparation of the program's commencement in November 2023.

Operating expenses are provided in additional detail below:

|                               | For the three<br>months ended<br>October 31, 2024 | For the three<br>months ended<br>October 31, 2023 |
|-------------------------------|---|---|
| Personnel                     | 79,442  | 20,813  |
| Transportation                | 3,688   | 15,476  |
| Utilities                     | 349   | 32,666  |
| Repairs, consumables and rent | 17,957  | 2,277   |
| Property and business taxes   | -   | 4,529   |
| Permitting                    | 76,716  | 35,532  |
| Royalties                     | 46,990  | 42,068  |
| Depreciation                  | 10,338  | 13,872  |
| Other                         | 7,550   | 11,590  |
| <b>Total</b>                  | <b>243,030</b>                                    | <b>178,824</b>                                    |

Operating expenses for the period ended October 31, 2024 was \$243,030 (period ended October 31, 2023 - \$178,824). Operating expenses were higher in the current period due additional permitting and personnel costs incurred.

Consulting and professional fees for period ended October 31, 2024 was \$1,261,845, which was \$1,102,493 higher than the comparative period, primarily due to share-based awards granted during the quarter.

General and administrative expenses are provided in additional detail below:

|                           | For the three months<br>ended October 31, 2024 | For the three months<br>ended October 31, 2023 |
|---------------------------|--|--|
|                           | \$   | \$   |
| Advertising and marketing | 316,129  | 234,261  |
| Office and general        | 230,014  | 13,164   |
| Travel                    | 3,672  | 32,777   |
| Foreign exchange          | 187  | 2,143  |
| <b>Total</b>              | <b>550,002</b>                                 | <b>282,345</b>                                 |

The largest component of the general and administrative expenses related to advertising and marketing costs, including investor relations incurred during the period. Advertising and marketing expenses during the period ended October 31, 2024 were \$316,129, compared to \$234,261 in the previous year, due to increased marketing efforts following the Company's public listing. Office and general expenses were higher year over year, due to listing costs of the RTO, and higher insurance, IT-related and personnel expenses.

## LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2024, the Company had cash of \$378,634 (July 31, 2024 - \$2,633,977) and working capital of \$2,507,971 (July 31, 2024: \$4,103,274). The Company has sufficient working capital on hand to pay all commitments, but anticipates requiring additional financing to pay for capital expenditures, exploration and administrative costs required to move the business forward. Company has operating losses and of negative cash flows from operations. The Company will remain reliant on capital markets for future funding to meet its ongoing obligations.

## RELATED PARTY TRANSACTIONS

Related parties are defined as management and directors of the Company and/or members of their immediate family and/or other companies and/or entities in which a board member or senior officer is a principal owner or senior executive. Other than disclosed elsewhere in the consolidated financial statements, related party transactions and balances are as follows:

|                          | <b>For the three months<br/>ended October 31,<br/>2024</b> | <b>For the three months<br/>ended October 31,<br/>2023</b> |
|--------------------------|--|--|
|                          | <b>\$</b>  | <b>\$</b>  |
| Short-term compensation  | 151,582  | 101,359  |
| Share-based compensation | 1,151,397  | -  |

As at October 31, 2024, \$71,860 related to unpaid management salaries and were recorded in accounts payable and accrued liabilities (July 31, 2024: \$72,417). The amounts owing to related parties are unsecured, non-interest bearing and due on demand.

During the period ended October 31, 2024, management of the Company received 3,700,000 option grants and 50,000 RSUs.

## REVERSE ACQUISITION

On May 9, 2024, the Company completed an acquisition by way of a plan of arrangement under Division 5 of Part 9 of the Business Corporations Act (British Columbia) (the "Arrangement"). The Arrangement was carried out pursuant to an arrangement agreement dated February 6, 2024, between 1329300 B.C. Ltd. (the "Issuer"), 1000693081 Ontario Ltd., a wholly-owned subsidiary of the Issuer and Borealis Mining Company Limited.

The closing of the Arrangement resulted in the Issuer acquiring all of the issued and outstanding common shares in the capital of Borealis Mining Company Limited (each, a "Target Share"). The Target Shares outstanding immediately prior to the completion of the Arrangement have been cancelled, and the former holders of the Target Shares received common shares in the capital of the Issuer (each, an "Issuer Share"), resulting in the Issuer issuing an aggregate of 76,057,838 Issuer Shares (including 15,558,338 Issuer Shares to settle the contingent consideration).

In addition, the 13,288,900 common share purchase warrants of Borealis Mining Company Limited (each, a "Target Warrant") and 1,123,136 compensation options of Borealis Mining Company Limited (each, a "Target Compensation Option") have been cancelled, and the former holders of the Target Warrants and the Target Compensation Options received economically equivalent securities of the Issuer.

The Arrangement resulted in the non-diluted Issuer Shares being held as follows: (i) 76,057,838 Issuer Shares (approximately 97.77%) held by former shareholders of Borealis Mining Company Limited; and (ii) 1,737,745 Issuer Shares (approximately 2.23%) held by existing shareholders of the Issuer. The value of the 1,737,745 shares issued to shareholders of the Issuer were valued at \$575,468, based on the estimated fair value of the shares which were estimated using the most recent financing completed by Borealis Mining Company Limited prior to the Arrangement.

In connection with the closing of the Arrangement, Borealis Mining Company Limited and 1000693081 Ontario Ltd. amalgamated pursuant to the provisions of the Business Corporations Act (Ontario) and the resulting entity has become a wholly-owned subsidiary of the Issuer, which was renamed Borealis Holdings Inc. ("BHI") and which carries on the previous business of Borealis Mining Company Limited. In addition, the Issuer has changed its name to Borealis Mining Company Limited.

This transaction was accounted for as a reverse acquisition of the Issuer by Borealis Mining Company Limited and the purchase price allocation was determined as follows:

|   |                      |
|---|----------------------|
|   | \$                   |
| Shares issued   | 575,468              |
| <hr/> Total consideration                             | <hr/> 575,468        |
| Identifiable assets acquired and liabilities assumed: |                      |
| Accounts payable and accrued liabilities              | (92,576)             |
| <hr/> <b>Listing expense</b>                          | <hr/> <b>668,044</b> |

## SUBSEQUENT EVENT

### *Announcement of acquisition*

On December 9th, 2024, the Company entered into a definitive agreement (the “Agreement”) with Gold Bull Resources Corp. (TSXV:GBRC), whereby Borealis will acquire all of the issued and outstanding shares of Gold Bull (“Gold Bull Shares”) pursuant to a plan of arrangement (the “Transaction”).

Pursuant to the Transaction, each common share in Gold Bull will be acquired and exchanged for 0.93 Borealis common shares (“Borealis Shares”) resulting in the issuance of approximately 13.8 million Borealis Shares. Upon completion of the arm’s length Transaction, existing Borealis and Gold Bull shareholders will own approximately 86% and 14% of Borealis, respectively. There are no finders fees payable pursuant to the Transaction.

The Transaction will be completed pursuant to a court-approved plan of arrangement under the Business Corporations Act (British Columbia). The consummation of the Transaction is subject to a number of conditions customary to transactions of this nature, including, among others, the adoption of a resolution approving the Transaction at a special meeting of Gold Bull shareholders (the “Meeting”) by: (i) at least 66⅔% of votes cast by Gold Bull shareholders present in person or represented by proxy at the Meeting; and (ii) a majority of the votes cast by Gold Bull shareholders present in person or represented by proxy at the Meeting, excluding votes attached to any particular shareholder as required under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“MI 61-101”).

MI 61-101 provides that, in certain circumstances, where a “related party” (as defined in MI 61-101) of an issuer is entitled to receive a “collateral benefit” (as defined in MI 61-101) in connection with an arrangement transaction such as the Transaction, such transaction may be considered a “business combination” for the purposes of MI 61-101 and subject to minority shareholder approval requirements. However, there are certain exceptions to these requirements. An independent committee of Gold Bull’s Board, will conduct a “collateral benefit” assessment and applicable disclosure and any vote exclusions will be disclosed in the information circular for the Meeting.

## EQUITY

The Company’s authorized share capital consists of an unlimited number of common shares. As at the date thereof, please see the table below for information regarding outstanding share capital of the Company.

| Type of security    | Number outstanding |
|---------------------|--------------------|
| Common shares       | 83,253,433         |
| Warrants            | 15,986,400         |
| Agent's options     | 1,156,486          |
| Stock options       | 4,500,000          |
| RSUs                | 175,000            |
| <hr/> Fully diluted | <hr/> 105,071,319  |

## RISK OF FINANCIAL INSTRUMENTS

The Company is exposed to various financial risks in its financial instruments resulting from both its operations and its investment activities. The Company's management manages financial risks. The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes. The Company's main financial risk exposures and its financial policies are as follows:

### *Credit Risk*

Credit risk is the risk of a potential loss to the Company if one party of a financial instrument fails to meet its contractual obligations. The maximum credit exposures at October 31, 2024 are the carrying amount of cash. To reduce credit risk, all significant cash balances are placed with major, reputable, Canadian and U.S. financial institutions.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. The Company manages liquidity risk through the effective management of its capital structure. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity at all times to settle obligations and liabilities when due. The Company has the following undiscounted contractual obligations:

|                                     | Less than<br>1 year<br>\$ | 2 to 3<br>years<br>\$ | 4 to 5 years<br>\$ | Greater<br>than 5<br>years<br>\$ | Total<br>\$       |
|-------------------------------------|---------------------------|-----------------------|--------------------|----------------------------------|-------------------|
| Accounts payable and other payables | 781,741                   | -                     | -                  | -                                | 781,741           |
| Decommissioning obligations         | -                         | 11,440,843            | 65,676             | 68,705                           | 11,575,224        |
| <b>October 31, 2024</b>             | <b>781,741</b>            | <b>11,440,843</b>     | <b>65,676</b>      | <b>68,705</b>                    | <b>12,356,965</b> |

### *Commodity Price Risk*

The Company is exposed to fluctuations in commodity prices as its ability to monetize inventory is impacted by prevailing gold prices.

### *Currency Risk*

The Company is subject to currency risk on its financial instruments which are denominated in a currency that is not the same as the functional currency of the entity that holds them. Exchange gains and losses would impact profit or loss. At October 31, 2024, the Company held CAD\$424,868 in Canadian currency. A 10% change in the CADUSD foreign exchange rate would have following impact (in US\$) on the balance held in CAD\$:

|              | <b>\$ Impact</b> |
|--------------|------------------|
| 10% increase | (27,755)         |
| 10% decrease | 33,923           |

### *Interest Rate Risk*

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently, the Company has no assets or liabilities with a variable interest rate. Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. As at October 31, 2024, the Company did not have any outstanding loans and borrowings that are subject to variable interest rates.

### *Classification of financial instruments*

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The classification of the financial instruments as at October 31, 2024, as well as their gross carrying values, are shown in the table below:

|  | Classification | Measurement (\$) |
|--|----------------|------------------|
| <b>Financial assets at amortized cost</b>      |                |                  |
| Cash   | Amortized cost | 378,634          |
| Deposits                                       | Amortized cost | 2,284,169        |
| <b>Total financial assets</b>                  |                | <b>3,644,624</b> |
| <b>Financial liabilities at amortized cost</b> |                |                  |
| Accounts payable and accrued liabilities       | Amortized cost | 781,741          |
| Contingent consideration                       | Amortized cost | 13,307           |
| <b>Total financial liabilities</b>             |                | <b>795,048</b>   |

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The three levels of hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

There have been no transfers between fair value levels during the three months ended October 31, 2024.

Cash, accounts payable and all other current payables are all short-term in nature and, as such, their carrying values approximate fair value.

As at October 31, 2024, there were no financial assets or liabilities measured and recognized in the consolidated statements of financial position at fair value.

#### OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

#### SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES

See notes 3 and 4 of the Company's consolidated financial statements for the year ended July 31, 2024 for more information.

#### CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

See note 3 of the Company's condensed consolidated interim financial statements for the three months ended October 31, 2024 and notes 3 and 4 of the Company's consolidated financial statements for the year ended July 31, 2024 for more information.

#### RISKS AND UNCERTAINTIES

There are various risk factors that could cause the Company's future results to differ materially from those described in this MD&A. The risks and uncertainties described below are those the Company currently believes to be material, but they are not the only ones the Company faces. If any of the following risks, or any other risks and uncertainties that the Company has not yet identified or that it currently considers not to be material, actually occur or become material risks, the Company's business, financial condition, results of operations and cash flows, and consequently the price of the Shares, could be materially and adversely affected. See "Risk Factors" in the Company's filing statement dated July 29, 2024.