

# **BOREALIS MINING COMPANY LIMITED**

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## **FILING STATEMENT**

Application for the listing on the TSX Venture Exchange of the common shares of Borealis Mining Company Limited, the issuer resulting from the transactions described herein

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Dated as at July 29, 2024

*Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Arrangement transaction described in this Filing Statement.*

**TABLE OF CONTENTS**

<b>TABLE OF CONTENTS</b> .....	<b>- 2 -</b>
<b>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</b> .....	<b>14</b>
<b>SUMMARY</b> .....	<b>16</b>
<b>RISK FACTORS</b> .....	<b>20</b>
<b>INFORMATION CONCERNING THE ISSUER</b> .....	<b>30</b>
<b>INFORMATION CONCERNING BOREALIS AND BOREALIS LLC</b> .....	<b>38</b>
<b>INFORMATION CONCERNING THE RESULTING ISSUER</b> .....	<b>83</b>
<b>GENERAL MATTERS</b> .....	<b>96</b>
<b>CERTIFICATE OF BOREALIS MINING COMPANY LIMITED</b> .....	<b>98</b>
<b>ACKNOWLEDGMENT – PERSONAL INFORMATION</b> .....	<b>99</b>
<i>SCHEDULE “A” FINANCIAL STATEMENTS OF THE ISSUER FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2022 (AUDITED)</i> .....	<i>1</i>
<i>SCHEDULE “B” FINANCIAL STATEMENTS OF THE ISSUER FOR THE INTERIM PERIOD ENDED MARCH 31, 2024</i> .....	<i>1</i>
<i>SCHEDULE “C” FINANCIAL STATEMENTS OF BOREALIS FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 17, 2022 AND ENDED JULY 31, 2023 (AUDITED)</i> .....	<i>1</i>
<i>SCHEDULE “D” FINANCIAL STATEMENTS OF BOREALIS FOR THE INTERIM PERIOD ENDED APRIL 30, 2024 (UNAUDITED)</i> .....	<i>1</i>
<i>SCHEDULE “E” FINANCIAL STATEMENTS OF BOREALIS LLC FOR THE YEARS ENDED DECEMBER 31, 2022 and DECEMBER 31, 2021 (AUDITED)</i> .....	<i>1</i>
<i>SCHEDULE “F” FINANCIAL STATEMENTS OF BOREALIS LLC FOR THE PERIOD FROM JANUARY 1, 2023 TO APRIL 17, 2023 (AUDITED)</i> .....	<i>1</i>
<i>SCHEDULE “G” PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER (UNAUDITED)</i> .	<i>1</i>
<i>SCHEDULE “H” MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE ISSUER FOR THE YEAR ENDED DECEMBER 31, 2023</i> .....	<i>1</i>
<i>SCHEDULE “I” MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE ISSUER FOR THE INTERIM PERIOD ENDED MARCH 31, 2024</i> .....	<i>1</i>
<i>SCHEDULE “J” MANAGEMENT’S DISCUSSION AND ANALYSIS OF BOREALIS FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 17, 2022 AND ENDED JULY 31, 2023</i> .....	<i>1</i>
<i>SCHEDULE “K” MANAGEMENT’S DISCUSSION AND ANALYSIS OF BOREALIS FOR THE INTERIM PERIOD ENDED APRIL 30, 2024</i> .....	<i>1</i>
<i>SCHEDULE “L” MANAGEMENT’S DISCUSSION AND ANALYSIS OF BOREALIS LLC FOR THE YEAR ENDED DECEMBER 31, 2022</i> .....	<i>1</i>
<i>SCHEDULE “M” MANAGEMENT’S DISCUSSION AND ANALYSIS OF BOREALIS LLC THE PERIOD FROM JANUARY 1, 2023 TO APRIL 17, 2023</i> .....	<i>1</i>

## GLOSSARY

The following is a glossary of certain defined terms used throughout this Filing Statement. This is not an exhaustive list of defined terms used in this Filing Statement and additional terms are defined throughout. Terms used and not defined in this Filing Statement that are defined or interpreted in the policies of the TSXV including, without limitation, Policy 1.1 – *Interpretation* and Policy 5.2 – *Changes of Business and Reverse Takeovers* of the TSX Venture Exchange or National Instrument 14-101 – *Definitions* of the Canadian Securities Administrators, bear that definition or interpretation. Terms and abbreviations used in the financial statements and management’s discussion and analysis of the Issuer, Borealis, Borealis LLC and in the *pro forma* consolidated financial statements of the Resulting Issuer are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

“**2024 Private Placement**” has the meaning ascribed thereto in the section entitled “*Information Concerning the Resulting Issuer – Description of the Securities*” in this Listing Statement.

“**2024 Warrant**” has the meaning ascribed thereto in the section entitled “*Information Concerning the Resulting Issuer – Description of the Securities*” in this Listing Statement.

“**2024 Broker Warrant**” has the meaning ascribed thereto in the section entitled “*Information Concerning the Resulting Issuer – Description of the Securities*” in this Listing Statement.

“**Affiliate**” means, means a company that is affiliated with another company as described below.

A company is an “Affiliate” of another company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A company is “controlled” by a Person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, 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.

“**Amalco**” means Borealis Holdings Inc., the successor corporation formed by the Amalgamation.

“**Amalgamation**” means the amalgamation of Borealis and Subco to form Amalco pursuant to the provisions of section 177 of the OBCA.

“**Amalgamation Agreement**” means the amalgamation agreement dated as of March 1, 2024, among Borealis, the Issuer and Subco, including all schedules attached thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

“**Applicable Securities Laws**” means the securities legislation in each province and territory of Canada where the Issuer is a “reporting issuer” or the equivalent from time to time, including all rules, regulations, published policy statements and blanket orders thereunder or issued by one or more of the Canadian Securities Regulatory Authorities.

“**April 2024 Private Placement**” has the meaning ascribed thereto in the section entitled “*Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Three-year History*” in this Listing Statement.

“**Arrangement**” means the arrangement of the Issuer completed on May 9, 2024 under Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in the plan of arrangement attached as a schedule to the Arrangement Agreement.

“**Arrangement Agreement**” means the arrangement agreement dated as of February 6, 2024, among Borealis, the Issuer and Subco, including all schedules attached thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

“**Associate** when used to indicate a relationship with a Person, means

- (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,
- (b) any partner of the Person,
- (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,
- (d) in the case of a Person, who is an individual:
  - (i) that Person’s spouse or child, or
  - (ii) any relative of the Person or of his spouse who has the same residence as that Person;

but

- (e) where the TSXV 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 with respect to that Member firm, Member corporation or holding company.

“**BCBCA**” means the *Business Corporations Act* (British Columbia).

“**BLM**” means the United States Bureau of Land Management.

“**Board**” means the board of directors of the Issuer.

“**Borealis**” means Borealis Mining Company Limited, a company that existed under the OBCA prior to the completion of the Arrangement.

“**Borealis Annual Financial Statements**” means the audited consolidated financial statements of Borealis for the period from November 17, 2022 (date of incorporation) to July 31, 2023, together with the auditors’ report thereon and the notes thereto.

“**Borealis Board**” means the board of directors of Borealis prior to the completion of the Arrangement.

“**Borealis Claims Lease**” means the mining lease agreement dated January 24, 1997, as amended as of February 24, 1997.

“**Borealis Claims Lessors**” means John W. Whitney, Hardrock Mining Company, a Nevada Corporation, and Richard J. Cavell, and his successors, as trustee of the Richard J. Cavell 1994 Trust, collectively.

**“Borealis Compensation Options”** means the 1,123,136 compensation options of Borealis which entitled holders to acquire, upon exercise, one Borealis Share for each Borealis Compensation Option upon payment of \$0.50 of cash consideration to Borealis on or before 5:00 p.m. (Toronto time) on September 14, 2025.

**“Borealis Interim Financial Statements”** means the unaudited interim consolidated financial statements of Borealis as at and for the three and nine months ended April 30, 2024, together with the notes thereto.

**“Borealis Leased Claims”** means the 128 unpatented mining claims comprising part of the Borealis Project which are leased by Borealis LLC from the Borealis Claims Lessors.

**“Borealis LLC”** means Borealis Mining Company, LLC, a limited liability company existing under the laws of the State of Nevada, a wholly owned subsidiary of Borealis prior to the completion of the Arrangement, now a wholly owned subsidiary of Amalco.

**“Borealis LLC Purchase Agreement”** means the membership interest purchase agreement dated April 17, 2023, as amended on January 16, 2024 and further amended on March 25, 2024, among Waterton, Borealis LLC and Borealis pursuant to which Borealis acquired Borealis LLC which holds a 100% interest in the Borealis Owned Claims and leases the Borealis Leased Claims.

**“Borealis Owned Claims”** means the 623 unpatented mining claims and one unpatented mill site claim comprising part of the Borealis Project which are owned by Borealis LLC.

**“Borealis Project”** means the gold project comprised of 751 unpatented mining claims of approximately 20 acres each totaling approximately 15,020 acres and one unpatented mill site claim of about five acres located in western Nevada collectively.

**“Borealis Project Purchase”** has the meaning ascribed thereto in the section entitled *“Information Concerning Borealis and Borealis LLC – General Development of the Business”* in this Listing Statement.

**“Borealis Shareholders”** means the shareholders of Borealis prior to the completion of the Arrangement.

**“Borealis Shares”** means the common shares of Borealis prior to the completion of the Arrangement.

**“Borealis Warrants”** means the 13,288,900 common share purchase warrants of Borealis which entitled the holders thereof to acquire, upon exercise, one Borealis Share for each Borealis Warrant upon payment of \$0.75 of cash consideration to Borealis on or before 5:00 p.m. (Toronto time) on September 14, 2025.

**“Business Day”** means any day except a Saturday, a Sunday, or any other day on which major commercial banks in Toronto, Ontario, are authorized or required by applicable Laws to be closed.

**“Cambior”** means Cambior Exploration U.S.A., Inc.

**“CEO”** means Chief Executive Officer.

**“CEO Agreement”** has the meaning ascribed thereto in the section entitled *“Information Concerning Borealis and Borealis LLC – Executive Compensation – Employment, consulting and management agreements”* in this Listing Statement.

**“CEO Consultant”** has the meaning ascribed thereto in the section entitled *“Information Concerning Borealis and Borealis LLC – Executive Compensation – Employment, consulting and management agreements”* in this Listing Statement.

**“CEO Fees”** has the meaning ascribed thereto in the section entitled *“Information Concerning Borealis and Borealis LLC – Executive Compensation – Employment, consulting and management agreements”* in this Listing Statement.

“**CFO**” means Chief Financial Officer.

“**CFO Agreement**” has the meaning ascribed thereto in in the section entitled “*Information Concerning Borealis and Borealis LLC – Executive Compensation – Employment, consulting and management agreements*” in this Listing Statement.

“**Change of Control**” includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

- (a) any one Person holds a sufficient number of the voting shares of the issuer or resulting issuer to affect materially the control of the issuer or resulting issuer, or
- (b) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding hold in total a sufficient number of the voting shares of the issuer or resulting issuer to affect materially the control of the issuer or resulting issuer;

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially the control of the issuer or resulting issuer. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold more than 20% of the voting shares of the issuer or resulting issuer is deemed to materially affect the control of the issuer or resulting issuer.

“**COO**” means Chief Operating Officer.

“**COO Agreement**” has the meaning ascribed thereto in the section entitled “*Information Concerning Borealis and Borealis LLC – Executive Compensation – Employment, consulting and management agreements*” in this Listing Statement.

“**COO Consultant**” has the meaning ascribed thereto in the section entitled “*Information Concerning Borealis and Borealis LLC – Executive Compensation – Employment, consulting and management agreements*” in this Listing Statement.

“**COO Fees**” has the meaning ascribed thereto in the section entitled “*Information Concerning Borealis and Borealis LLC – Executive Compensation – Employment, consulting and management agreements*” in this Listing Statement.

“**CIM**” means the Canadian Institute of Mining, Metallurgy and Petroleum.

“**Commercial Production**” means 60-day production at 65% of nameplate capacity, related to a sulphide deposit on the underground mine at the Borealis Project. Mining operations related to bulk sampling or any milling for the purpose of testing or milling by a pilot plant may not be included in the determination of whether or not Commercial Production has been achieved.

“**Consolidation**” means the consolidation of the Issuer Shares on the basis of one post-consolidation Issuer Share for every 13 pre-consolidation Issuer Shares completed on March 15, 2024.

“**Control Person**” 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.

“**Court**” means the Supreme Court of British Columbia.

“**Deed of Trust**” means the first position deed of trust, assignment of lease, rents and contracts security agreement and fixture filing dated April 17, 2023, by Borealis LLC to Matthew E. Jensen, ESQ as trustee for the benefit of

Waterton recorded against the Borealis Project to secure the obligations of Borealis under the MPR Agreement constituting a charge and security interest in the Borealis Project.

“**EA**” means Environmental Assessment.

“**Echo Bay**” means Echo Bay Mines.

“**Effective Date**” means May 9, 2024, the date on which the Arrangement become effective.

“**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date.

“**EIS**” means Environmental Impact Statement.

“**Entity**” means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any company limited by shares, limited liability company, or joint stock company), firm, society, or other enterprise, association, organization, or entity.

“**Escrow Agent**” means TSX Trust as escrow agent under the Resulting Issuer Escrow Agreement.

“**Filing Statement**” means this filing statement as it may be amended, restated or supplemented from time to time and includes all of the schedules attached hereto.

“**Final Exchange Bulletin**” means the bulletin which is issued by the TSXV following completion of the Arrangement and the submission of all required documentation and which evidences the final TSXV acceptance of the Arrangement and the Listing.

“**Final Order**” means the final order dated March 25, 2024, of the Court pursuant to Section 291 of the BCBCA approving the Arrangement.

“**First Milestone**” has the meaning ascribed thereto the section entitled “*Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Acquisition of the Borealis Project – Milestones Payment Rights Agreement*” in this Listing Statement.

“**First Milestone Amount**” has the meaning ascribed thereto the section entitled “*Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Acquisition of the Borealis Project – Milestones Payment Rights Agreement*” in this Listing Statement.

“**First Payment**” has the meaning ascribed thereto the section entitled “*Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Acquisition of the Borealis Project – Milestones Payment Rights Agreement*” in this Listing Statement.

“**Golden Phoenix**” means Golden Phoenix Minerals, Inc.

“**Governmental Body**” means (i) any international, multinational, national, federal, provincial, state, municipal, local or other government or governmental or public ministry, department, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority, or (iv) any securities regulatory authority, stock exchange or securities market;

“**Gryphon**” means Gryphon Gold Corp.

“**Holder**” means a Person in whose name the MPR (or any part thereof) is registered in the MPR Register at the applicable time.

“**IFRS**” means International Financial Reporting Standards.

**“Insider”** if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the company that is an insider or subsidiary of the issuer;
- (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
- (d) the issuer itself if it holds any of its own securities.

**“Inspectorate”** means Inspectorate America Corp.

**“Interim Order”** means the interim order dated February 15, 2024, of the Court containing declarations and directions with respect to the Arrangement and the holding of the Meeting.

**“Issuer”** means 1329300 B.C. Ltd.

**“Issuer Compensation Options”** means the 1,123,136 compensation options of the Issuer issued in connection with the Arrangement which entitle holders to acquire, upon exercise, one Issuer Share upon payment of \$0.50 of cash consideration to the Issuer on or before 5:00 p.m. (Toronto time) on September 14, 2025.

**“Issuer Shares”** means the common shares of the Issuer prior to completion of the Arrangement.

**“Issuer Warrant Indenture”** has the meaning ascribed thereto in the section entitled *“Additional Information Concerning the Issuer – Description of the Capital Structure – Issuer Warrants”* in this Listing Statement.

**“Issuer Warrants”** means the 13,288,900 common share purchase warrants of the Issuer issued in connection with the Arrangement which entitle the holders to acquire, upon exercise, one Issuer Share upon payment of \$0.75 of cash consideration to the Issuer on or before 5:00 p.m. (Toronto time) on September 14, 2025.

**“January 2024 Private Placement”** has the meaning ascribed thereto in the section entitled *“Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Three-year History”* in this Listing Statement.

**“JBR”** means JBR Environmental Consultants, Inc.

**“Law”** or **“Laws”** means any and all federal, state, provincial, local, municipal, foreign, multinational, or other law (statutory, common or otherwise), statute, constitution, treaty, convention, principle of law and equity, order, injunction, notice, judgment, direction, bylaw, resolution, ordinance, code, edict, award, decree, rule, regulation, ruling, or other legal requirement, whether domestic or foreign, issued, enacted, adopted, promulgated, implemented, or otherwise put into effect by or under the authority of any Governmental Body, and includes, for greater certainty, Applicable Securities Laws.

**“Listing”** means the listing on the TSXV of the Resulting Issuer Shares.

**“LTIP”** has the meaning ascribed thereto in the section entitled *“Information Concerning the Issuer – Stock Option Plan”* in this Listing Statement.

**“Material Adverse Effect”** with respect to a person or company, means a material adverse effect on the business, the properties, assets, liabilities (including contingent liabilities), results of operations, financial performance, financial condition, or the market and trading price of the securities, of such person and its subsidiaries, as applicable and taken as a whole.

**“MD&A”** means management’s discussion and analysis.

“**Meeting**” means the annual general and special meeting of the Issuer held on March 19, 2024.

“**Milestone Amounts**” means, collectively, the First Milestone Amount, the Second Milestone Amount and the Third Milestone Amount collectively.

“**MPR**” means the rights of the Holders (granted initially to Waterton) to receive payments pursuant to the MPR Agreement.

“**MPR Agreement**” means the milestone payment rights agreement dated April 17, 2023, between Waterton and Borealis entered into in connection with the acquisition by Borealis of Borealis LLC.

“**MPR Register**” has the meaning ascribed thereto the section entitled “*Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Acquisition of the Borealis Project – Milestones Payment Rights Agreement*” in this Listing Statement.

“**MPR Transfer**” has the meaning ascribed thereto the section entitled “*Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Acquisition of the Borealis Project – Milestones Payment Rights Agreement*” in this Listing Statement.

“**Name Change**” means the name change of the Resulting Issuer from “1329300 B.C. Ltd.” to “Borealis Mining Company Limited” completed on the Effective Date.

“**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Issuer, during any part of the most recently completed financial year, served as CEO, including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Issuer, during any part of the most recently completed financial year, served as CFO, including an individual performing functions similar to a CFO;
- (c) in respect of the Issuer and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

“**NEPA**” means United States *National Environmental Policy Act*.

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

“**NSR**” means net smelter royalty.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Person**” means any individual, Entity or Governmental Body.

“**PoO**” means plan of operations.

“**Resulting Issuer**” means the Issuer following the completion of the Arrangement.

**“Resulting Issuer Board”** means the board of directors of the Resulting Issuer as the same is constituted from time to time, following the completion of the Arrangement.

**“Resulting Issuer Compensation Options”** means the Issuer Compensation Options following completion of the Arrangement.

**“Resulting Issuer Escrow Agreement”** means the escrow agreement in the form of the TSXV’s Form 5D to be entered into by and among the Escrow Agent, the Resulting Issuer and certain principals of the Resulting Issuer.

**“Resulting Issuer Escrow Securities”** has the meaning ascribed thereto in the section entitled *“Information Concerning the Resulting Issuer – Escrowed Securities”* in this Listing Statement.

**“Resulting Issuer LTIP”** means the LTIP following completion of the Arrangement.

**“Resulting Issuer Shares”** means the Issuer Shares following completion of the Arrangement.

**“Resulting Issuer Warrant Indenture”** means the Issuer Warrant Indenture following completion of the Arrangement.

**“Resulting Issuer Warrants”** means the Issuer Warrants following completion of the Arrangement.

**“RTO”** means any transaction involving Borealis and an RTO Issuer pursuant to which all of the Borealis Shares are exchanged for securities of the RTO Issuer. The Arrangement qualifies as an RTO.

**“RTO Issuer”** means a reporting issuer. The Resulting Issuer qualifies as an RTO Issuer.

**“RTO Issuer Payment Shares”** has the meaning ascribed thereto in the section entitled *“Information Concerning Borealis and Borealis LLP – Narrative Description of the Business – Acquisition of the Borealis Project – Background”* in this Listing Statement.

**“RTO Issuer Shares”** means the common shares of the RTO Issuer.

**“Second Milestone Amount”** has the meaning ascribed thereto the section entitled *“Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Acquisition of the Borealis Project – Milestones Payment Rights Agreement”* in this Listing Statement.

**“Second Milestone”** has the meaning ascribed thereto the section entitled *“Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Acquisition of the Borealis Project – Milestones Payment Rights Agreement”* in this Listing Statement.

**“Second Payment”** has the meaning ascribed thereto the section entitled *“Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Acquisition of the Borealis Project – Milestones Payment Rights Agreement”* in this Listing Statement.

**“Seed Shares”** means certain Issuer Shares and certain Borealis Shares that were issued to Persons at a price which was below \$0.50, which are subject to the SSRs.

**“September 2023 Private Placement”** has the meaning ascribed thereto in the section entitled *“Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Three-year History”* in this Listing Statement.

**“Shareholders”** means the shareholders of the Issuer.

**“SRK”** means SRK Consulting (U.S.), Inc.

“**SSRRs**” means the seed share resale restrictions pursuant to section 10 of TSXV Policy 5.4.

“**Subco**” means 1000693081 Ontario Ltd., a wholly owned subsidiary of the Issuer prior to completion of the Arrangement.

“**Technical Report**” means the technical report dated June 25, 2024, effective as of June 25, 2024, entitled “*NI 43-101 Technical Report – Project Status Report, Borealis Mine, Nevada, U.S.A.*”, prepared for the Resulting Issuer by SRK.

“**Technical Report Principal QP**” means Douglas Reid, P.Eng., Principal Consultant (Resource Geology), the QP responsible for all sections of the Technical Report.

“**Tenneco**” means Tenneco Minerals, Inc.

“**Third Milestone**” has the meaning ascribed thereto the section entitled “*Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Acquisition of the Borealis Project – Milestones Payment Rights Agreement*” in this Listing Statement.

“**Third Milestone Amount**” has the meaning ascribed thereto the section entitled “*Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Acquisition of the Borealis Project – Milestones Payment Rights Agreement*” in this Listing Statement.

“**Third Payment**” has the meaning ascribed thereto the section entitled “*Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Acquisition of the Borealis Project – Milestones Payment Rights Agreement*” in this Listing Statement.

“**Title Report**” means the updated title report of Erwin Thompson Faillers dated April 17, 2023, on the Borealis Project, Mineral County, Nevada, issued by the law firm of Parr Brown Gee & Loveless on September 13, 2021, concerning the ownership of 751 unpatented lode mining claims and one unpatented mill site which comprise the Borealis Project situated in Sections 1 through 4, 7, 11, and 12, T. 6 N., R. 28 E., Sections 2 through 24 and 26 through 28, T. 6 N., R. 29 E., Sections 33 through 36, T. 7 N., R. 28 E., and Section 31, T. 7 N., R. 29 E., MDM, in Mineral County, Nevada, as updated by Erwin Thompson Faillers on September 14, 2023.

“**TSX Trust**” means TSX Trust Company, the registrar and transfer agent for the Issuer Shares.

“**TSXV**” means the TSX Venture Exchange.

“**TSXV Policy 5.4**” means Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* of the TSXV.

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**UCC Statement**” means the UCC-1 financing statement filed in Nevada on April 17, 2023, securing the obligations of Borealis LLC in favor of Waterton as the secured party.

“**Value Escrow Release Schedule**” has the meaning ascribed thereto in the section entitled “*Information Concerning the Resulting Issuer*” – “*Escrowed Securities*”.

“**VP of Geology Agreement**” has the meaning ascribed thereto in the section entitled “*Information Concerning Borealis and Borealis LLC – Executive Compensation – Employment, consulting and management agreements*” in this Listing Statement.

“**VP of Geology Consultant**” has the meaning ascribed thereto in the section entitled “*Information Concerning Borealis and Borealis LLC – Executive Compensation – Employment, consulting and management agreements*” in this Listing Statement.

“**VP of Geology Consulting Fees**” has the meaning ascribed thereto in the section entitled “*Information Concerning Borealis and Borealis LLC – Executive Compensation – Employment, consulting and management agreements*” in this Listing Statement.

“**Waterton**” means Waterton Nevada Splitter, LLC, a limited liability company existing under the laws of the State of Nevada.

“**Welsh**” means J.D. Welsh & Associates, Inc.

The table below provides a list of abbreviations used in this Filing Statement:

<b>Abbreviation</b>	<b>Unit or Term</b>
%	Percent
>	greater than
°	Degree
°F	degrees Fahrenheit
AAL	American Assay Laboratories
ADR	adsorption, desorption, and recovery
Ag	Silver
Au	Gold
BA	Biological Assessment
BAPC	Bureau of Air Pollution Control
BE	Biological Evaluation
BMRR	Bureau of Mining Regulation & Reclamation
BSDW	Bureau of Safe Drinking Water
cm	centimeter
DRI	Desert Research Institute
EIS	Environmental Impact Statement
EM	Electromagnetic
EPA	Environmental Protection Agency
ERRCP	Emergency Release, Response and Contingency Plan
ET	evapotranspiration
FCC	Federal Communications Commission
FONSI	Finding of No Significant Impact
FS	feasibility study
ft	foot
ft <sup>2</sup>	square foot
ft <sup>3</sup>	cubic foot
g	gram
g/mt	grams per metric tonne
gal	gallon
HLP	heap leach pad
IP	Induced Polarization
JRCD	Jamie’s Ridge-Cerro Duro
kg	kilograms
Ma	million years ago
mL	milliliter
mm	millimeter
MOPTC	Mercury Operating Permit to Construct
MRE	mineral resource estimate
MSHA	Mine Safety and Health Administration
Mt	million tons
mt	metric tonne
NDEP	Nevada Department of Environmental Protection
NDWR	Nevada Division of Water Resources
NRHP	National Register of Historical Places
opt	troy ounces per short ton
oz	troy ounce
P <sub>80</sub>	80% passing
PFS	prefeasibility study
PVC	polyvinyl chloride
QA/QC	quality assurance/quality control
QP	Qualified Person
RC	reverse circulation

Abbreviation	Unit or Term
RCE	Reclamation Cost Estimate
RoM	run-of-mine
SHPO	State Historical Preservation Officer
SPCC	Spill Prevention, Control and Countermeasure
SWPPP	Storm Water Pollution Prevention Plan
t	short ton (2,000 pounds)
T&E	threatened and endangered
USFS	United States Forest Service
WPCP	Water Pollution Control Permit
WRF	waste rock facility

The table below provides a list of general mining terms that are used in this Filing Statement in the section entitled “*Information Concerning Borealis and Borealis LLC– Borealis Project*” in this Filing Statement:

Term	Definition
Assay	The chemical analysis of mineral samples to determine the metal content.
Capital Expenditure	All other expenditures not classified as operating costs.
Concentrate	A metal-rich product resulting from a mineral enrichment process such as gravity concentration or flotation, in which most of the desired mineral has been separated from the waste material in the ore.
Crushing	Initial process of reducing ore particle size to render it more amenable for further processing.
Dilution	Waste, which is unavoidably mined with ore.
Dip	Angle of inclination of a geological feature/rock from the horizontal.
Fault	The surface of a fracture along which movement has occurred.
Gangue	Non-valuable components of the ore.
Grade	The measure of concentration of gold within mineralized rock.
Level	Horizontal tunnel the primary purpose is the transportation of personnel and materials.
Milling	A general term used to describe the process in which the ore is crushed and ground and subjected to physical or chemical treatment to extract the valuable metals to a concentrate or finished product.
RoM	Run-of-Mine.
Smelting	A high temperature pyrometallurgical operation conducted in a furnace, in which the valuable metal is collected to a molten matte or doré phase and separated from the gangue components that accumulate in a less dense molten slag phase.
Strike	Direction of line formed by the intersection of strata surfaces with the horizontal plane, always perpendicular to the dip direction.
Sulfide	A sulfur bearing mineral.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Filing Statement, including the schedules attached hereto, contains “forward-looking statements” or “forward-looking information” within the meaning of U.S. securities laws and applicable Canadian securities legislation. Forward-looking information is provided as of the date of this Filing Statement and the Issuer does not intend to, nor does it assume any obligation, to update this forward-looking information, except as required by law. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. More particularly, and without limitation, this Filing Statement contains forward-looking statements and forward-looking information concerning: the reasons for, and anticipated benefits of, the Arrangement; the expected operations, business activities, financial results and condition of the Issuer following the completion of the Arrangement, and its future objectives and strategies to achieve those objectives; the expectation that the Arrangement will unlock value for Shareholders; expectations regarding the development of the Issuer’s exploration projects; the compensation to be paid to the directors and officers of the Issuer following the completion of the Arrangement and the compensation objectives to be adopted by the Issuer; the Issuer’s future prospects and outlook following the completion of the Arrangement; the composition of the Shareholders following completion of the Arrangement; the governance and management structure of the Issuer following completion of the Arrangement; the corporate and capital structure of the Issuer following completion of the Arrangement; expectations that a market will be created for the Issuer Shares; the anticipated capitalization of the Issuer following completion of the Arrangement; the expected operations of the Issuer following completion of the Arrangement; the ability to achieve commercial production of the Borealis Project; costs and timing of the development of deposits at the Borealis Project; future exploration, development and production activities at the Borealis Project; permitting at the Borealis Project; statements regarding the gold industry generally and the regulation thereof; and other statements with respect to management’s beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts.

Forward-looking information is based on reasonable assumptions that have been made by the Issuer as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Issuer to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks relating to market price fluctuations; there being no existing market for the Issuer Shares; risks related to the *pro forma* financial statements contained in this Filing Statement; risks relating to the interests of directors and executive officers of the Issuer in the Arrangement, as well as those risk factors discussed in “*Risk Factors*” in this Filing Statement.

Forward-looking information is based on certain assumptions that the Issuer believes are reasonable, including that: that no unforeseen changes in the legislative, operating and regulatory framework for the businesses of the Issuer will occur; the ability of the Issuer to develop its growth projects and other exploration and development assets after completion of the Arrangement; sufficient working capital will be available to the Issuer to fund its future projects and plans; the current price of and demand for gold will be sustained or will improve; that general business and economic conditions will not change in a material adverse manner; that financing will be available if and when needed on reasonable terms; that the Issuer will not experience any material labour dispute, accident, or failure of plant or equipment; the availability and cost of labour and services; future operating costs; the economy in general and other expectations and assumptions concerning the Arrangement and the operations of the Issuer following the completion of the Arrangement. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this Filing Statement, and the Issuer can give no assurances that they will prove to be correct.

Although the Issuer has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Issuer does not undertake to update any forward-looking information contained herein or that is incorporated by reference herein, except in accordance with Applicable Securities Laws.

## SCIENTIFIC AND TECHNICAL INFORMATION

The scientific and technical information in this Listing Statement with respect to the Borealis Project is derived from, and in some instances is an extract from, the Technical Report. Portions of the information regarding the Borealis Project contained in “*Information Concerning Borealis and Borealis LLC – Borealis Project*” in this Filing Statement are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Technical Report which is available for review at the mailing address of Borealis at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2 and is posted under the Issuer’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## THIRD PARTY INFORMATION

This Filing Statement includes third party data which was obtained from various publicly available sources and other sources believed by the Issuer to be true. Although the Issuer believes such third-party information to be reliable, the Issuer has not independently verified any of the information or data from sources referred to or included in this Filing Statement, or analyzed or verified the underlying reports relied upon or referred to by such sources, and other assumptions relied upon by such sources. The Issuer believes that such third-party data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the third-party data included in this Filing Statement are not guaranteed and the Issuer does not make any representations as to the accuracy or completeness of such information. For the avoidance of doubt, nothing stated in this paragraph operates to relieve the Issuer from liability for any misrepresentation contained in this Filing Statement under applicable Canadian securities laws.

## NOTICE REGARDING INFORMATION

No person is authorized to give any information or make any representation not contained in this Filing Statement and, if given or made, such information or representation should not be relied upon as having been authorized. This Filing Statement does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this Filing Statement nor any distribution of the securities referred to in this Filing Statement will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Filing Statement.

## DATE OF INFORMATION

Information contained in this Filing Statement is as at July 29, 2024, unless otherwise indicated.

## REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

The financial information contained in this Filing Statement are reported in Canadian dollars and have been prepared in accordance with IFRS. All references to dollar amount in this Filing Statement are to Canadian dollars unless stated otherwise or the context otherwise requires.

## CURRENCY AND EXCHANGE RATES

Canadian dollars are reported as \$ and United States dollars are reported as US\$.

The following table sets forth, for each period indicated, the high and low exchange rates, the average exchange rate, and the exchange rate at the end of the period, based on the rate of exchange of one United States dollar in exchange for Canadian dollars published by the Bank of Canada.

	<b>Three months ended March 31</b>		<b>Year ended December 31</b>	
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
High	1.3593	1.3875	1.3856	1.2942
Low	1.3471	1.3128	1.2451	1.2040
Average Rate During Period	1.3541	1.3497	1.3011	1.2535
Rate at End of Period	1.3574	1.3226	1.3544	1.2678

On July 26, 2024, the Business Day immediately prior to the date of this Filing Statement, the average daily exchange rate as reported by the Bank of Canada was US\$1.00 = \$1.3830 or \$1.00 = US\$0.7231.

### ***PRO FORMA* FINANCIAL INFORMATION**

The unaudited *pro forma* financial information of the Resulting Issuer following completion of the Arrangement included in this Filing Statement gives effect to the Arrangement and certain related adjustments described in the notes accompanying such financial information. The unaudited *pro forma* statement of financial position of the Resulting Issuer as at April 30, 2024, gives effect to the Arrangement as if it had closed on April 30, 2024. The unaudited *pro forma* financial information should be read together with the other financial information contained in this Filing Statement.

The unaudited *pro forma* financial information is presented for illustrative purposes only and does not necessarily reflect what the Resulting Issuer’s financial condition and results of operations following implementation of the Arrangement would have been had the Arrangement occurred on the dates indicated. It also may not be useful in predicting the future financial condition and results of the operations of the Resulting Issuer following implementation of the Arrangement. The actual financial position and results of operations of the Resulting Issuer following implementation of the Arrangement may differ significantly from the *pro forma* amounts reflected in the unaudited *pro forma* financial information due to a variety of factors.

The unaudited *pro forma* information and adjustments are based upon preliminary estimates of fair values of assets acquired and liabilities assumed, current available information and certain assumptions that the Resulting Issuer believes are reasonable in the circumstances, as described in the notes to the unaudited *pro forma* financial information. The actual adjustments to the *pro forma* financial statements of the Resulting Issuer upon implementation of the Arrangement will depend on a number of factors, including, among others, the actual expenses of the Arrangement and other additional information that becomes available after the date of this Filing Statement. As a result, it is expected that actual adjustments will differ from the *pro forma* adjustments, and the differences may be material. See “*Cautionary Note Regarding Forward-Looking Statements*” and “*Risk Factors*” in this Filing Statement.

### **SUMMARY**

*The following is a summary of information relating to the Issuer prior to completion of the Arrangement, Borealis, Borealis LLC and the Resulting Issuer, being the Issuer after completion of the Arrangement, and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.*

#### **Background to the Arrangement**

The Arrangement is the result of arm’s length negotiations between representatives of the Issuer and Borealis and their respective legal and financial advisors.

On February 6, 2024, Borealis, Subco and the Issuer entered into the Arrangement Agreement pursuant to which, among other things, the Issuer agreed to acquire all of the issued and outstanding Borealis Shares on the Effective Date. The Arrangement, which was completed on May 9, 2024, was effected pursuant to a court-approved arrangement under Division 5 of Part 9 of the BCBCA.

Upon completion of the Arrangement, Borealis and Subco amalgamated to form Amalco which became a wholly owned subsidiary of the Resulting Issuer. The Resulting Issuer, through Amalco, will be carrying on the business Borealis was carrying on prior to the completion of the Arrangement, being the development of the Borealis Project.

In connection with the Arrangement, at the Effective Time, (i) former Borealis Shareholders received an aggregate of 76,057,838 Resulting Issuer Shares, being one Resulting Issuer Share for each Borealis Share held at the Effective Time, (ii) former holders of Borealis Warrants were granted an aggregate of 13,288,900 Resulting Issuer Warrants, and (iii) former holders of Borealis Compensation Options were granted an aggregate of 1,123,136 Resulting Issuer Compensation Options.

### **Directors and Officers of the Issuer following completion of the Arrangement**

The directors and management of the Issuer following the completion of the Arrangement are as follows:

<b>Director and/or Executive Officer</b>	<b>Position(s) with the Issuer following completion of the Arrangement</b>
Kelly Malcolm	President, CEO and Director
Mike Dai	CFO
Anthony Makuch	Non-Executive Chairman and Director
Andreas Steckenborn	Chief Operating Officer
Iain Campbell	Vice President, Exploration
Jennifer Thor	Secretary
Robert Buchan	Director
Greg Gibson	Director
Richard Patricio	Director
Christina McCarthy	Director

See “*Information Concerning the Resulting Issuer - Directors, Officers and Promoters*” in this Filing Statement for more information.

### **The Consolidation**

In connection with the Arrangement, the Issuer completed the Consolidation on March 15, 2024.

### **Arm’s Length Transaction**

The Arrangement is an Arm’s Length Transaction within the meaning of the policies of the TSXV.

### **Interests of Insiders, Promoters and Control Persons**

Members of the Board and officers of the Issuer prior to completion of the Arrangement, may have had interests in the Arrangement or may have received benefits that differ from, or be in addition to, the interests of Shareholders generally. Other than the interests and benefits described below, none of the directors or officers of the Issuer or, to the knowledge of the directors and officers of the Resulting Issuer, any of their respective Associates or Affiliates, had any material interest, direct or indirect, by way of beneficial ownership of Issuer Shares or otherwise in any matter acted upon in connection with the Arrangement.

All benefits received, or to be received, by the directors and officers of the Issuer as a result of the Arrangement were solely in connection with their services as directors and officers of the Issuer. As of the Effective Date, the officers, directors and insiders of the Issuer beneficially owned, directly or indirectly, or exercised control or direction over, in the aggregate of 24,528,153 Issuer Shares, which represented approximately 31.53% of the voting rights attached to the issued and outstanding Issuer Shares (on an undiluted basis) prior to completion of the Arrangement.

### **Principal Purposes, Business Objectives, Milestones and Use of Available Funds**

As at June 30, 2024, the Resulting Issuer had working capital of approximately US\$4,339,873.

The principal purpose of the available funds, after giving effect to the Arrangement and for the 12 months thereafter, will be for, among other things, working capital and future exploration activities on the Borealis Project, including the work program recommended in the Technical Report and general and administrative expenses. The Technical Report recommended two key areas of focus comprised of:

- data validation and organization of historical datasets; and
- exploration, drilling and sampling of potential extensions to existing mineralization and the identification of new exploration targets (the Technical Report Principal QP notes that it is uncertain if exploration will result in the delineation of new mineral resources).

After completion of the September 2023 Private Placement, Borealis commenced the work programs recommended in the Technical Report. As at June 30, 2024, approximately US\$1,475,000 of the US\$2,262,400 proposed exploration budget recommended in the Technical Report has been expended. Following completion of the Arrangement, the Resulting Issuer will use its available funds as follows:

Purpose	Initial Amount <sup>(1)</sup> (US\$)	Estimated Costs to Complete <sup>(2)</sup> (US\$)	Anticipated Time Frame
Exploration work program			
<i>Drilling</i>	\$1,600,000	\$750,000	Ongoing until November 2024
<i>Geophysics</i>	\$300,000	\$50,000	Ongoing until August 2024
<i>Data Compilation/Verification</i>	\$50,000	\$25,000	Ongoing until September 2024
<i>Geological Modeling</i>	\$50,000	\$50,000	Ongoing until March 2025
<i>MRE and TR</i>	\$150,000	\$150,000	Ongoing until May 2025
<i>Metallurgy</i>	\$90,000	\$40,000	Ongoing until December 2024
<i>Contingency</i>	\$22,400	\$22,400	not applicable
<b>Subtotal</b>	<b>\$2,262,400</b>	<b>\$1,087,400</b>	
General and administrative expenses <sup>(3)</sup>		\$905,000	
Operating Expenses		\$1,200,000	
Unallocated working capital		\$1,147,473	
<b>Total:</b>		<b>\$4,339,873</b>	

Notes:

- (1) See “Information Concerning Borealis and Borealis LLC – Borealis Project – Conclusions and Recommendations” for a description of the work programs recommended by the Technical Report.
- (2) Following completion of the September 2023 Private Placement, Borealis commenced the work programs recommended in the Technical Report. These amounts represent the approximate balance of expenditures to be incurred by Borealis with respect to completion of the work program estimated as at June 30, 2024.
- (3) Comprised of US\$267,000 for management fees, US\$133,000 for professional fees and US\$98,000 for office and administrative expenses.

Although the Resulting Issuer is expected to use the funds available as set forth above, the actual allocation of the funds available may vary depending on future developments or unforeseen events, and there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary. See “Risk Factors” in this Filing Statement.

Unallocated funds available will be added to the working capital of the Resulting Issuer and will be expended at the discretion of management of the Resulting Issuer.

Following completion of the Arrangement, the Resulting Issuer anticipates that, as a junior mineral exploration company, may have negative operating cash flow in the future and the amounts allocated to the recommended exploration program in the use of funds table above will be used to fund such negative operating cash flow. See “Risk Factors” in this Filing Statement.

Following completion of the Arrangement, the business, business objectives, and milestones of the Resulting Issuer will be the business, business objectives, and milestones of Borealis prior to the completion of the Arrangement, namely, to identify a mineral resource at the Borealis Project and to identify, evaluate, acquire and explore additional mineral properties for the purposes of identifying additional mineral resources. See “Information Concerning Borealis and Borealis LLC” in this Filing Statement.

### **Selected *Pro Forma* Consolidated Financial Information**

The following table sets forth *pro forma* financial information of the Resulting Issuer after giving effect to the Arrangement and should be read in conjunction with the *pro forma* consolidated statement of financial position of the Resulting Issuer attached as Schedule “G” to this Filing Statement.

<b>Item</b>	<b>The Issuer (as at March 31, 2024)</b>	<b>Borealis (as at April 30, 2024)</b>	<b>Resulting Issuer <i>Pro Forma</i> Consolidation</b>
Current assets	US\$8,616	US\$4,680,215	US\$6,643,508
Total assets	US\$8,616	US\$7,279,750	US\$9,243,043
Current liabilities	US\$156,227	US\$5,816,800	US\$973,027
Total liabilities	US\$156,227	US\$16,571,224	US\$11,727,451
Shareholders’ equity	US\$(147,611)	US\$(9,291,474)	US\$(2,484,408)

### **Market for Securities**

The Issuer Shares were not listed on any stock exchange prior to completion of the Arrangement and the Resulting Issuer Shares are not listed on any stock exchange at the date of this Filing Statement.

### **Conflicts of Interest**

Directors or officers of the Resulting Issuer may, from time to time, serve as directors or officers of, or participate in ventures with, other companies. Accordingly, conflicts of interest may arise which could influence these Persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the BCBCA to act at all times in good faith in the interests of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. Conflicts, if any, will be subject to the procedures and remedies prescribed by the BCBCA, the TSXV and Applicable Securities Laws, regulations and policies. As of the date of this Filing Statement, to the best of its knowledge, the Resulting Issuer is not aware of the existence of any conflicts of interest between the Resulting Issuer and any of the directors or officers of the Resulting Issuer, other than as set out herein.

### **Sponsorship**

The Resulting Issuer has applied to the TSXV for an exemption from the sponsorship requirement in connection with its application to list the Resulting Issuer Shares on the TSXV. While the Resulting Issuer believes that it qualifies for an exemption, there can be no assurance that the exemption will be granted by the TSXV.

### **TSXV Approval**

The TSXV has conditionally approved the Listing. The Listing is subject to the fulfillment of all of the requirements of the TSXV on or before October 25, 2024. Listing will be completed on the date the TSXV issues a Final Exchange Bulletin in respect of the Listing, which is expected to be shortly following the Effective Date, provided all required documentation is filed with the TSXV.

### **Interests of Experts**

Jones & O’Connell LLP, Chartered Professional Accountants, was the auditor of the Issuer prior to completion of the Arrangement and has confirmed that they are independent of the Issuer within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations. Jones & O’Connell LLP, Chartered Professional Accountants was appointed auditor of the Issuer effective February 18, 2022.

McGovern Hurley LLP, Chartered Professional Accountants, was the auditor of Borealis prior to the completion of the Arrangement and has confirmed that they are independent of the Issuer within the meaning of the relevant rules

and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations. The Borealis Annual Financial Statements, attached to this Listing as Schedule “C” were audited by McGovern Hurley LLP, Chartered Professional Accountants.

Douglas Reid, P.Eng., Principal Consultant (Resource Geology) of SRK Consulting (U.S.), Inc. has acted as a qualified person in connection with the Technical Report and has reviewed and approved the information related to the Borealis Project disclosed in this Filing Statement.

The aforementioned persons held either less than 1% or no securities of the Issuer or of any Associate or Affiliate of the Issuer when they rendered services or prepared the reports, as applicable, or following the rendering of services or preparation of such reports or data, as applicable, and either did not receive any or received less than a 1% direct or indirect interest in any such securities of the Issuer or of any Associate or Affiliate of the Issuer in connection with the rendering of such services or preparation of such reports or data.

## **Risk Factors**

An investment in the securities of the Resulting Issuer are subject to certain risks, including the risk factors set forth “*Risk Factors*” in this Filing Statement. If any of the identified risks were to materialize, the Resulting Issuer’s business, financial position, results and/or future operations may be materially affected. The risk factors identified in this Filing Statement are not exhaustive and other factors may arise in the future that are currently not foreseen by management of the Resulting Issuer that may present additional risks in the future.

## **RISK FACTORS**

The following are certain material factors relating to the business of the Resulting Issuer, which factors investors should carefully consider when making an investment decision concerning the Resulting Issuer Shares. Additional risks and uncertainties not presently known to the Resulting Issuer, or that the Resulting Issuer currently deems immaterial, may also impair the operations of the Resulting Issuer. The financial condition, liquidity and results of operations of the Resulting Issuer could be materially adversely affected by such risks and the ability of the Resulting Issuer to implement its growth plans could be adversely affected.

An investment in the Resulting Issuer is speculative. An investment in the Resulting Issuer will be subject to certain material risks and investors should not invest in securities of the Resulting Issuer unless they can afford to lose their entire investment. The following is a description of certain material risks and uncertainties that may affect the business of the Resulting Issuer.

The risks presented below should not be considered exhaustive and may not be all the risks the Resulting Issuer may face. Management of the Resulting Issuer believes that factors set out below could cause actual results to be different from expected and historical results. New risks may emerge from time to time and management may not be able to predict all of them or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results. Additional risks and uncertainties not presently known to the Resulting Issuer, or which the Resulting Issuer currently deems immaterial, may also impair the Resulting Issuer’s business operations. If any of the possibilities described in such risks actually occurs, the Resulting Issuer’s business, financial condition and operating results could be materially adversely harmed. The following risk factors may not be a definitive list of all risk factors associated with an investment in the Resulting Issuer or in connection with the Resulting Issuer’s business or operations.

***The unaudited pro forma financial information is presented for illustrative purposes only and may not reflect the Resulting Issuer’s financial condition or results of operations following the Arrangement.***

The unaudited *pro forma* financial information contained in this Filing Statement is presented for illustrative purposes only as of its respective dates and may not reflect the financial condition or results of operations of the Resulting Issuer for several reasons. The unaudited *pro forma* financial information has been derived from the respective historical financial statements of the Issuer and Borealis. The information upon which these adjustments and assumptions have been made is preliminary and these kinds of adjustments and assumptions are difficult to make with complete accuracy. The unaudited *pro forma* financial information is presented for informational purposes only and is not necessarily indicative of what the Resulting Issuer’s actual financial condition or results of operations would have

been had the Arrangement been completed on the date indicated. Accordingly, the business, assets, results of operations and financial condition of the Resulting Issuer may differ significantly from those indicated in the unaudited *pro forma* financial information. See “Schedule “G” – *Pro Forma Financial Statements of the Resulting Issuer*”.

### ***Foreign Subsidiaries***

The Resulting Issuer will be conducting a portion of its operations through Borealis LLC, and certain assets will be held through Borealis LLC, including the Borealis Project. Accordingly, any limitation on the transfer of cash or other assets between the Resulting Issuer and such entities, or among such entities, could restrict the Resulting Issuer’s ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have a Material Adverse Effect on the Resulting Issuer.

### ***Changes in General Business and Economic Conditions***

The Resulting Issuer’s future performance will be affected by a range of economic, competitive, governmental, operating and other business factors, many of which cannot be controlled, such as general economic and financial conditions in the industry or the economy at large. Many industries, including the base and precious metal mining industry, are impacted by global market conditions. Some of the key impacts of previous financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and mineral markets and a lack of market liquidity. A slowdown in the financial markets or other economic conditions, including, but not limited to, consumer spending, increased unemployment rates, deteriorating business conditions, inflation, deflation, volatile fuel and energy costs, increased consumer debt levels, lack of available credit, changes in interest rates and changes in tax rates may adversely affect the Resulting Issuer’s growth and profitability potential.

### ***Limited Operating History***

Neither the Issuer nor Borealis had a history of earnings or profitability prior to completion of the Arrangement. The likelihood of success of the Resulting Issuer must be considered in light of the problems, expenses, difficulties, complication and delays frequently encountered in connection with the establishment of any business, particularly those in the junior mineral exploration sector. The Resulting Issuer will have limited financial resources and there can be no assurance that additional funding will be available to fund further operations or to fulfill its obligations under applicable agreements. Further, there can be no assurance that the Resulting Issuer will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

### ***Negative Cash Flow from Operations***

Both the Issuer and Borealis had a limited history of operations, and no history of earnings, cash flow or profitability prior to completion of the Arrangement. Furthermore, both the Issuer and Borealis have had negative operating cash flow since incorporation and the Resulting Issuer will continue to have negative operating cash flow for the foreseeable future. The Borealis Project remains at the initial exploration stage. The Resulting Issuer will likely not have an adequate source of operating cash flow and no assurance that additional funding will be available for further exploration and development of the Borealis Project, or any other property in which the Resulting Issuer may in the future hold an interest, when required. Accordingly, there can be no assurance that the Resulting Issuer will ever attain positive cash flow or profitability.

### ***Dependence on the Borealis Project***

Until such time as the Resulting Issuer acquires an interest in another mineral property, the Borealis Project will likely account for all of the Resulting Issuer’s viable sources of future revenue. Any adverse development affecting the progress of the Borealis Project such as, but not limited to, obtaining development financing on commercially suitable terms, hiring suitable personnel and mining contractors, or securing supply agreements on commercially suitable terms, may have a Material Adverse Effect on the Resulting Issuer.

### ***Exploration and Development Risk***

Mineral exploration and development involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. The vast majority of properties that are explored are not ultimately developed into producing mines. There is no assurance that the Resulting Issuer's mineral exploration and development activities, whether in respect of the Borealis Project or otherwise, will result in any discoveries of mineral resources or mineral reserves, or that minerals will be discovered in sufficient grade or quantities to justify commercial operations. The long-term profitability of the Resulting Issuer's operations will be directly related to the cost and success of its exploration programs.

### ***Risks Inherent in the Exploration and Development of Mineral Properties***

The Resulting Issuer's operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of minerals, including, depending on the nature and stage of the Resulting Issuer's operations, environmental hazards, industrial accidents, unusual or unexpected formations, safety stoppages (whether voluntary or regulatory), pressures, mine collapses, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and other geotechnical instabilities, equipment failure or structural failure, metallurgical and other processing problems and other conditions involved in the mining of minerals, any of which could result in damage to, or destruction of, the Resulting Issuer's, if and as applicable, mines, plants and equipment, as well as personal injury or loss of life, environmental damage, delays in mining, increased production costs, asset write-downs, monetary losses and legal liability. The occurrence of any of these events could result in a prolonged interruption in the Resulting Issuer's operations that would have a Material Adverse Effect on the Resulting Issuer.

### ***Requirement for Substantial Capital Expenditures***

The Resulting Issuer will require substantial expenditures to (i) establish mineral reserves through drilling, (ii) develop metallurgical processes to extract metal from the ore and, (iii) in the case of new properties, 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, there can be no assurance 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 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 will be beyond the control of the Resulting Issuer. In addition, because of these risks, there can be no assurance that the expenditures proposed to be made by the Resulting Issuer on the Borealis Project, or any other future mineral property, will result in the discovery of commercial quantities of ore.

### ***Fluctuations in Mineral Prices***

The mining industry is heavily dependent upon the market price of the metals or minerals being mined or explored for. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Borealis Project or any other property of the Resulting Issuer in which the Resulting Issuer may acquire an interest in the future will be commercially viable. Fluctuations in the prices of precious and base metal prices may also adversely affect the Resulting Issuer's ability to raise capital if, as and when needed, and on commercially reasonable terms.

### ***Environmental and Endangered Species Laws and Regulations***

All phases of a mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of government laws and regulations, including laws and regulations relating to the protection of endangered and threatened species. Compliance with such laws and regulations can require significant expenditures and a breach may result in the imposition of fines and penalties, which may be material. In addition, such laws and regulations can constrain or prohibit the exploration and development of new projects or the development or expansion of existing projects. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, increases in land use restrictions, larger fines and liability, and potentially increased capital expenditures and operating costs. Any breach of environmental legislation by the Resulting Issuer and/or the owners or operators of the properties in which the Resulting Issuer holds an interest could have a material impact on the viability of the

relevant property and impair any revenue derived from the subject property, which could have a Material Adverse Effect on the Resulting Issuer.

### ***Inadequate Infrastructure***

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect or inhibit the proposed operations at the Borealis Project and other properties in which the Resulting Issuer may from time to time hold an interest, which may result in a Material Adverse Effect on the Resulting Issuer.

### ***Estimates of Mineral Deposits***

There can be no assurance that any estimates of mineral resources or mineral reserves will materialize or that any identified mineralization will be developed into a coherent mineral deposit, or that such deposit will even qualify as a commercially viable mineral reserve that can be legally and economically exploited. Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. In addition, the quantity of reserves or resources may vary depending on metal prices. Any material change in the quantity of reserves, resource grade or stripping ratio may affect the economic viability of the Resulting Issuer's properties. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production.

Estimates regarding mineral deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grades and tonnages of any mineral reserve ultimately mined may differ from that indicated by drilling results and other exploration and development work. There can be no assurance that test work and results conducted and recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineralized tonnages, grades, dilution and stripping ratios or recovery rates may affect the economic viability of mineral projects. The existence of mineralization or mineral deposits should not be interpreted as assurances of the future delineation of mineral reserves or the profitability of any future operations.

### ***Ability to Exploit Future Discoveries***

It may not always be possible for the Resulting Issuer to participate in the exploitation of successful discoveries. Such exploitation may involve the need to obtain licenses or clearance from the relevant authorities, which may not be available on a timely basis, or may require conditions to be satisfied and/or the exercise of discretion by such authorities. It may or may not be possible for such conditions to be satisfied, and such conditions may prove uneconomic or impractical. Furthermore, the decision to proceed with further exploration may require the participation of other persons and companies whose interest and objectives may not be consistent with those of the Resulting Issuer. Such further exploitation may also require the Resulting Issuer to meet or commit to financial obligations that it may not have anticipated or may not be able to commit to due to a lack of funds or an inability to raise funds.

### ***Defects or Disputes Relating to Property Interests***

Defects in or disputes relating to the property interests the Resulting Issuer holds or acquires in the future may prevent the Resulting Issuer from realizing the anticipated benefits from these interests. Material changes could also occur that may adversely affect the estimate of management of the Resulting Issuer with respect to the carrying value of the Resulting Issuer's property interests and could result in impairment charges. While the Resulting Issuer will seek to confirm the existence, validity, enforceability, terms and geographic extent of the interests it acquires, there can be no assurance that disputes or other problems concerning these and other matters or other problems will not arise. Confirming these matters is complex and is subject to the application of the laws of each jurisdiction to the particular circumstances of each parcel of mineral property and to the documents reflecting the interest. The discovery of any defects in, or any disputes in respect of, the Resulting Issuer's property interests, including in respect of the Borealis Project, could have a Material Adverse Effect on the Resulting Issuer.

### ***Defects in Title***

A defect in the chain of title to one of the Resulting Issuer's property interests or necessary for the anticipated development or operation of a particular project to which an interest relates may defeat or impair the claim of the Resulting Issuer to a property, which could in turn result in a loss of the Resulting Issuer's interest in respect of that property. In addition, claims by third parties or Indigenous groups may impact the Resulting Issuer's ability to conduct activities on a property in which the Resulting Issuer holds an interest, to the detriment of the interest of the Resulting Issuer. To the extent that the Resulting Issuer, directly or indirectly, does not have title to a property, it may be required to cease operations or transfer operational control to another party. Certain interests can be contractual in nature, rather than an interest in land, with the risk that an assignment or bankruptcy or insolvency proceedings by an owner of a particular property may result in the loss of any effective interest in such property. Further, even in those jurisdictions where there is a right to record or register interests held by the Resulting Issuer in land registries or mining recorders offices, such registrations may not necessarily provide any protection to the Resulting Issuer. As a result, known title defects, as well as unforeseen and unknown title defects, may impact operations at a project in respect of which the Resulting Issuer has an interest and may result in a Material Adverse Effect on the Resulting Issuer.

### ***Impact of Litigation on Title***

There is a potential that litigation may arise with respect to a property in which the Resulting Issuer holds an interest (for example, litigation between joint venture partners or between the Resulting Issuer (or an operator) and original property owners or neighboring property owners), including the Borealis Project. Any such litigation that results in the cessation or reduction of production from a property in which the Resulting Issuer holds an interest (whether temporary or permanent) or the expropriation or loss of rights to such property could have a Material Adverse Effect on the Resulting Issuer. As a holder of such interests, the Resulting Issuer may, in certain circumstances, not have any influence on the litigation and may not have access to data.

### ***Community Groups***

In recent years, certain communities of both Indigenous Peoples and others, as well as non-governmental organizations, have been vocal and negative with respect to mining activities. The Resulting Issuer's relationship with the communities in which it will operate will be critical to ensure the future success of its activities and the future construction and development of its projects. Community groups or non-governmental organizations may create or inflame public unrest and anti-mining sentiment among the inhabitants in areas of mineral development. These communities and organizations have taken such actions as protests, road closures, work stoppages and initiating lawsuits for damages. Such organizations can be involved, with financial assistance from various groups, in mobilizing sufficient local antimining sentiment to prevent the issuance of required permits for the development of mineral projects of other companies. While the Resulting Issuer is committed to operating in a socially responsible manner, there is no guarantee that the Resulting Issuer's efforts in this respect will mitigate this potential risk. Any actions by communities and non-governmental organizations may have a Material Adverse Effect on the Resulting Issuer's activities, financial position, cash flow and results of operations.

### ***Rights of Indigenous Peoples***

Various international and national laws, codes, resolutions, conventions, guidelines, and other material relate to the rights of Indigenous Peoples. Many of these materials impose obligations on government to respect the rights of Indigenous People. Some mandate that government consult with Indigenous People regarding government actions, which may affect Indigenous People, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to Indigenous People continue to evolve and be defined. Examples of recent developments in this area include the United Nations Declaration of the Rights of Indigenous People and the International Finance Corporation's revised Performance Standard 7, which requires governments to obtain the free, prior, and informed consent of Indigenous Peoples who may be affected by government action, such as the granting of mining concessions or approval of mine permits. The Resulting Issuer's activities will be subject to a risk that one or more groups of Indigenous People may oppose exploration, development, or new development of existing or future projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Resulting Issuer's activities. Opposition by Indigenous People to the Resulting Issuer's operations may require modification of, or preclude operation or development of, the Resulting

Issuer's projects or may require the Resulting Issuer to enter into agreements with Indigenous People with respect to the Resulting Issuer's projects. Claims and protests of Indigenous Peoples may disrupt or delay the proposed activities of the Resulting Issuer, which may result in a Material Adverse Effect on the Resulting Issuer.

### ***Permits and Licenses***

The operations of the Resulting Issuer require licences and permits from various governmental authorities. The Resulting Issuer anticipates that it will be able to obtain all necessary licences and permits to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licences and permits. However, there can be no guarantee that the Resulting Issuer will be able to obtain at all or on reasonable terms, and maintain, at all times, all necessary licences and permits required to undertake its proposed exploration and development or to place the Borealis Project or other properties in which the Resulting Issuer may from time to time hold an interest into commercial production and to operate mining facilities thereon.

### ***Regulatory Requirements***

The Resulting Issuer's operations will, at all stages, require permits from various federal and local governmental authorities, and such operations will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the exploration, development, and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that such laws and regulations will not have a Material Adverse Effect on the Resulting Issuer. In addition, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Persons engaged in exploration, development, and mining operations may be required to compensate those suffering loss or damage by reason of their activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

### ***Environmental Matters***

All of the Resulting Issuer's exploration and development operations will be subject to environmental permitting and regulations, which can make operations expensive or prohibit them altogether. The Resulting Issuer may be subject to potential risks and liabilities associated with the pollution of the environment and the disposal of waste products that could occur as a result of its exploration, development and production activities. To the extent that the Resulting Issuer is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a Material Adverse Effect on the Resulting Issuer. If the Resulting Issuer is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a Material Adverse Effect on the Resulting Issuer.

### ***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 Resulting Issuer's operations, particularly if they affect the Resulting Issuer's sites, impact local infrastructure or threaten the health and safety of the Resulting Issuer's employees and contractors. Any such event could result in material economic harm to the Resulting Issuer. The Resulting Issuer expects to be focused on operating in a manner designed to minimize the environmental impacts of its activities; however, there can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have a Material Adverse Effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Climate change is a top priority for many countries and jurisdictions around the world and governments and regulators continue to implement and develop new rules and regulations to control carbon gas or "green-house" gas emissions attributable to climate change. As part of their efforts to shift to lower-carbon economies, governments have

implemented a number of mechanisms including the implementation of taxes on carbon emissions and fuel sales, emissions trading schemes, and fossil fuel extraction fees, all of which are expected to play an ongoing role in global efforts to address climate change. Increased environmental regulation and/or the use of fiscal policy by regulators in response to concerns over climate change and other environmental impacts could have a material adverse effect on the Resulting Issuer's financial condition or results of operations. The cost of compliance with various climate change regulations will ultimately be determined by the regulations themselves and by the markets that evolve for carbon credits and offsets and, as a result, the financial impact, if any, on the Resulting Issuer's operations cannot yet be fully understood.

### ***Disruption from Non-governmental Organizations and Activists***

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. As a result, the Resulting Issuer may become subject to pressure and lobbying from non-governmental organizations, local community groups or other activists. There is a risk that the demands and actions of these non-governmental organizations, community groups and other activists may cause significant disruption to the Resulting Issuer's business, which may have a Material Adverse Effect on the Resulting Issuer.

### ***Health and Safety***

Mining, like many other explorative or extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, interrupt operations, lead to a loss of licences, affect the reputation of the Resulting Issuer and its ability to obtain further licences, damage community relations and reduce the perceived appeal of the Resulting Issuer as an employer.

There can be no assurance that the Resulting Issuer will be able to ensure compliance with all laws and regulations or hold, and be able to ensure compliance with, all required health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Resulting Issuer from proceeding with the development of a project or the operation or further development of a project, and any noncompliance therewith may adversely affect the Resulting Issuer's business, financial condition and results of operations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a Material Adverse Effect on the Resulting Issuer and, as applicable, cause increases in exploration expenses, capital expenditures or production costs, reduction in the levels of production at producing properties, or abandonment or delays in development of new mining properties.

### ***Uninsured or Uninsurable Risks***

During the course of exploration, development and production of mineral resource properties, several risks and, in particular, significant risks that could result in damage to, or destruction of vessels and producing or processing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability, may occur. It is not always possible to fully insure against such risks, and the Resulting Issuer 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 reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Resulting Issuer. The Resulting Issuer cannot be certain that insurance will be available on acceptable terms or conditions. In some cases, coverage may not be acceptable or may be considered too expensive relative to the perceived risk.

### ***Information Systems Security Threats***

Information systems and other technologies, including those related to the Resulting Issuer's financial and operational management, and its technical and environmental data, are and will be an integral part of the Resulting Issuer's business activities. The Resulting Issuer has agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with its operations. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Resulting Issuer's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats,

including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Resulting Issuer's operations also depend and will depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Resulting Issuer's reputation and results of operations.

Although to date the Resulting Issuer has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Resulting Issuer's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As cyber threats continue to evolve, the Resulting Issuer may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

### ***Deficient Reviews, Reports and Projections of Third Parties***

The Resulting Issuer relies upon third parties to provide analysis, reviews, reports, advice and opinions regarding the Resulting Issuer's properties, including the Borealis Project. There is a risk that such analyses, reviews, reports, advice, and opinions in respect of such properties may be inaccurate, in particular with respect to resource estimation, process development and recommendations for products to be produced, as well as with respect to economic assessments, including estimating the capital and operation costs of the Borealis Project and forecasting potential future revenue streams. Uncertainties are also inherent in such estimations.

### ***Failure to Acquire Additional Property Interests or Select Appropriate Acquisitions***

The Resulting Issuer will seek to acquire additional property interests in the future, subject to its future business and operational goals. In the event that the Resulting Issuer pursues such opportunities, the Resulting Issuer may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions, or to integrate the acquired businesses or their personnel into the business and operations of the Resulting Issuer. There can be no assurance that the Resulting Issuer will complete any acquisition or business arrangement that it pursues, or that any acquisitions or business arrangements completed will ultimately benefit the Resulting Issuer.

### ***Competition***

Many companies are engaged in the search for and the acquisition of mineral interests, including property interests, and there is a limited supply of desirable mineral interests. The mineral exploration and mining businesses are competitive in all phases. Many companies are engaged in the acquisition of mineral interests, including large, established companies with substantial financial resources, operational capabilities and long earnings records. The Resulting Issuer may be at a competitive disadvantage in acquiring those interests, whether by way of property or other form of investment, as competitors may have greater financial resources and technical staff. There can be no assurance that the Resulting Issuer will be able to compete successfully against other companies in acquiring new properties or other interests. In addition, the Resulting Issuer may be unable to acquire properties or other interests at acceptable valuations, which may result in a Material Adverse Effect on the Resulting Issuer.

### ***Future Acquisitions and Partnerships***

The Resulting Issuer may seek to grow by acquiring companies and/or assets or establishing new joint ventures that it believes will complement its future business. There are risks inherent in such activities. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Resulting Issuer will not be sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could have a Material Adverse Effect on the Resulting Issuer. The Resulting Issuer may not effectively select acquisition candidates, negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for its business. The Resulting Issuer could encounter additional transaction and integration related costs or experience an impact to its operations or results of operation as a result of the failure to realize all of the anticipated benefits from such acquisitions or partnerships, or an inability to successfully integrate such acquisitions or partnerships as anticipated. As a result of integration efforts, the Resulting Issuer may experience interruptions in its business activities, costs of integration and

harm to its reputation, all of which could have a Material Adverse Effect on the Resulting Issuer. The Resulting Issuer may also experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of any acquired company may also impose substantial demands on the management of the Resulting Issuer. There is no assurance that such acquisitions will be successfully integrated in a timely manner or without additional expenses incurred. In general, there can be no assurance that the Resulting Issuer will be able to complete any acquisition or partnership it pursues on favorable terms, or that any acquisitions or partnerships completed will ultimately benefit the business and operations of the Resulting Issuer.

### ***Inability to Secure Acceptable Funding***

Further exploration by the Resulting Issuer of the Borealis Project, and any future exploration of other properties in which the Resulting Issuer will hold an interest, will require additional capital, and the amount of capital required may be significant. There can be no assurance that the Resulting Issuer will be successful in obtaining the required financing for such purpose or for any other purposes, including for general working capital. The Resulting Issuer's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Resulting Issuer will be successful in its efforts to secure any additional financing on terms satisfactory to the management of the Resulting Issuer. If additional financing is raised through the issuance of additional Resulting Issuer Shares or other securities of the Resulting Issuer, control of the Resulting Issuer may change and shareholders of the Resulting Issuer may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Issuer may be required to scale back its current business plan or cease operating. Additionally, failure to obtain additional financing could impede the Resulting Issuer's funding obligations, or result in delay or postponement of further business activities, which may result in a Material Adverse Effect on the Resulting Issuer.

### ***Debt Financing***

From time to time, the Resulting Issuer may rely on debt financing for a portion of its business activities, including capital and operating expenditures. There can be no assurance that the Resulting Issuer will be able to comply at all times with any covenants imposed under its debt arrangements, if applicable. Similarly, there can be no assurance that the Resulting Issuer will be able to secure new financing that may be necessary to finance its operations and capital growth program. Any failure of the Resulting Issuer to secure financing or refinancing, obtain new financing, or comply with applicable covenants under its debt arrangements could have a Material Adverse Effect on the Resulting Issuer. Further, any inability of the Resulting Issuer to obtain new financing may limit its ability to support or sustain its future growth.

### ***Destabilization of Global Financial Conditions***

Economic uncertainty in many parts of the world has adversely affected businesses and industries in almost every sector in more significant and unpredictable ways than in more stable economic times. Significant political, market, economic, natural or manmade events may have wide-reaching effects and, to the extent they are not accurately anticipated or priced into markets, may result in sudden periods of market volatility and correction. Prolonged depressed economic conditions and volatility in the worldwide economy may continue to adversely affect individuals and institutions investing in junior mineral exploration and development companies, which could negatively affect the Resulting Issuer's business and prospects.

The economic viability of the Resulting Issuer's business plan is impacted by the Resulting Issuer's ability to obtain financing. The economic conditions and outlook of the jurisdictions in which the Resulting Issuer will operate and may operate thereafter, and more generally global economic conditions, may impact the general availability of financing through public and private debt and equity markets, as well as through other avenues. Periods of market volatility and correction may have an adverse impact on economic growth and outlook, as well as lending and capital markets activity, all of which may impact the Resulting Issuer's ability to secure adequate financing on favourable terms, or at all.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Resulting Issuer's operating environment and its operating costs, profit margins and share price. Uncertainty or

adverse changes relating to government regulation, economic and foreign policy matters, and other world events have the potential to adversely affect the performance of and outlook for the Canadian and global economies, which in turn may affect the ability of the Resulting Issuer to access financing on favourable terms or at all. The occurrence of negative sentiment or events in the Canadian and broader global economy could have a Material Adverse Effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

### ***Pandemic Risks, the Russian War in Ukraine, Inflation and Other Events***

The COVID-19 pandemic, the Russian war in Ukraine, inflation and other factors continue to impact global markets and cause general economic uncertainty, the impact of which may have a significant Material Adverse Effect on the Resulting Issuer's operations, business and financial condition.

The Resulting Issuer faces risks related to pandemics and epidemics, including but not limited to in respect of COVID-19, which could significantly disrupt the Resulting Issuer's operations and may materially and adversely affect its business, operations, and financial condition. The full extent to which any pandemics may impact the Resulting Issuer's business, including its operations and the market for its securities, will depend on numerous highly uncertain factors that the Resulting Issuer may not be able to accurately predict or assess, including, but not limited to, the duration and severity of any pandemics, the availability of approved vaccines and remedial medications, the timing for completion of related distribution programs around the globe, and the governmental, business and individual actions taken in response to any pandemics.

Global financial markets experienced a period of correction and increased volatility during the COVID-19 pandemic and the conflict between the Russian Federation and Ukraine, which began in March 2020 and February 2022, respectively, and are ongoing as of the date of this Filing Statement. As these global events evolve, there is no guarantee that credit market conditions will not worsen. A general risk-adverse approach to investing, decreases in consumer spending and increases in the unemployment rate and consumer debt levels, which may become more predominant as a result of market turmoil, may limit the Resulting Issuer's ability to obtain future equity financing. Inability to obtain financing at all, or on acceptable terms, may have a Material Adverse Effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Other events may also result in volatility and disruption to global supply chains, operations, mobility of people, patterns of consumption and service, and financial markets, and therefore potentially have a negative impact on the Resulting Issuer's ability to secure financing on favourable terms, or at all, its access to the Borealis Project, or its ability to execute its business initiatives, including its field programs. Such events may include catastrophic events, either on a global scale or in the specific jurisdictions where the Resulting Issuer's projects will be located, and include, but are not limited to, financial crises, such as that which occurred globally in 2008, earthquakes, tsunamis, floods, typhoons, fires, power disruptions, other natural or manmade disasters, terrorist attacks, wars, riots, civil unrest or other conflicts, outbreaks of a public health crises, including epidemics, pandemics or outbreaks of new infectious diseases or viruses, as well as related and attendant events.

Concerns over global economic conditions may also have the effect of heightening many of the other risks described herein, including, but not limited to, risks relating to: fluctuations in the market price of commodities, the terms and availability of financing, supply chain constraints and cost overruns, geopolitical concerns, and changes in law, policies or regulatory requirements.

### ***Changes in Laws***

Changes to any of the laws, rules, regulations or policies to which the Resulting Issuer is, or will be, subject could have a significant impact on the Resulting Issuer's business. There can be no assurance that the Resulting Issuer will be able to comply with any future laws, rules, regulations and policies. Any failure by the Resulting Issuer to comply with applicable laws, rules, regulations and policies may subject it to civil or regulatory proceedings, which may have a Material Adverse Effect on the Resulting Issuer. In addition, compliance with any future laws, rules, regulations and policies could negatively impact the Resulting Issuer's profitability and have a Material Adverse Effect on the Resulting Issuer.

### ***Foreign Exchange Risk***

A material portion of the Resulting Issuer's activities are expected to be located in the United States and the costs associated with such activities will be largely denominated in US dollars. However, the Resulting Issuer's interests will be denominated in Canadian dollars and, as a result, will be subject to foreign currency fluctuations and inflationary pressures, which may have a Material Adverse Effect on the Resulting Issuer. There can be no assurance that the steps taken by management of the Resulting Issuer to address variations in foreign exchange rates will eliminate all adverse effects, and accordingly, the Resulting Issuer may suffer losses due to adverse foreign currency rate fluctuations.

### ***Inability to Attract and Retain Qualified Management Personnel***

The Resulting Issuer depends and will be dependent upon the continued availability and commitment of its key management personnel, whose contributions to the operations of the Resulting Issuer will be of significant importance. The loss of any such key management personnel could negatively affect the business operations of the Resulting Issuer. From time to time, the Resulting Issuer may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. In addition, the Resulting Issuer is expected to retain from time to time third party specialized technical personnel to assess and execute on potential business and operational opportunities. These individuals may have conflicts of interest or scheduling conflicts, which may delay or inhibit the Resulting Issuer's ability to employ such individuals' expertise in a timely manner. The Resulting Issuer's ability to recruit and retain qualified personnel will be critical to the Resulting Issuer's success and there can be no assurance that the Resulting Issuer will be able to recruit and retain such personnel. In the event that the Resulting Issuer is not successful in recruiting and/or retaining qualified personnel, the Resulting Issuer's ability to execute its business model and growth strategy could be affected, which could have a Material Adverse Effect on the Resulting Issuer.

### ***Conflicts of Interest***

Some of the directors and officers of the Resulting Issuer serve, and may in the future serve, as directors or officers of, or have significant shareholdings in, other companies involved in mineral resource exploration, development and production. To the extent that such other companies may engage in transactions or participate in the same ventures in which the Resulting Issuer participates, or in transactions or ventures in which the Resulting Issuer may seek to participate, the directors and officers of the Resulting Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the directors and officers may result in a Material Adverse Effect on the Resulting Issuer.

The directors and officers of the Resulting Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and the laws requiring disclosure by directors and officers of conflicts of interest. The Resulting Issuer will rely upon such laws in respect of any such conflict of interest or in respect of any breach of duty by any of its directors or officers. All such conflicts are required to be disclosed by such directors or officers in accordance with the BCBCA and the directors of the Resulting Issuer will be expected to govern themselves in respect thereof in accordance with the obligations imposed upon them by law.

### ***There is no existing market for the Resulting Issuer Shares.***

There can be no assurances that an active trading market for the Resulting Issuer Shares will develop as a result of the Arrangement or be sustained in the future. The lack of an active market may make it difficult to sell the Resulting Issuer Shares and could lead to the price of Resulting Issuer Shares being depressed or volatile. The prices at which Resulting Issuer Shares may trade is uncertain.

## **INFORMATION CONCERNING THE ISSUER**

*The following information relates to the Issuer prior to completion of the Arrangement. For information regarding the Resulting Issuer, being the Issuer after completion of the Arrangement, see section entitled "Information Concerning the Resulting Issuer" in this Filing Statement.*

## **Corporate Structure**

### ***Name and Incorporation***

The Issuer was incorporated on October 20, 2021, under the BCBCA as “1329300 B.C. Ltd.”, at that time a wholly owned subsidiary of Veta Resources Inc. (“**Veta**”). On February 18, 2022, Veta completed an arrangement transaction (the “**Veta Transaction**”) pursuant to which Veta spun out eight wholly owned subsidiaries, including the Issuer, (collectively the “**Veta Subsidiaries**”) by way of distributing the securities of such Veta Subsidiaries, including the Issuer Shares, to the shareholders of Veta. Following completion of the Veta Transaction, each of the Veta Subsidiaries, including the Issuer, became a separate unlisted reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba.

The registered and head office of the Issuer prior to completion of the Arrangement was located at 410 West Georgia Street, 5<sup>th</sup> Floor, Vancouver, BC V6B 1Z3.

### ***Intercorporate Relationships***

Prior to completion of the Arrangement, Subco was the only subsidiary of the Issuer, a wholly owned subsidiary. Subco was incorporated on October 27, 2023, for the purposes of completing the Arrangement. For the intercorporate relationships of the Issuer after completion of the Arrangement, see section entitled “*Information Concerning the Resulting Issuer*” in this Filing Statement.

## **General Development of the Business**

### ***History***

At the time of the Veta Transaction, Veta had no material assets and did not carry on any business. Following the completion of the Veta Transaction, neither Veta nor any of the Veta Subsidiaries, including the Issuer, had any material assets or carried on any active business, other than the identification and evaluation of potential acquisitions of value accreting assets or businesses. At the date of this Filing Statement, the Issuer is carrying on the business of Borealis, being the development of the Borealis Project. For a description of the Borealis Project, see “*Information Concerning Borealis and Borealis LLC*” in this Filing Statement.

On February 6, 2024, the Issuer entered into the Arrangement Agreement to complete the Arrangement.

On February 15, 2024, the Issuer obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters.

In connection with the Arrangement, on March 1, 2024, the Issuer entered into the Amalgamation Agreement.

On March 19, 2024, the Shareholders approved at the Meeting, among other things, the Arrangement.

On March 25, 2024, the Issuer obtained the Final Order approving the Arrangement.

On May 9, 2024, the Issuer completed the Arrangement.

## **Selected Financial Information**

The following table sets forth selected historical financial information of the Issuer for the periods indicated, which information has been derived from the financial statements and notes thereto included in this Filing Statement. Investors should read the following information in conjunction with those financial statements and related notes thereto, along with the related MD&A for complete financial information relating to the Issuer. The audited consolidated financial information is as at, and for the years ended December 31, 2022 and December 31, 2023, is presented in accordance with IFRS and is attached to this Filing Statement as Schedule “A”. The unaudited condensed interim consolidated financial information is as at, and for the three months ended March 31, 2024, is presented in accordance with IFRS and is attached to this Filing Statement as Schedule “B”.

	For the year ended December 31		For the three months ended March 31
	2022 (audited)	2023 (audited)	2024 (unaudited)
<b>Operations</b>			
Total Revenue	nil	nil	nil
Net Loss	(63,961)	(71,167)	(66,963)
Net Loss and Comprehensive Loss	(63,961)	(71,167)	(66,963)
Net Loss per share basic and diluted	(0.04)	(0.04)	(0.04)
<b>Balance Sheet</b>			
Total Assets	1,525	9,738	11,843
Total Liabilities	66,302	145,682	214,750
Deficit	(64,778)	(135,945)	(202,908)
Total Shareholders' Equity	(64,777)	(135,944)	(202,908)
Total Issuer Shares	1,737,745	1,737,745	1,737,745

## Management Discussion and Analysis

Attached to this Filing Statement as Schedule “H” and forming part of this Filing Statement is the MD&A for the years ended December 31, 2023 and December 31, 2022. Attached to this Filing Statement as Schedule “I” and forming part of this Filing Statement is the MD&A for the three months ended March 31, 2024.

## Description of the Capital Structure

### *Issuer Shares*

The Issuer’s authorized capital consists of an unlimited number of Issuer Shares of which 1,737,745 Issuer Shares were issued and outstanding prior to the completion of the Arrangement. Prior to completion of the Arrangement, the Issuer Shares were not listed or quoted for trading on any stock exchange.

Holders of Issuer Shares were entitled to one vote per Issuer Share at all meetings of Shareholders, to receive dividends as and when declared by the directors and to receive a *pro rata* share of the assets of the Issuer available for distribution to holders of Issuer Shares in the event of liquidation, dissolution or winding up of the Issuer. All rank *pari passu*, each with the other, as to all benefits which might accrue to the holders of Issuer Shares.

### *Issuer Warrants*

In connection with the Arrangement, the Issuer issued one Issuer Warrant for each Borealis Warrant outstanding on the Effective Date for an aggregate of 13,288,900 Issuer Warrants. Each Issuer Warrant entitles the holder thereof to acquire one Issuer Share at an exercise price of \$0.75 until September 14, 2025.

The Issuer Warrants are governed by the terms of a warrant indenture dated September 14, 2023, as supplemented on January 3, 2024 and further supplemented on April 4, 2024 (collectively, the “**Issuer Warrant Indenture**”) between the Issuer and TSX Trust. The Issuer Warrant Indenture provides for customary adjustments in the number of Issuer Shares issuable upon the exercise of the Issuer Warrants and/or the exercise price per Issuer Warrant upon the occurrence of certain events and contains other customary terms. No fractional Issuer Shares will be issuable upon the exercise of any Issuer Warrants and no cash or other consideration will be paid in lieu of fractional Issuer Shares. Holders of Issuer Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Issuer Shares would have.

### *Issuer Compensation Options*

In connection with the Arrangement, the Issuer issued one Issuer Compensation Option for each Borealis Compensation Options outstanding on the Effective Date for an aggregate of 1,123,136 Borealis Compensation Options. Each Issuer Compensation Option entitles the holder thereof to acquire one Issuer Share at an exercise price of \$0.50 until September 14, 2025.

## Stock Option Plan

The Issuer adopted an omnibus long term incentive plan (the “**LTIP**”) on February 7, 2024, which was approved by the Shareholders on March 19, 2024 at the Meeting.

The LTIP allows for a variety of equity-based awards that provide different types of incentives to be granted to certain of the executive officers, directors, employees and consultants of the Issuer consisting of options (“**Options**”), performance share units (“**PSUs**”) and restricted share units (“**RSUs**”). Options, PSUs and RSUs are collectively referred to herein as “**Awards**”. Each Award will represent the right to receive Issuer Shares, or in the case of PSUs and RSUs, Issuer Shares or cash, in accordance with the terms of the LTIP. The following discussion is qualified in its entirety by the text of the LTIP.

Under the terms of the LTIP, the Board, or if authorized by the Board, the Corporate Governance, Nominating and Compensation Committee, may grant Awards to eligible participants, as applicable. Participation in the LTIP is voluntary and, if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, other than by will or the laws of descent and distribution.

The LTIP will provide those appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization or other change of the Issuer Shares, share split or consolidation, distribution, merger or amalgamation, in the Issuer Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the LTIP.

The maximum number of Issuer Shares reserved for issue pursuant to the exercise of Options in the aggregate, under the Option portion of the LTIP, will be 10% of the aggregate number of Issuer Shares issued and outstanding from time to time, being 8,322,058 Issuer Shares as of the date of this Filing Statement. In addition, the aggregate number of PSUs and RSUs issuable to all participants may not exceed 8,322,058.

For the purposes of calculating the maximum number of Issuer Shares reserved for issue under the LTIP, any issue from treasury by the Issue that is issued in reliance upon an exemption under applicable stock exchange rules applicable to equity-based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Issuer will not be included. All of the Issuer Shares covered by the exercised, cancelled or terminated Awards will automatically become available Issuer Shares for the purposes of Awards that may be subsequently granted under the LTIP.

The maximum number of Issuer Shares that may be: (i) issued to insiders of the Issuer within any one-year period; or (ii) issuable to insiders of the Issuer at any time, in each case, under the LTIP alone, or when combined with all of the Issuer’s other security-based compensation arrangements, may not exceed 10% of the aggregate number of Issuer Shares issued and outstanding from time to time determined on a non-diluted basis.

All Options granted under the LTIP vest in accordance with the terms of the resolutions of the Board approving the grant of such Options. An Option is exercisable during a period established by the Board which commences on the date of the grant and terminates no later than ten years after the date of the granting of the Option or such shorter period as the Board may determine. The minimum exercise price of an Option will be determined based on the closing price of the Issuer Shares on the TSXV on the last trading day before the date such Option is granted. The LTIP provides that the exercise period will automatically be extended if the date on which it is scheduled to terminate falls during a black-out period. In such cases, the extended exercise period will terminate ten business days after the last day of the black-out period. In order to facilitate the payment of the exercise price of the Options, the LTIP has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker-assisted “cashless exercise” or a “net exercise” subject to the procedures set out in the LTIP, including the consent of the Board, where required.

The following table describes the impact of certain events upon the rights of holders of Options under the LTIP, including termination for cause, resignation, retirement, termination other than for cause, and death, subject to the terms of a participant’s employment agreement, grant agreement and the change of control provisions described below:

**Event Provisions**

**Provisions**

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Termination for cause	Immediate forfeiture of all vested and unvested Options.
Resignation	The earlier of the original expiry date and 90 days after resignation to exercise vested Options or such longer period as the Board may determine in its sole discretion, so long as it is not more than one year following the date of resignation.
Retirement	All unvested Options will vest in accordance with their vesting schedules, and all vested Options held may be exercised until the earlier of the expiry date of such Options or one year following the retirement date.
Termination or cessation	All unvested Options may vest subject to pro ration over the applicable vesting or performance period and will expire on the earliest of 90 days after the effective date of the termination date, or the expiry date of such Option.
Death	In the case of death, all unvested Options will vest immediately.
Change of Control	If a participant is terminated without “cause” or resigns for good reason during the 12-month period following a change of control, or after the Issuer has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Options will immediately vest and may be exercised prior to the earlier of 30 days after such date or the expiry date of such Options

The terms and conditions of grants of RSUs and PSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to these Awards, will be set out in the participant’s grant agreement. Impact of certain events upon the rights of holders of these types of Awards, including termination for cause, resignation, retirement, termination other than for cause and death or long-term disability, will be set out in the participant’s grant agreement.

In connection with a change of control of the Issuer, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity, as applicable. If the surviving successor or acquiring entity does not assume the outstanding Awards, or if the Board otherwise determines in its discretion, the Issuer will give written notice to all participants advising that the LTIP will be terminated effective immediately prior to the change of control and all Awards, as applicable, will be deemed to be vested and, unless otherwise exercised, settle, forfeited or cancelled prior to the termination of the LTIP, will expire or, with respect to the RSUs and PSUs be settled, immediately prior to the termination of the LTIP. In the event of a change of control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the participants; (ii) otherwise modify the terms of the Awards to assist the participants to tender into a takeover bid or other arrangement leading to a change of control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such change of control. If the change of control is not completed within the time specified therein (as the same may be extended), the Awards which vest will be returned by the Issuer to the participant and, if exercised or settled, as applicable, the Issuer Shares issued on such exercise or settlement will be reinstated as authorized but unissued Issuer Shares and the original terms applicable to such Awards will be reinstated.

The Board may, in its sole discretion, suspend or terminate the LTIP at any time, or from time to time, amend, revise or discontinue the terms and conditions of the LTIP or of any securities granted under the LTIP and any grant agreement relating thereto, subject to any required regulatory and TSXV approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP or as required by applicable laws.

The Board may amend the LTIP or any securities granted under the LTIP at any time without the consent of a participant provided that such amendment is required to: (i) not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP; (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSXV; and (iii) be subject to shareholder approval, where required by law, the requirements of the TSXV or the LTIP, provided however that shareholder approval will not be required for the following amendments and the Board may make any changes which may include but are not limited to:

- (a) amendments of a general “housekeeping” or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in the LTIP;
- (b) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award (other than in respect of any Options held by persons retained to provide Investor Relations Activities for which prior approval of the TSXV will be required at all times when the Issuer Shares are listed on the TSXV);
- (c) a change to the assignability provisions under the LTIP;
- (d) any amendment regarding the effect of termination of a participant’s employment or engagement;
- (e) any amendment to add or amend provisions relating to the granting of cash-settled awards, provision of financial assistance or clawbacks and any amendment to a cash-settled award, financial assistance or clawbacks provisions which are adopted;
- (f) any amendment regarding the administration of the LTIP; and
- (g) any amendment necessary to comply with applicable law or the requirements of the TSXV or any other regulatory body having authority over the Issuer, the LTIP or the shareholders of the Issuer (provided, however, that the TSXV will have the overriding right in such circumstances to require shareholder of any such amendments);

provided that the alteration, amendment or variance does not:

- (a) increase the maximum number of Issuer Shares issuable under the LTIP, other than an adjustment pursuant to a change in capitalization;
- (b) reduce the exercise price of Awards;
- (c) permit the introduction or re-introduction of non-employee directors as eligible participants on a discretionary basis or any amendment that increases the limits previously imposed on non-employee director participation;
- (d) remove or exceed the insider participation limits; or
- (e) amend the amendment provisions of the LTIP.

### **Prior Sales**

The Issuer has not sold or issued any Issuer Shares or securities convertible into Issuer Shares during the 12-month period prior to the Effective Time. For a description of the securities issued by the Resulting Issuer after the Effective

Time until the date of this Filing Statement, see section entitled “*Information Concerning the Resulting Issuer*” in this Filing Statement.

### Executive Compensation

Under the policies of the TSXV, the Issuer is required to disclose in this Filing Statement certain financial and other information relating to the compensation paid for each of the Issuer’s three most recently completed financial years to (i) the CEO and the CFO of the Issuer, (ii) the three most highly compensated executive officers of the Issuer regardless of the amount of their compensation and (iii) the directors of the Issuer.

#### *Summary Compensation Table for Officers of the Issuer*

The following table provides a summary of compensation paid, directly or indirectly, during the years ended December 31, 2022 and December 31, 2023, to the CEO, the CFO and the three most highly compensated executive officers of the Issuer.

Name and Principal Position	Period	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Carly Burk <sup>(2)(3)(4)</sup> Former President, CEO and Director	December 31, 2023	7,000	nil	nil	nil	nil	nil	nil	7,000
	December 31, 2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jennifer Thor <sup>(2)(3)</sup> Former President and CEO	December 31, 2023	13,000	nil	nil	nil	nil	nil	nil	13,000
	December 31, 2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Albert Contardi <sup>(2)</sup> Former President, CEO and Director	December 31, 2023	nil	nil	nil	nil	nil	nil	nil	nil
	December 31, 2022	20,000 <sup>(6)</sup>	nil	nil	nil	nil	nil	nil	20,000 <sup>(6)</sup>
Arvin Ramos <sup>(5)</sup> Former CFO	December 31, 2023	20,000	nil	nil	nil	nil	nil	nil	20,000
	December 31, 2022	20,000	nil	nil	nil	nil	nil	nil	20,000

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses. This table includes compensation received by the NEOs as directors of the Issuer.
- (2) Mr. Albert Contardi resigned as President, CEO and Director of the Issuer on January 4, 2023. Ms. Jennifer Thor was appointed President and CEO of the Issuer in his stead and Ms. Carly Burk was appointed a Director of the Issuer in his stead.
- (3) Ms. Jennifer Thor resigned as President and CEO of the Issuer on August 15, 2023 and Ms. Carly Burk was appointed in her stead.
- (4) Ms. Carly Burk resigned as President and CEO of the Issuer on May 9, 2024 upon completion of the Arrangement when Mr. Kelly Malcolm was appointed as the President and CEO of the Resulting Issuer. See section entitled “*Information Concerning the Resulting Issuer*” in this Filing Statement.
- (5) Mr. Arvin Ramos resigned as CFO of the Issuer on May 9, 2024 upon completion of the Arrangement when Mr. Mike Dai was appointed as the CFO of the Resulting Issuer. See section entitled “*Information Concerning the Resulting Issuer*” in this Filing Statement.
- (6) These amounts were accrued but not paid and were forgiven prior to completion of the Arrangement.

#### *Director Compensation Table*

The following table provides a summary of compensation paid, directly or indirectly, during the years ended December 31, 2022 and December 31, 2023, to the directors of the Issuer, other than directors who were also officers of the Issuer at the applicable dates.

Name	Period	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Riccardo Forno <sup>(1)</sup> Former Director	December 31, 2023	nil	nil	nil	nil	nil	nil	nil
	December 31, 2022	nil	nil	nil	nil	nil	nil	nil
Daniel Nauth <sup>(1)</sup> Former Director	December 31, 2023	nil	nil	nil	nil	nil	nil	nil
	December 31, 2022	nil	nil	nil	nil	nil	nil	nil

Notes:

- (1) Mr. Riccardo Forno and Mr. Daniel Nauth did not stand for re-election as directors of the Issuer on March 19, 2024 at the Meeting.  
(2) Kelly Malcolm, Anthony Makuch, Robert Buchan, Greg Gibson, Richard Patricio and Christina McCarthy were elected as directors of the Issuer on March 19, 2024 at the Meeting. See section entitled "Information Concerning the Resulting Issuer" in this Filing Statement.

### ***Stock Options and Other Compensation Securities***

No compensation securities were granted or issued to any NEO or to any director of the Issuer during the most recently completed financial year of the Issuer for services provided or to be provided, directly or indirectly, to the Issuer or any of its subsidiaries.

No compensation securities were exercised by any NEO or any director of the Issuer during the most recently completed financial year of the Issuer.

### ***Termination and Change of Control Benefits***

The Issuer has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who acted at the Effective Date or has previously acted as a NEO or director of the Issuer in connection with or related to the retirement, termination or resignation of such person. The Issuer has not provided any compensation to such persons as a result of a change of control of the Issuer, its subsidiaries or Affiliates. At the Effective Date, the Issuer was not party to any compensation plan or arrangement with a NEO or a director of the Issuer resulting from the resignation, retirement or the termination of employment of such person.

### **Indebtedness of Directors and Officers**

No director or officer of the Issuer or person who acted in such capacity in the last financial year of the Issuer, or any other individual who at any time during the most recently completed financial year of the Issuer was a director of the Issuer or any Associate of the Issuer, was indebted to the Issuer as at the Effective Date, nor was any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer.

### **Non-Arm's Length Transaction**

To the knowledge of the Resulting Issuer, within the 24 months preceding the Effective Date, there have been no transactions, or proposed transactions, in which any director, officer, Promoter or principal stockholder of the Issuer, or any of their respective Associates or Affiliates, have or have had a material interest.

### **Arm's Length Transaction**

The Arrangement was an Arm's Length Transaction within the meaning of the policies of the TSXV.

## **Legal Proceedings**

As at the Effective Date, there were no legal proceedings that the Issuer was a party to that were still outstanding at the Effective Date.

## **Auditor, Transfer Agent and Registrar**

At the Effective Date, the auditor of the Issuer was Jones & O'Connell LLP, Chartered Professional Accountants at their office located at Suite 500, 43 Church Street, St. Catharines, Ontario L2R 7A7.

At the Effective Date, the transfer agent and registrar of the Issuer was TSX Trust at their office at Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1.

## **Material Contracts**

Other than the Arrangement Agreement and the Amalgamation Agreement, during the 12 months prior to the Effective Date, the Issuer did not enter into any contracts, nor were there any contracts still in effect, that were material to the Issuer or any of its subsidiaries.

A copy of each of the Arrangement Agreement and the Amalgamation Agreement is posted under the Resulting Issuer's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **INFORMATION CONCERNING BOREALIS AND BOREALIS LLC**

*The following information relates to Borealis prior to completion of the Arrangement. For information regarding Borealis after the completion of the Arrangement, please see section entitled "Information Concerning the Resulting Issuer" in this Filing Statement.*

## **Corporate Structure**

### ***Name and Incorporation***

Borealis was incorporated on November 17, 2022, under the name of "Consolidated Lithium Inc." pursuant to the OBCA. Borealis changed its name to, "Borealis Mining Company Limited", on April 17, 2023.

On May 9, 2024, Borealis and the Issuer completed the Arrangement, following which, Borealis and Subco amalgamated to form Amalco, now a wholly-own subsidiary of the Resulting Issuer.

Prior to the completion of the Arrangement, the Borealis' head office, registered office and records office was located at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2 and Borealis was not a reporting issuer (or the equivalent) in any jurisdiction.

### ***Intercorporate Relationships***

Prior to completion of the Arrangement, Borealis had one wholly-owned subsidiary, Borealis LLC, a limited liability company existing under the laws of the State of Nevada. Following completion of the Arrangement, Borealis LLC is a wholly owned indirect subsidiary of the Resulting Issuer.

## **General Development of the Business**

Borealis was an exploration and development stage mining company engaged in the business of acquiring and exploring mineral properties. Borealis' only mineral property was the Borealis Project. Borealis acquired its interest in the Borealis Project on April 17, 2023, by acquiring Borealis LLC from Waterton pursuant to the Borealis LLC Purchase Agreement (the "**Borealis Project Purchase**"). The Borealis 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. The Borealis Project is comprised of 751 unpatented mining claims of approximately 20 acres each totaling about 15,020 acres and one unpatented mill site claim of about five acres.

Mineral rights, through Borealis LLC as the owner or lessee of the claims comprising the Borealis Project, allowed Borealis to explore, develop and mine the Borealis Project subject to the prior procurement of required operating permits and approvals, compliance with the terms and conditions of the Borealis Claims Lease, and compliance with applicable federal, state, and local laws, regulations and ordinances. The principal operating permits for the Borealis Project are currently in place for a heap leach operation in the center of the Borealis Project, which was operated by Waterton until early 2023 before it was acquired by Borealis. The Borealis Project is in good standing and all required claim fees for the Borealis Project for 2024 were paid to BLM in August 2023.

Prior to completion of the Arrangement, the business objective of Borealis was to identify a mineral resource at the Borealis Project. In the long term, the business objective of Borealis was to identify, evaluate, acquire and explore additional mineral properties for the purposes of identifying additional mineral resources.

## **Narrative Description of the Business**

### ***General***

Borealis has put together an experienced board of directors and management team to lead it through the planned exploration of the Borealis Project. Borealis has been successful in raising sufficient capital to complete an initial analysis on the Borealis Project and to complete a technical report on the Borealis Project.

Prior to completion of the Arrangement, Borealis was not a reporting issuer in any jurisdiction and no securities of Borealis were listed or posted for trading on any stock exchange.

### ***Acquisition of the Borealis Project***

#### **Background**

Prior to completion of the Arrangement, Borealis, through Borealis LLC, held a 100% interest in the Borealis Owned Claims and the Borealis Leased Claims comprising the Borealis Project located in western Nevada.

On April 17, 2023, Borealis acquired its interest in the Borealis Project by acquiring Borealis LLC from Waterton, then the parent company of Borealis LLC, pursuant to the Borealis LLC Purchase Agreement for a purchase price comprised of (i) cash, (ii) future payments upon achievement of certain milestones at the Borealis Project, and (iii) future issue by an RTO Issuer to Waterton of securities by the RTO Issuer in connection with an RTO (“**RTO Issuer Payment Shares**”), all as described below in the section entitled “*Borealis Project Purchase Price*”.

#### **Borealis Project Purchase Price**

Pursuant to the terms of the Borealis LLC Purchase Agreement, Borealis acquired Borealis LLC for a purchase price comprised of:

- (a) \$100,000 paid by Borealis to Waterton on April 17, 2023;
- (b) delivery of the MPR by Borealis to Waterton on April 17, 2023, which MPR requires that certain payments in the aggregate amount of \$15,000,000 be made to, initially, Waterton upon the achievement of certain milestones in the development of the Borealis Project, as more particularly described in the section entitled “*Milestone Payment Rights Agreement*” below; and
- (c) that number of RTO Issuer Payment Shares equal to 19.99% of all of the issued and outstanding RTO Issuer Shares, which was satisfied through the issuance of 15,558,338 Resulting Issuer Shares upon the closing of the Arrangement on May 9, 2024.

Milestone Payment Rights Agreement

Pursuant to the Borealis LLC Purchase Agreement, Borealis is required to provide, initially to Waterton, the right to receive payments of cash upon the achievement of certain milestones in the development of the Borealis Project. Accordingly, on April 17, 2023, Borealis and Waterton entered into the MPR Agreement in order to create and issue the MPR to Waterton.

Waterton, or any future Holder, may transfer, sell, assign or otherwise dispose of (each an “**MPR Transfer**”), in whole or in part, the MPR to any Person by providing Borealis with written notice of such MPR Transfer. Under the MPR Agreement, Borealis is required to maintain a register (the “**MPR Register**”) for the purposes of (i) identifying the Holders of the MPR, and (ii) registering the MPR and any MPR Transfers thereof.

Under the MPR Agreement, Borealis is required to make the following payments upon the occurrence of the following milestones:

<b>Milestone</b>	<b>Milestone Payment</b>	<b>Milestone Amount</b>
The date on which Borealis publishes an NI 43-101 resource report for the sulphide portion of the Borealis Project describing a resource of 2,800,000 or more ounces of gold equivalents (“ <b>First Milestone</b> ”).	\$5,000,000 (“ <b>First Payment</b> ”)	For a given Holder, the product of (a) the First Payment and (b) the percentage of the MPR held by such Holder as reflected on the MPR Register as of the close of business on the date of the occurrence of the First Milestone (“ <b>First Milestone Amount</b> ”).
The day after the date on which all of the following have occurred: (a) the applicable Governmental Body has issued, regarding proposed operations at the Borealis Project, either a finding of no significant impact with respect to an environmental assessment or a favorable record of decision with respect to an environmental impact statement; (b) the applicable Governmental Body has approved a mine plan of operations for underground mining of sulphide ore at the Borealis Project; and (c) the applicable Governmental Bodies have issued a water pollution control permit, an air permit and a reclamation permit for the commencement of underground mining of sulphide ore at the Borealis Project (the “ <b>Second Milestone</b> ”).	\$2,500,000 (“ <b>Second Payment</b> ”)	For a given Holder, the product of (a) the Second Payment and (b) the percentage of the MPR held by such Holder as reflected on the MPR Register as of the close of business on the date of the occurrence of the Second Milestone (the “ <b>Second Milestone Amount</b> ”).
The date of commencement of Commercial Production of sulphide ore at the Borealis Project (the “ <b>Third Milestone</b> ”).	\$7,500,000 (“ <b>Third Payment</b> ”)	For a given Holder, the product of (a) the Third Payment and (b) the percentage of the MPR held by such Holder as reflected on the MPR Register as of the close of business on the date of the occurrence of the Third Milestone (the “ <b>Third Milestone Amount</b> ”).

The obligations of Borealis under the MPR Agreement are secured by the Deed of Trust and the UCC Statement.

**Three-year History**

On November 17, 2022, Borealis was incorporated under the OBCA. On incorporation, Borealis issued 10,000,000 Borealis Shares at a price of \$0.02 per Borealis Share for total proceeds of \$200,000.

On April 17, 2023, Borealis acquired its interest in the Borealis Project by completing the Borealis Project Purchase and completed a private placement issuing 10,000,000 Borealis Shares at a price of \$0.02 per Borealis Share for total proceeds of \$200,000.

On June 15, 2023, Borealis completed a private placement and issued 8,475,000 Borealis Shares at a price of \$0.05 per Borealis Share for total proceeds of \$423,750.

On June 21, 2023, Borealis completed a private placement and issued 5,446,700 Borealis Shares at a price of \$0.30 per Borealis Share for total proceeds of \$1,634,010.

On September 14, 2023, Borealis completed a brokered private placement (the “**September 2023 Private Placement**”) and issued 16,000,000 units at a price of \$0.50 per unit for total proceeds of \$8,000,000. Each unit consisted of one Borealis Share and one-half of one Borealis Warrant. Each Borealis Warrant entitles the holder thereof to purchase one Borealis Share at a price of CDN\$0.75 per Borealis Share until September 14, 2025. In connection with the September 2023 Private Placement, Borealis issued 902,568 Borealis Compensation Options. Each Borealis Compensation Option entitles the holder thereof to purchase one Borealis Share at a price of CDN\$0.50 per Borealis Share until September 14, 2025.

On January 3, 2024, Borealis completed a private placement (the “**January 2024 Private Placement**”) and issued 2,166,800 units at a price of \$0.50 per unit for total proceeds of \$1,083,400. Each unit consisted of one Borealis Share and one-half of one Borealis Warrant. Each Borealis Warrant entitles the holder thereof to purchase one Borealis Share at a price of \$0.75 per Borealis Share until September 14, 2025. In connection with the January 2024 Private Placement, Borealis issued 88,608 Borealis Compensation Options. Each Borealis Compensation Option entitles the holder thereof to purchase one Borealis Share at a price of \$0.50 per Borealis Share until September 14, 2025.

On February 6, 2024, Borealis entered into the Arrangement Agreement to complete the Arrangement.

In connection with the Arrangement, on March 1, 2024, Borealis entered into the Amalgamation Agreement.

On March 19, 2024, the Borealis Shareholders approved the Amalgamation.

On April 4, 2024, Borealis completed a private placement (the “**April 2024 Private Placement**”) and issued 8,411,000 units at a price of \$0.50 per unit for total proceeds of \$4,205,500. Each unit consisted of one Borealis Share and one-half of one Borealis Warrant. Each Borealis Warrant entitles the holder thereof to purchase one Borealis Share at a price of \$0.75 per Borealis Share until September 14, 2025. In connection with the April 2024 Private Placement, Borealis issued 131,960 Borealis Compensation Options. Each Borealis Compensation Option entitles the holder thereof to purchase one Borealis Share at a price of \$0.50 per Borealis Share until September 14, 2025.

On May 9, 2024, Borealis and the Issuer completed the Arrangement and Borealis amalgamated with Subco to form Amalco, now a wholly-owned subsidiary of the Resulting Issuer.

### **Specialized Skill and Knowledge**

Various aspects of Borealis’ business require specialized skills and knowledge. Such skills and knowledge include areas of exploration and development, geology, drilling, permitting, metallurgy, logistical planning, accommodation and implementation of exploration programs, as well as legal compliance, finance and accounting. Borealis expects to rely upon consultants, contractors and others with specialized knowledge of exploration and development in Nevada and local community relations. While competitive conditions exist in the industry, Borealis has been able to locate and retain consultants with such skills to date and does not anticipate any difficulties in locating competent employees and consultants in such fields in the future.

### **Environmental Protection**

All aspects of Borealis’ field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines, penalties, suspension or revocation of permits or the ceasing of activities. Borealis’ policy is to conduct its business

in a way that safeguards public health and the environment. Environmental requirements will be adhered to and monitored on an ongoing basis. Borealis believes that its operations are conducted in material compliance with applicable environmental laws and regulations. Since its incorporation, Borealis has not had any material environmental incidents or non-compliance with any applicable environmental laws or regulations. It is not expected that the financial and operational effects of environmental protection requirements will have a significant impact on capital expenditures, profit or loss or the competitive position of Borealis in the near future. Should the Borealis Project advance to the production stage, then more time and money would be involved in satisfying environmental protection requirements. For the environmental regulatory requirements, permits and the status of such permits applicable to the Borealis Project, see “*Information Concerning Borealis and Borealis LLC – Borealis Project – Environmental Studies, Permitting and Social or Community Impact*” in this Listing Statement. Also, see section entitled “*Risk Factors – Environmental Risks*” in this Filing Statement.

### **Employees**

At the Effective Time, Borealis had 10 employees. Borealis carried on its business through Borealis LLC. Borealis also relied on and engaged consultants on a contract basis to assist Borealis in carrying on its administrative and exploration activities.

### **Competitive Conditions**

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. Borealis competes with a number of other entities and individuals in the search for and the acquisition of attractive mineral properties as well as for the recruitment and retention of qualified employees. As a result of this competition, the majority of which is with companies with greater financial resources and technical facilities than Borealis, Borealis may not be able to acquire attractive properties in the future on terms it considers acceptable. Finally, Borealis competes for investment capital with other resource companies, many of whom have greater financial resources and/or more advanced properties that are better able to attract equity investment and other capital. The ability of Borealis to acquire attractive mineral properties in the future depends not only on its success in exploring and developing the Borealis Project, but also on its ability to select, acquire and bring to production suitable properties or prospects for exploration, mining and development. Factors beyond the control of Borealis may affect the marketability of minerals mined or discovered by Borealis. See “*Risk Factors – Competition*” in this Filing Statement.

### **Borealis Project**

The Borealis Project is the only material property of Borealis LLC. The Borealis Project is located in western Nevada.

The scientific and technical information in this Filing Statement with respect to the Borealis Project is derived from, and in some instances is an extract from, the Technical Report. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Technical Report which is posted under the Issuer’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

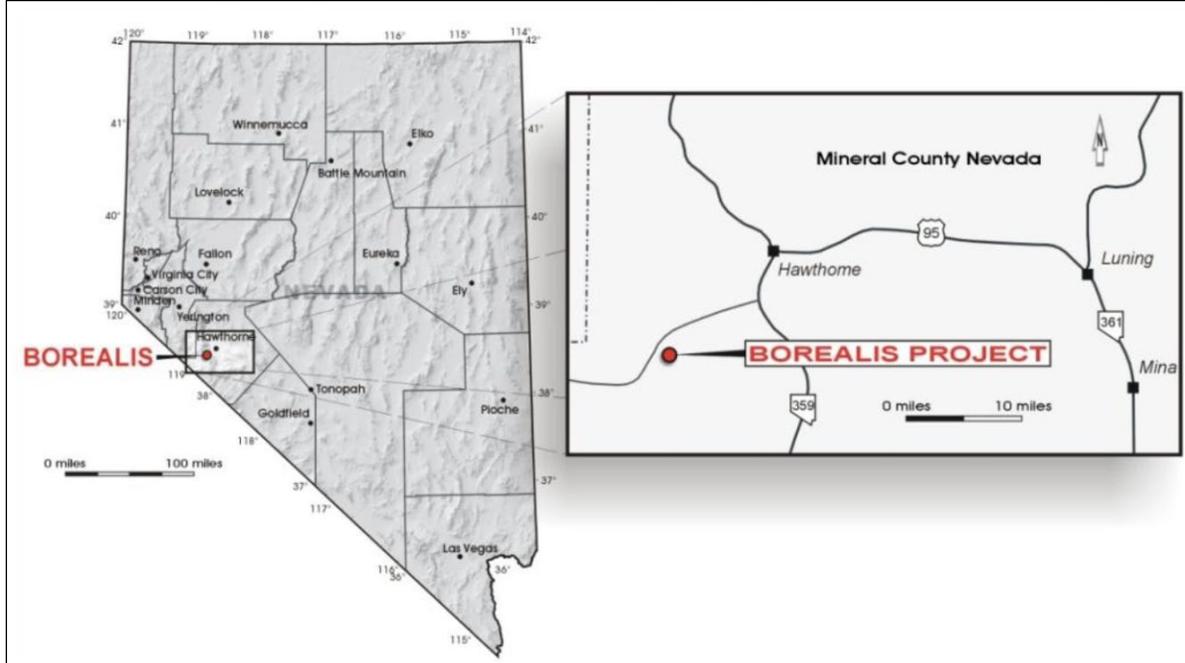
The Technical Report has been prepared in accordance with the requirements of NI 43-101 by the Technical Report Principal QP. Scientific and technical information in this Filing Statement has been prepared under the supervision of the Technical Report Principal QP. The Technical Report Principal QP has reviewed and approved the description of the Borealis Project in this Filing Statement. The Technical Report Principal QP is an independent “Qualified Person” as defined in NI 43-101. The Technical Report Principal QP conducted site visits at the Borealis Project on June 21, 2023 to view open-pit exposures and facilities and examine historical data and on June 12, 2024 to validate 2024 drill collar locations, collect witness samples and to verify logging of recent drill holes.

For the purposes of this section entitled “*Borealis Project*”, unless otherwise specified, the reference to “Borealis” means the Resulting Issuer and Borealis LLC collectively.

***Property Description and Location***

***Property Location***

The Borealis 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 as illustrated in the figure below.



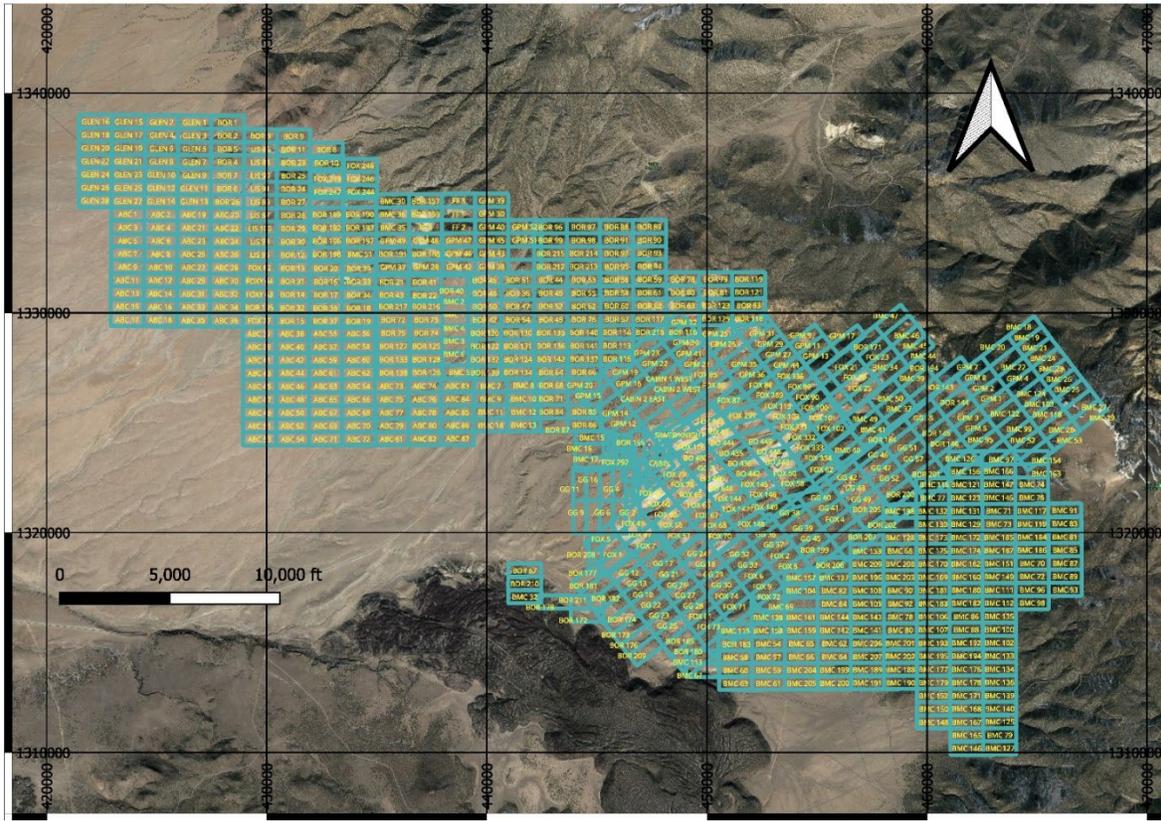
Hawthorne is 144 highway miles southeast of Reno and 331 highway miles northwest of Las Vegas.

The principal operating permits for the Borealis Project are currently in place for a heap leach operation in the center of the property, which was operated by Waterton until early 2023. The status of all approved permits is current and can be maintained with the appropriate fees being paid on an annual basis to the BLM.

***General Property Description***

The Borealis Project is comprised of 751 unpatented mining claims of approximately 20 acres each totaling about 15,020 acres and one unpatented mill site claim of about 5 acres. Of the 751 unpatented mining claims, 128 claims are owned by the Borealis Claims Lessors leased to Borealis LLC and 623 of the claims were staked by Golden Phoenix or Gryphon and transferred to Borealis.

The claims comprising the Borealis Project expire on September 1, 2024, must be renewed on an annual basis by submitting payment to the BLM and are summarized in Table 4-1 of the Technical Report. The claims comprising the Borealis Project are illustrated in the figure below:



Land Status

The lands on which the claims comprising the Borealis Project are located were open to mineral location at the time of claim staking. There are no apparent conflicts with any privately owned land. There are some overlaps with surface improvements, such as a power line right-of-way and stock watering facilities, but those improvements do not prevent the location of mining claims.

All of the claims comprising the Borealis Report are shown on the BLM records as being in good standing. Claim fees for 2024 were paid to the BLM in August 2023. Claim fees for the next year are due by 1 September, 2024.

Ownership, Purchase Agreement and Mining Lease

Mineral rights, through Borealis as the owner or lessee of the claims, allow Borealis to explore, develop, and mine the Borealis Project subject to the prior procurement of required operating permits and approvals, compliance with the terms and conditions of the Borealis Claims Lease, and compliance with applicable federal, state, and local laws, regulations, and ordinances.

The 128 Borealis Leased Claims are owned by John W. Whitney, Hardrock Mining Company, and Richard J. Cavell, the Borealis Claims Lessors. Borealis leases the Borealis Leased Claims from the Borealis Claims Lessors under the Borealis Claims Lease. The Borealis Claims Lease was assigned to Borealis LLC by the prior lessee, Golden Phoenix. The Borealis Claims Lease contains an area of interest provision, such that any new mining claims located or acquired by Borealis within the area of interest after the date of the Borealis Claims Lease will automatically become subject to the provisions of the Borealis Claims Lease. The Borealis Claims Lease can be continued indefinitely for so long as any mining, development, or processing is being conducted on a continuous basis on the property covered by the Borealis Claims Lease.

The remainder of the Borealis Project consists of 623 unpatented mining claims and one unpatented mill site claim representing the Borealis Owned Claims.

A total of 202 claims of the 751 claims comprising the Borealis Project are located outside of the area of interest and are not subject to any of the provisions of the Borealis Claims Lease.

All of the mining claims comprising the Borealis Project are unpatented, such that paramount ownership of the land is in the United States of America. Claim maintenance payments and related documents must be filed annually with the BLM and with Mineral County, Nevada, to keep the claims comprising the Borealis Project from terminating by operation of law. Borealis is responsible for those actions.

On April 17, 2023, Borealis acquired its interest in the Borealis Project by acquiring Borealis LLC from Waterton, then the parent company of Borealis LLC, pursuant to the Borealis LLC Purchase Agreement for a purchase price comprised of (i) cash, (ii) future payments upon achievement of certain milestones at the Borealis Project, and (iii) future issue by an RTO Issuer to Waterton of RTO Issuer Payment Shares, all as described below in the section entitled “*Borealis Project Purchase Price*”.

#### *Borealis Project Purchase Price*

Pursuant to the terms of the Borealis LLC Purchase Agreement, Borealis acquired Borealis LLC for a purchase price comprised of:

- (a) \$100,000 paid by Borealis to Waterton on April 17, 2023;
- (b) delivery of the MPR by Borealis to Waterton on April 17, 2023, which MPR requires that certain payments in the aggregate amount of \$15,000,000 be made to, initially, Waterton upon the achievement of certain milestones in the development of the Borealis Project, as more particularly described in the section entitled “*Milestone Payment Rights Agreement*” below; and
- (c) that number of RTO Issuer Payment Shares equal to 19.99% of all of the issued and outstanding RTO Issuer Shares, which was satisfied through the issuance of 15,558,338 Resulting Issuer Shares upon the closing of the Arrangement on May 9, 2024.

#### *Milestone Payment Rights Agreement*

Pursuant to the Borealis LLC Purchase Agreement, Borealis is required to provide, initially to Waterton, the right to receive payments of cash upon the achievement of certain milestones in the development of the Borealis Project. Accordingly, on April 17, 2023, Borealis and Waterton entered into the MPR Agreement in order to create and issue the MPR to Waterton.

Waterton, or any future Holder, may effect an MPR Transfer by providing Borealis with written notice of such MPR Transfer. Under the MPR Agreement, Borealis is required to maintain the MPR Register for the purposes of (i) identifying the Holders of the MPR, and (ii) registering the MPR and any MPR Transfers thereof.

Under the MPR Agreement, Borealis is required to make the certain payments upon the occurrence of certain milestones, all as described in the section entitled “*Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Acquisition of the Borealis Project – Milestone Payment Rights Agreement*” in this Filing Statement.

The obligations of Borealis under the MPR Agreement are secured by the Deed of Trust and the UCC Statement.

#### *Royalty*

The Borealis Claims Lease requires a monthly payment of approximately US\$14,000 for advance royalty payments, which is adjusted each year for inflation. Once the Borealis Project is in production, under the Borealis Claims Lease the Borealis Project is subject to a 5% NSR which can be offset by the advance royalty payments made previously.

Any commercial production from adjacent claims owned by others and acquired by Borealis within the Borealis Project area of interest will be subject to a 2% NSR to be paid to the royalty holders.

### ***Accessibility, Climate, Local Resources, Infrastructure and Physiography***

The Borealis Project is located about 16 road miles southwest of the small town of Hawthorne, Nevada, and is accessed via Lucky Boy Pass road. This wide, well-maintained, gravel road begins about 2 miles south of Hawthorne off of Nevada State Highway 359.

Hawthorne provides the nearest available services for both mineral exploration and mine operations, having substantial housing, adequate fuel supplies, and a sufficient infrastructure to take care of basic needs. Reno, 144 miles away by paved highway, is the nearest major hub and can provide any goods or services that are not available locally.

Prior to being reopened by Gryphon, and later operated by Waterton, the Borealis Project area had been reclaimed to early 1990s standards. Gryphon began construction of the mine and installed office buildings, an ADR plant, and associated infrastructure in 2011. The pits and the Borealis Project boundary are fenced for public safety.

Currently, access to the pits and heap leaching areas is gained through locked gates. There is a current haul road connecting the East Ridge and Northeast Ridge pits to the crushing area and leach pad facilities, and an additional two-track road connects the other existing pits to the main Borealis Project area, generally following reclaimed historic haul roads. A production water well was drilled in June 2008, which provided water for the recent mining operation at the Borealis Project and it is currently active.

The elevation on the Borealis Project ranges from 7,200 to 8,200 feet above sea level. Topography ranges from moderate and hilly terrain with rocky knolls and peaks to steep and mountainous terrain in the higher elevations. This relatively high elevation results in moderate summer weather with high temperatures in the 90 degrees-Fahrenheit (°F) range, while winters can be cold and windy with temperatures near 0°F. Average annual precipitation is approximately 10 inches, including significant winter snowfall. During recent operations, the mine located on the Borealis Project only experienced limited weather-related interruptions.

Predominate vegetation species include pinion pine, Utah juniper, greasewood, a variety of sagebrush species, crested wheat grass and four-wing saltbush from previous reclamation activities.

### ***History***

In 1978, the Borealis gold deposit was discovered by S.W. Ivosevic, a Houston International Minerals Company geologist (a subsidiary of Houston Oil and Minerals Corporation). The property was acquired through a lease agreement with the Whitney Partnership, which later became the Borealis Partnership, following Houston's examination of the submitted property. Initial discovery of gold mineralization in the Borealis district and subsequent rapid development resulted in production beginning in October 1981 as an open-pit mining and heap leaching operation. Tenneco acquired the assets of Houston International Minerals Company in late 1981 and continued production from the Borealis open pit mine. Subsequently, several other gold deposits were discovered along the generally northeast-striking Borealis trend and mined by open-pit methods. Also, several small deposits were discovered further to the west in the outlying area known as Orion's Belt (encompassing the Cerro Duro, Jaime's Ridge, and Purdy Peak deposits). Tenneco's exploration in early 1986 discovered the Freedom Flats deposit, and then in October 1986, Echo Bay acquired the Nevada assets of Tenneco.

With the completion of mining of the readily available oxide material in the Freedom Flats deposit and other deposits in the district, active mining was terminated in January 1990, and leaching operations ended in late 1990. All eight open-pit operations are reported to have produced 10.7 million tons of material averaging 0.059 troy ounces per short ton Au. Gold recovered from the material placed on heaps was approximately 500,000 troy ounces plus an estimated 1.5 million troy ounces of silver. Reclamation of the closed mine began immediately and continued for several years.

Echo Bay decided not to continue with its own exploration, and the Borealis Project was farmed out as a joint venture in 1990 to 1991 to Billiton Minerals, which drilled 28 reverse circulation exploration drillholes totaling 8,120 ft on outlying targets. Billiton Minerals dropped the Borealis Project with no retained interest. Santa Fe Pacific then entered into a joint venture with Echo Bay in 1992 to 1993, compiled data, constructed a digital drillhole database, and drilled 32 deep RC and core holes, including a number of holes into the Graben deposit. Santa Fe Pacific had success in identifying new sulfide-zone gold mineralization but terminated the joint venture because of reduced exploration

budgets. Echo Bay completed all reclamation requirements in 1994 and then terminated its lease agreement with the Borealis Partnership in 1996.

In late 1996, Welsh negotiated an option-to-lease agreement (the “**Welsh Lease**”) for the Borealis Project from the Borealis Partnership and immediately joint-ventured the Borealis Project with Cambior Exploration U.S.A., Inc. During 1996, Welsh drilled 11 auger holes (totaling 760 ft) into Heap 1 to determine if there was sufficient remaining gold to consider reprocessing the heap. During 1997, Cambior Exploration U.S.A., Inc. performed a major data compilation program and several gradient Induced Polarization surveys. In 1998, Cambior Exploration U.S.A., Inc. drilled 10 holes, which succeeded in extending the Graben deposit and in identifying new zones of gold mineralization near Sunset Wash. Cambior Exploration U.S.A., Inc. terminated the joint venture in late 1998 because of severe budget constraints.

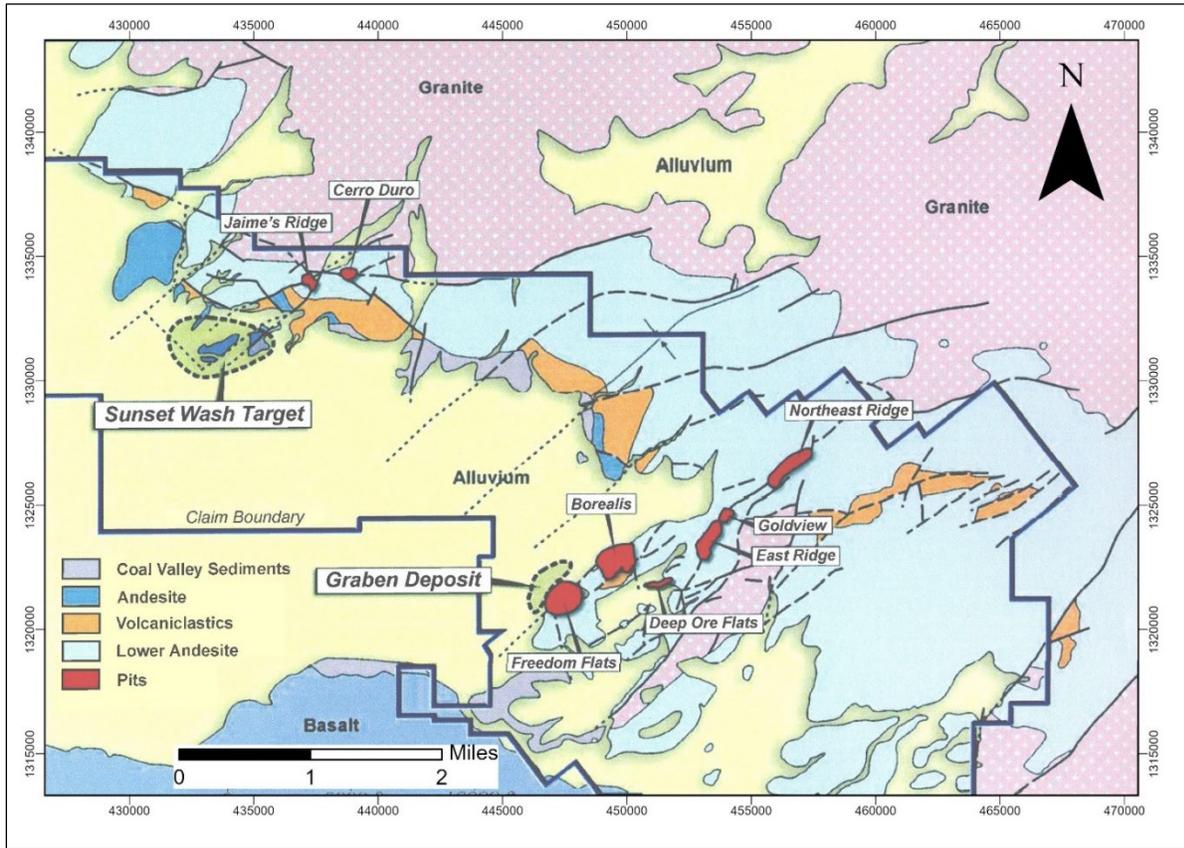
During the Cambior Exploration U.S.A., Inc. joint-venture period in late 1997, Golden Phoenix entered into an agreement to purchase a portion of the Welsh interest in the Borealis Project. Welsh sold its remaining interest in the Borealis Project to a third party, who in turn sold it to Golden Phoenix; therefore, in 2000 Golden Phoenix controlled 100% interest in the Welsh Lease. Golden Phoenix maintained the Borealis Project during the years of low gold prices, compiled a database, validated the drillhole data, and developed new mineral resource estimates for the Borealis Project.

In July 2003, the Borealis Project was joint ventured by Golden Phoenix with Borealis LLC, which was at the time a wholly owned subsidiary of Gryphon. Borealis LLC, the operator of the joint venture, originally controlled the Borealis Project through an option agreement with Golden Phoenix whereby Borealis LLC could earn a 70% joint-venture interest in the Borealis Project. Borealis LLC had the right to acquire its interest in the Borealis Project with a combination of qualified expenditures on work programs, and/or making payments to Golden Phoenix, and/or delivering a FS over a period of 5 and 1/2 years beginning July 2003. In January 2005, Borealis LLC purchased 100% interest in the option agreement, and Golden Phoenix surrendered its interest in the Borealis Project. During 2004 and 2005 to 2007, Gryphon conducted two drilling programs. In 2010, Borealis LLC completed a third drilling program in the central portion of the Borealis Project.

Gryphon began construction of the Borealis Project in June 2011, and the first loaded carbon was shipped in October 2011. Gryphon had anticipated that the first phase of construction would cost US\$12.7 million and that doré sales would provide the necessary cash to bring the Borealis Project to full production. Construction delays and reliance on inadequate or broken-down equipment ballooned costs while cashflow dwindled. Gryphon spent US\$19.6 million by the end of the year, forcing management to arrange several additional capital raises, the great majority of which came from Waterton. Gryphon filed for voluntary Chapter 11 bankruptcy protection in July of 2013, triggering a protracted court battle over the fate of the Borealis Project. The case was dismissed in November 2015, and Waterton foreclosed on Gryphon. Waterton assumed control of Borealis LLC and operated the Borealis Project until early 2023, when the Borealis Project was sold to Borealis.

### ***Geological Setting and Mineralization***

Epithermal gold and silver mineralization at the Borealis Project is hosted by Miocene pyroclastic rocks/tuffs, andesite flows, dacite flows, and laharic breccias. These volcanic units together exceed 1,200 ft in thickness, strike northeasterly, and dip shallowly to the northwest. Pediment gravels cover the volcanic rocks at lower elevations along the mountain front where drilling has identified large areas of hydrothermal alteration. Structures are dominantly northeast-striking faults with steep dips and generally west-to-northwest-striking faults with steep southerly dips. Both of these fault systems lie on regional trends of known mineralized systems; thus, the Borealis Project appears to be at a major intersection of structural and mineralized trends. Another strong control for alteration/mineralization within the district is a series of north to north-to-northeast-trending structures that host the Graben deposit and other exploration targets. A number of these pre-mineral faults in the district may have been feeders for high-sulfidation hydrothermal systems. The following figure illustrates the local geology of the Borealis district and the Borealis Project area.



Gold mineralization is often associated with hydrothermal breccias, pervasive silica, and sulfides, principally pyrite. It is likely that the higher-grade deposits may have been localized along the intersections of small second-order faults with the major feeder structures. Many of the oxide deposits at the Borealis Project site, such as the Borealis deposit, have a flat-lying tabular shape and appear to have formed within gently dipping volcanic units. The pyroclastic/tuff unit is the most favorable host for gold mineralization. Alteration and mineralization closely associated with mineralized material are fine-grained vuggy to massive silica and pyrite often with and enveloped by advanced-argillic alteration including alunite and dickite. Outward from the central silica zone is a zone that may contain kaolinite, quartz, pyrite, dickite, and diaspore, and is surrounded by montmorillonite and pyrite, and finally an outermost broad propylitic halo with minor pyrite. Large bodies of opaline and microcrystalline silica occur peripheral to some mineralized zones. During its emplacement, finely disseminated gold found in the Borealis mineralizing system was enclosed in pyrite. In the oxide zone, the upper reaches of the system, natural weathering, and oxidation liberated this gold and made it available to extraction by cyanidation. Gold still bound in pyrite or pyrite-silica is not recovered easily by a simple cyanide heap leach operation and requires more-complicated and costly treatment.

Widely spaced historic drilling suggests that nearby pediment gravels cover the majority of the altered and mineralized volcanic rocks of the Borealis system, of which the historic Borealis Project was only a small, visibly outcropping part. The currently known extents of alteration form a 7 mile long zone in the southern and southwestern parts of the district, and the pediment gravels cover many favorable exploration targets.

### ***Deposit Types***

#### ***Hydrothermal Gold Deposits***

The Borealis Project hydrothermal system is recognized as a high-sulfidation-type system, generally with high-grade gold occurring along steeply dipping structures and with lower grade gold surrounding the high grade and commonly controlled by volcanic stratigraphy in relatively flat-lying zones. Gold deposits with minor silver are hosted by Miocene pyroclastic rocks/tuffs, andesitic flows and flow breccias, dacite flows, and, to a lesser degree, laharic breccias, which are all reported to strike northeasterly and dip shallowly to the northwest. In the areas of some fault

zones, the granitic basement rocks are weakly altered and limonite stained. Pediment gravels cover the altered-mineralized volcanic rocks at lower elevations along the mountain front, and there is potential for discovery of more blind deposits, similar to the Graben.

The Borealis Project hydrothermal system is defined as high-sulfidation (acid sulfate) based on the following features: presence of advanced argillic alteration with alunite, dickite, pyrophyllite, and diaspore deeper in the system; presence of large bodies of opaline silica; presence of many zones of acid leaching with feldspar phenocrysts removed leaving vuggy silica rock; presence of minor amounts of enargite; lack of adularia; and high iron-sulfide content, principally pyrite with minor marcasite.

Structures controlling mineralized deposits are both northeast-striking faults and generally west-to-northwest-striking faults. Another strong control within the district is a series of north to north-to-northeast-trending structures that host the Graben deposit and other exploration targets. Steeply dipping faults in the district may have been feeders for high-grade gold deposits. High-grade zones were likely to be formed by more than one episode of hydrothermal, possibly explosive, brecciation and silicification with accompanying metallic minerals. The vertical high-grade zone in the Freedom Flats deposit probably formed through this mechanism along a northeast-trending structure.

The Graben system appears to be localized along an elongate north-to-northeast-trending structural zone containing two or more high-grade pods that plunge steeply (45 degrees (°) to 60°) to the east. Hydrothermal brecciation and pervasive silicification are also common to the Graben system. The Graben deposit is somewhat different than other deposits in the district. Both the low-grade gold zone and hydrothermal brecciation are more extensive. Within the low-grade gold aureole are at least two apparently separate high-grade gold zones. Resource modeling identifies continuity of the moderate to high-grade zone for 2,000 ft in length and from 50 to 200 ft wide. There are less developed and extensive vuggy silica zones. Additionally, the apparent structural control has a north-to-northeasterly orientation, which was considered to be unusual in the district but is becoming more prominent as geophysical surveys are conducted. Due to extensive gravel cover in the pediment environment, additional blind deposits such as the Graben are anticipated to be discovered as exploration progresses beneath the alluvial cover.

Other gold deposits in the district have similar alteration features but may have been developed by less-explosive events. In these other systems, gold-bearing mineralizing fluids migrating upward along fault zones intersected favorable lithologic horizons where the gold-bearing fluids moved laterally and deposited lower-grade mineralization. This process created gold deposits that have a flat-lying attitude and appear to be lenticular in section. The original Borealis deposit and the lower-grade portions of the Graben deposit are examples. The Graben deposit has components of both styles of mineralization.

The surface footprints of the high-grade pods found to date are rather small, and they can be easily missed with patterns of too-widely spaced geophysical surveys and drillholes. Once a higher-grade zone is suspected, fences of drillholes with a 100 ft spacing should be conducted, and a 50 ft spacing may be required, but even this spacing may not be adequate to accurately define the high grade within the zones. Eng describes the underestimation of grades in the Freedom Flats deposit due to the drillholes missing small, very high-grade pods (greater than (>) 0.5 opt Au) of mineralization and to possible loss of fines during drilling. Another aspect not covered by Eng, but one that has become extremely important, is the orientation of drillholes with respect to controls of the mineralized zones. Because much of the high-grade gold occurs along steeply dipping structures, the mineralized zones can best be defined by angle drillholes oriented approximately normal to the dip of the controlling features. Most of the drilling on the property, including the Graben deposit, is vertical and therefore did not adequately sample the steeply dipping higher-grade zones. Drillhole orientation has compounded the underestimation of grades within the district. A coarse gold component has been considered but not proven, and if present, it can be captured with very careful sampling of drill cuttings and core, collecting large samples, and special assaying techniques.

Most deposits mined in the district, including the Borealis Project, have a generally flatter tabular shape, and they may have formed parallel to, and within, permeable portions of gently dipping pyroclastic/tuff units, volcanic flows and flow breccias, and along contact zones between lithologies. Beneath the northwest margin of the former Borealis pit, additional flat-lying gold zones of the Borealis Extension and another deeper zone are found. Steeply dipping high-grade feeder structures have been identified within the original Borealis deposit and extend beneath the pit. Similarly, other steeply dipping high-grade feeder structures have been identified within other deposits and can be projected below the limit of drilling. Substantial drilling is required to define the extent of these mineralized zones.

### Graben Breccias

The core of the Graben deposit is characterized by a complex hydrothermal breccia that hosts most of the gold mineralization and extends vertically and laterally beyond the limits of the deposit. The form of the breccia is imperfectly known, but there are indications that it has steeply dipping roots and flares near its top into a sub-horizontal zone that may be controlled by lithology or contact zones. Several varieties of breccia are present, many of which may be variations of the same event. Two units seem to have consistent crosscutting relationships in several core holes; therefore, at least two periods of brecciation are present. The younger unit is light gray, and it intrudes the older black breccia. The light-gray breccia contains about 40% clasts that are matrix supported. Typically, the clasts are from a few millimeters to a few centimeters across in an extremely fine-grained light-gray siliceous matrix. The majority of the clasts contain 100% texture-destructive secondary silicification. In a few areas, clasts of moderately silicified and weakly argillized welded tuff and siltstone occur. This breccia commonly contains 1% to 5% pyrite, most of which is in the matrix.

The black breccia contains a variety of sub-textures that will be described together as part of this breccia, but it is recognized that some, or all, of these could be separate brecciation events. Black breccia contains 40% to 60% clasts up to 10 cm across in a dense siliceous matrix. Clasts are matrix supported and consist primarily of dark gray to black highly siliceous material of unknown origin with lesser amounts of silicified andesite, welded tuff, and massive iron sulfide clots. In places, the unit is extremely black and sooty as if there is an organic component or, alternatively, very fine-grained sulfides. Several of the drillholes pass from the breccia into altered andesite. The contact zone is characterized by a gradational decrease in brecciation into unbrecciated silicified andesite over a distance of a few feet. There is also a corresponding decrease in the amount of silicification into argillized andesite.

Two of the more-common textures within the black breccia are zones of banded matrix with few, if any, clasts and areas of vuggy textures. The banded zones typically occur with the banding at high angles to the core axis. The areas of vuggy texture appear similar to other areas of acid leaching on the property. Generally, the cavities are lined with quartz and pyrite. All of the breccias are cut by at least two periods of quartz veins, the oldest of which is white quartz up to 10 mm wide, and the younger is dark quartz-pyrite veins that are up to 5 mm wide and cut the white quartz veins. Pyrite and minor marcasite are concentrated in the matrix where clots of >50% iron sulfides are common. Generally, the matrix contains 5% to 25% iron sulfides, while the clasts contain 1% to 5% iron sulfides. The only feature within the breccia that seems to correlate with high grades of gold mineralization is the abundance of quartz veining of either type. While all of the breccias contain iron sulfides, not all breccias contain gold.

### ***Exploration***

#### Introduction

All of the information in this section is historical and is based on historical reports. The Technical Report Principal QP has not verified any of these results.

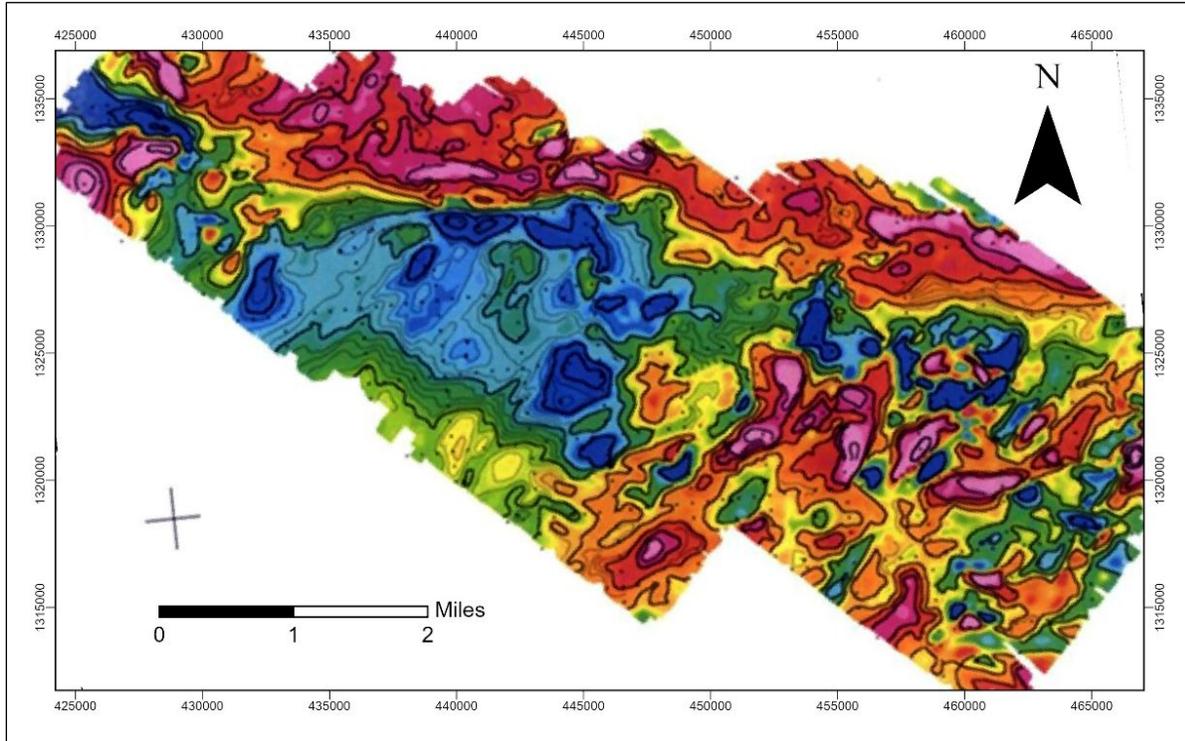
Since the late 1970s, significant exploration has been completed at the Borealis Project with the primary objective of finding near-surface oxidized gold deposits. Exploration work has consisted of field mapping, surface sampling, geochemical surveys, geophysical surveys, and shallow exploration drilling.

Areas with known occurrences of gold mineralization (which have been defined by historical exploration drilling) and had historical mine production include Northeast Ridge, Gold View, East Ridge, Deep Ore Flats, Borealis, Freedom Flats, Jaime's Ridge, and Cerro Duro. All of these deposits still have gold mineralization remaining in place, contiguous with the portions of each individual deposit that were mined. Graben, Crocodile Ridge, Purdy Peak, Boundary Ridge, and Bullion Ridge are known gold deposits in the district that have not been mined.

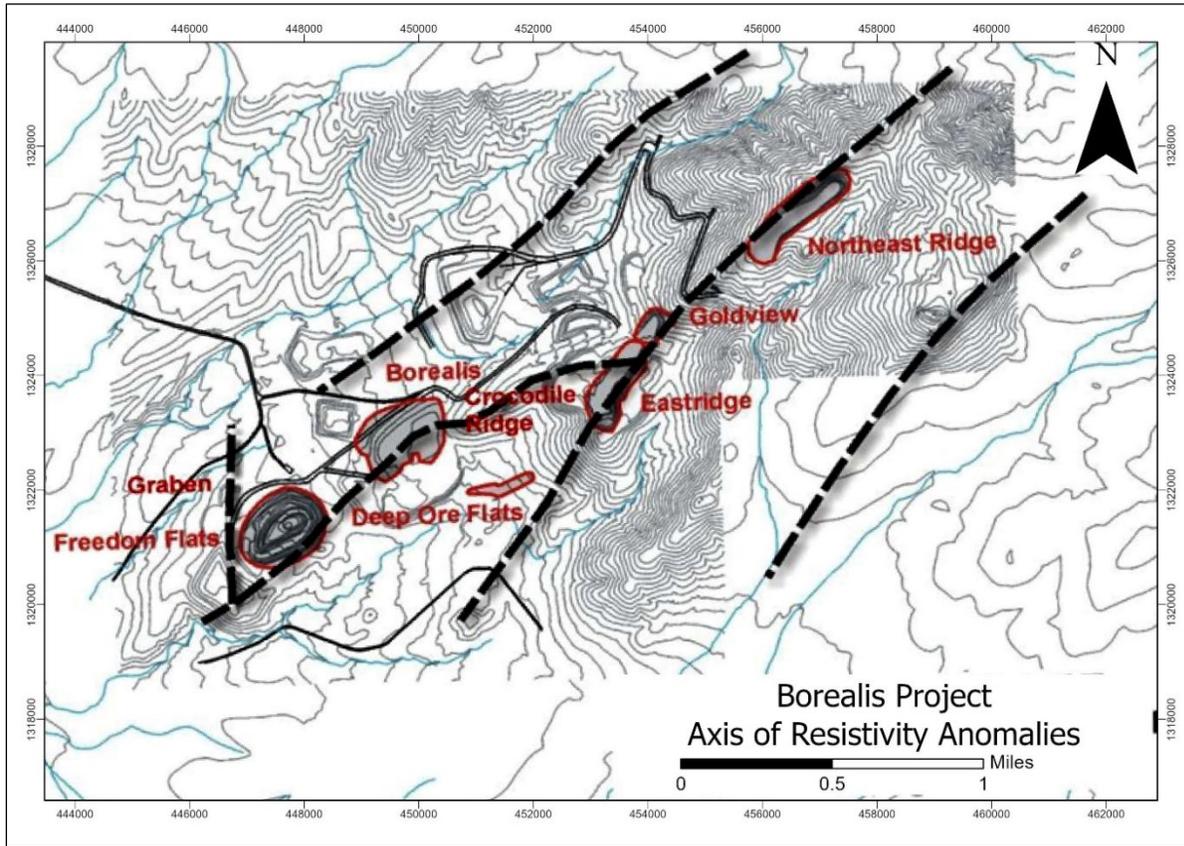
Discovery potential on the Borealis Project includes oxidized gold mineralization included as waste in the proposed mining reserve, gold mineralization adjacent to existing pits, new oxide gold deposits at shallow depth within the large land position, gold associated with sulfide minerals below and adjacent to the existing pits, in possible feeder zones below surface mined material and deeper gold-bearing sulfide mineralization elsewhere on the Borealis Project. Both oxidized and sulfide-bearing gold deposits exhibit lithologic and structural controls for the locations and morphologies of the gold deposits.

Historical Exploration

Resistivity surveys were successfully used in the early exploration of the district to track favorable trends of strong silica alteration that is commonly associated with gold deposits. Chargeability anomalies were found later with the use of IP surveys that penetrated deeper to the sulfide zones and were found to reflect strong sulfide systems, such as the Graben zone. Aeromagnetic data provide useful tools for mapping of lithologic units and medium-to-large scale structures and can identify potential hydrothermal alteration systems in some terranes; however, it is generally not a primary tool for locating mineralized zones in epithermal deposits like Borealis. The following figure shows airborne Total Magnetic Intensity data over the Borealis Project.



The following figure shows an example of geologic interpretation from the EM data.



Areas with known occurrences of gold mineralization which are defined by historical exploration drilling and had historical mine production include Northeast Ridge, Gold View, East Ridge, Deep Ore Flats (also known as Polaris), Borealis, Freedom Flats, Cerro Duro, and Jaime's Ridge. All of these deposits still contain gold mineralization remaining in place, contiguous with the portions of each individual deposit that were mined.

The following areas have not been subject to historic mine production but have been historically explored and contain anomalous gold mineralization.

#### *Borealis Extension Deposit*

The Borealis Extension deposit occurs at shallow to intermediate depth beneath the northern and western parts of the former Borealis pit. Most of the mineralization begins at 110 to 375 ft below the surface. Generally, the top of this target occurs at or slightly below 7,000 ft elevation. The primary target is defined by 16 contiguous drillholes completed by previous operators that have potential economic intercepts. Thickness of low-grade mineralized intercepts ranges from 15 to 560 ft, with nine holes having from 155 to 560 ft of >0.01 opt Au; average thickness of the zone is 236 ft. Gryphon drilled an additional 16 holes into the deposit with mixed results. Further evaluation and drilling are required to fully evaluate this mineralized zone.

#### *Graben Deposit*

The Graben deposit has been defined with approximately 36 historical RC holes and 19 historical core holes. This drilling defined a zone of gold mineralization, using an 0.01 opt Au boundary, that extends at least more than 1,800 ft in a north-to-south direction, between 200 and 750 ft east-to-west, and up to 300 ft in thickness. The top of the deposit is from 500 to 650 ft below the surface. Near its southern margin, the axis of the deposit is within 800 ft of the Freedom Flats deposit, and along one portion of the southeastern margin, low-grade mineralization may connect with the Freedom Flats mineralization through an east-to-west-trending splay.

Through November 2007, Gryphon drilled an additional 58 RC drillholes into the Graben zone. All holes reported mineralized intervals. Gryphon's Graben drilling program was designed to test for extensions of the interior high-grade zones and to expand the exterior boundaries of the deposit. Drilling along the margins of the deposit, particularly along the northwestern portion, identified significant extensions of lower- and higher-grade gold zones, indicating that their boundaries are not well defined. Drilling for extensions of the northern and southern high-grade pods also revealed that these zones are larger than previously thought. Additional drilling in and around the Graben deposit is needed before it can be considered fully explored.

In mid-2007, a CSAMT survey was conducted over the Graben deposit as a test case. Several anomalies were identified that correlated favorably with known mineralization. The survey lines ended to the northwest in a similar-looking anomaly in an undrilled area. The initial interpretation is that this could be an extension of the Graben deposit.

The Graben zone has a strike length of more than 2,000 ft. Future drilling will both fill in gaps between widely spaced holes in the Graben and step out from the Graben zone in a north, east, and west direction to delineate more gold mineralization and to determine the boundaries of the zone.

#### *North Graben Prospect*

The North Graben prospect is defined by the projection of known mineralization, verified by drillhole sampling, and coincident with a large intense aeromagnetic low and an elongate chargeability (IP) high. This blind target lies on trend of the north-to-northeast-elongate Graben mineralized zone. In 1989, Echo Bay completed a district-wide helicopter magnetic/EM survey, which identified a large, intense-type aeromagnetic low in the North Graben area. This coincident magnetic low/chargeability high is interpreted as being caused by an extensive hydrothermal alteration-mineralization system. Five drillholes completed in the North Graben by Gryphon encountered a permissive geologic setting and trace levels of gold mineralization.

In early 2006, four holes were drilled by Gryphon into the North Graben geophysical anomaly, and one additional hole was drilled in 2007. All the holes intercepted hydrothermal system as indicated by several zones of silicification and pyrite up to 20%. None of the holes contained significant amounts of gold, but they were geochemically anomalous in gold and silver. Additional CSAMT lines were surveyed over the prospect.

#### *Sunset Wash Prospect*

The Sunset Wash prospect consists of a gravel-covered pediment underlain by extensive hydrothermal alteration in the western portion of the Borealis district. 16 holes drilled by Echo Bay indicated that intense alteration occurs within a loosely defined west-to-southwest belt that extends westerly from the Jaime's Ridge/Cerro Duro deposits. At the western limit of the west-to-southwest belt, Cambior's IP survey and drilling results can be interpreted to indicate that the alteration system projects toward the southeast into the pediment along a mineralized northwest-oriented fault. Cambior conducted a gradient array IP survey over the Sunset Wash area, effectively outlining a 1,000 ft x 5,000 ft chargeability anomaly. The anomaly corresponds exceptionally well to alteration and sulfide mineralization identified by Echo Bay's drillhole results. Two structures appear to be mapped by the chargeability anomaly: one is a 5,000 ft-long west-to-southwest-trending structure, and the other is a smaller, northwest-trending structure that cuts off the west-to-southwest structure at its western limit. Alteration types and intensity identified by the drilling, combined with the strong IP chargeability high and the aeromagnetic low, strongly suggest that the robust hydrothermal system at Sunset Wash is analogous to the mineralized systems at Graben and Freedom Flats.

Geologic observations based on mapping and drillhole logging indicate that both the Freedom Flats and Graben deposits are localized along a favorable horizon near the contact between the upper and lower volcanic units. This same contact zone appears to underlie the Sunset Wash pediment at a shallow depth. The target concept suggests that mineralization should favor zones where mineralizing structures crosscut the upper and lower volcanic contact. Cambior drilled three holes to test portions of the Sunset Wash geophysical anomaly and to offset other preexisting drillholes with significant alteration. Each of the three holes was drilled vertically to maximize the depths tested. The three holes were collared in the upper volcanic unit, but only one crossed the contact.

The westernmost of Cambior's three holes encountered the most encouraging alteration and best gold mineralization, suggesting that this drillhole is near the most prospective area. This drillhole intercepted hydrothermally altered rock

from the bedrock surface to the bottom of the hole, including an extremely thick zone of chalcedonic replacement in the lower two-thirds of the hole.

Gryphon drilled three holes in the same area, all of which encountered strongly developed hydrothermal alteration with anomalous gold and favorable pathfinder trace elements.

*Boundary Ridge/Bullion Ridge Prospect*

The northeast-trending alteration zone extending along Boundary Ridge into Bullion Ridge contains intense silicification that is surrounded by argillization, with abundant anomalous gold. Widely spaced, shallow drillholes completed by previous operators have tested several of the alteration/anomalous gold zones and defined discrete zones of mineralized material. Further exploration work will require permitting for drilling specific targets associated with the previously identified gold mineralization.

*Central Pediment (Lucky Boy) Prospect*

Another prospect area similar to North Graben and Sunset Wash is the Lucky Boy area, which may be in a shallower pediment environment in the central portion of the district near the range front. Historic drillholes in the periphery have found thick zones of silicification and traces of gold mineralization. Echo Bay’s aeromagnetic map shows another magnetic low, and Cambior’s IP map shows a coincident chargeability high in the area of the silicification.

Gryphon drilled eight RC holes in this area during late 2006 and 2007. All of these holes encountered intense hydrothermal alteration with anomalous gold and favorable trace element geochemistry. A subsequent CSAMT survey indicated that these holes may have encountered the margins of a high-sulfidation gold system. The target has been permitted for drilling.

**Drilling**

Historical Drilling

The historical exploration drillhole database for the Borealis Project contains 2,738 drillholes with a total drilled length of 822,191 ft. These holes were drilled by several different operators of the Borealis Project. Drillhole types include diamond core holes, RC holes, and rotary holes. Drillhole sampling lengths are generally 5 ft for the RC holes but vary for the core holes based on geologic intervals. Gold assays in parts per billion and ounces per ton are provided for most of the drillhole sample intervals. Silver assays in parts per million and ounces per ton are also provided for many of the sample intervals.

Mineralized zones covered by these drillholes include Northeast Ridge, East Ridge, Deep Ore Flats, Borealis, Freedom Flats, and Graben. Except for Graben, all have been partially mined by previous operators of the Borealis Project; the Borealis and Deep Ore Flats Pits are backfilled with waste from the Freedom Flats Pit. The drillholes in the west model area are mostly in the Cerro Duro, Jaime’s Ridge and Purdy Peak areas, at approximately 3 miles northwest of the main Borealis Project site. Cerro Duro and Jaime’s Ridge areas were also partially mined. Drillholes in the east model area are mostly in the Boundary Ridge and Bullion Ridge areas, about 1 mile northeast of the main Borealis Project site. Neither of these areas have been mined.

Various companies conducted drill programs since 1978. These include Houston International Minerals, Tenneco, Echo Bay, Billiton Minerals, Santa Fe Pacific Mining, Cambior, Gryphon and Borealis. The following table summarizes each campaign’s specific objectives.

Year	Objectives	Number of Holes	Total Footage (ft)
1978 to 2003	Deposit discovery, exploration and delineation	2,331	653,291
2004	Test heaps and dumps	32	2,478
2005 to 2006	Oxide gold expansion adjacent to past producing pits, some deeper holes testing sulfides	175	99,270
2007	Sulfide gold expansion in the Graben and Western Pediments	45	51,255
2010, Part 1	Oxide gold confirmation in four pits	21	5,585

Year	Objectives	Number of Holes	Total Footage (ft)
2010, Part 2	Close spaced drilling on Leach Pad #1 to confirm resource	28	1,630
2011	Oxide gold confirmation/expansion at Borealis and East Ridge/ Gold View pits	59	5,780
2012	Test existing Leach pad #3, Freedom Flats dump material, and ER dump	47	2,902
2023-2024	Borealis preliminary drill program (in progress)	10	5,268

### Gryphon Drilling

Gryphon conducted several drilling campaigns since it acquired the lease rights to the Borealis Project in 2003.

In 2004, Gryphon used a sonic drill rig to drill 32 holes totaling 2,478 ft in five Borealis heaps and parts of the Freedom Flats and Borealis mine dumps to confirm the amount and grade of gold-bearing rock that exists in heaps and dumps. The drilling provided samples for metallurgical test work to define geotechnical conditions and to demonstrate the geotechnical characteristics for design purposes in the waste characterization database. A separate drilling program was undertaken to install baseline groundwater monitoring systems.

Dump holes were drilled deep enough to penetrate the soil horizon below the dump, while holes on the heaps were drilled to an estimated 10 to 15 ft above the heap's liner. Several holes were drilled on each heap and dump to obtain an initial and representative view of grade distribution. Heap drilling in 1996 by Welsh totaled 11 auger holes for 760 ft into Heap 1 to determine the gold content remaining in that heap. Gryphon's drilling generally confirmed the gold grade and distribution in that heap.

The extensive oxide expansion drilling (mainly RC) program was started in 2005 and completed in 2006. The main targets focused by this program were Northeast Ridge, Middle Ridge, East Ridge, Deep Ore Flats, Crocodile Ridge, Borealis Extension, and Freedom Flats. Also, as part of this drilling program, some isolated sulfide targets in Graben, North Graben, Leach Pad area, and Western Pediment were tested. Because of favorable results in these sulfide targets, a program that focusing on sulfide gold was recommended for 2007.

In 2007, RC drilling was entirely focused on expanding the gold resources of the Graben and testing several geophysical targets in the Western and Central Pediments. This drilling was highly successful in Graben, as this gold deposit remains open on several sides. The results from the pediment targets were positive, but no strong gold mineralization was found. Additional drilling in Graben is recommended along with some focused drilling in the pediment targets.

The 2010 drilling effort consisted of two different programs, each with its own objectives. The first consisted of 21 RC drillholes that focused on the Freedom Flats, East Ridge, Borealis Extension, and Middle Ridge areas with the objective of converting Inferred gold ounces to Indicated and general confirmation or delineation of the gold resource. Two condemnation holes were also drilled into the planned leach pad site.

The second program carried out in 2010 consisted of 28 RC holes that better defined the distribution of the gold mineralization in Leach Pad #1. This old heap consisted of the Re-Leach portion on the west and the Freedom Flats portion on the east. The Freedom Flats portion was drilled on 100 ft centers. This work confirmed the past results from the Welsh auger drilling and the Gryphon sonic drilling along while filling in areas that did not have any drillholes. The Re-Leach portion of the pad was tested with five holes, and these confirmed the results of previous drillholes.

The 2011 program consisted primarily of close-spaced RC drillholes to define oxide resource in the historic Borealis and East Ridge/Gold View pit areas, along with a couple of deep exploratory holes checking for a Borealis northeastern extension and three shallow holes testing the East Ridge pit waste dump.

In 2012, in an effort to find more near-term, easily accessible ounces, 45 sonic drillholes were driven in Leach Pad #3 and the Freedom Flats waste dump to the southeast of the Borealis pit. Two additional sonic holes were sunk in the East Ridge pit waste dump.

Borealis Drilling

Borealis initiated a diamond drilling campaign that began in November of 2023 and is ongoing as of the date of the Technical Report. Diamondback Drilling of Reno, Nevada, has been operating with a single diamond drill rig, with drilling overseen by Iain Campbell, P.Geo., Vice President of Exploration of Borealis, and the Borealis geological staff. SRK’s staff spent several days on-site at the beginning of the program assisting the Borealis geology team in creating standards for core logging, samples, and chain-of-custody procedures, in line with industry best practices.

Drilling by Borealis to date has targeted the Jaime’s Ridge, Crocodile Ridge, and Graben areas of the Borealis Project, with a focus on both expansion and infill of the historical mineralized bodies. The table below provides a summary showing the coordinates, targets, and the status of assay results for all holes completed by Borealis to the effective date of the Technical Report:

The table below provides a summary of the drilling conducted by Borealis as of May 15, 2024:

Hole	Prospect	Easting (ft)	Northing (ft)	Elevation (ft)	Azimuth (°)	Dip (°)	Length (ft)	Assay Status
DHBM001	JRCD	437,418.0	1,333,992.9	7,312.1	301	60	290	Received
DHBM002	JRCD	437,403.1	1,333,404.6	7,312.2	301	75	167	Received
DHBM003	JRCD	436,875.2	1,334,768.4	7,447.2	157	54	367	Received
DHBM005	Crocodile Ridge	451,317.3	1,324,300.0	7,232.5	191.3	59.9	157	Pending
DHBM006	Graben	446,737.0	1,321,615.4	7,026.8	292.1	76.3	657	Pending
DHBM006A	Graben	446,737.0	1,321,615.4	7,026.8	290.5	75	936.5	Pending
DHBM007	Graben	446,576.5	1,321,326.8	7,023.6	137	83	932	Pending
DHBM007A	Graben	446,575.4	1,321,343.1	7,024.8	152	83	817	Pending
DHBM009	Graben	446,581.6	1,321,352.2	7,024.4	53	78	243	Pending
DHBM010	Graben	446,828.9	1,322,389.5	7,035.2	0	90	701	Pending

Results have only been received for the first three holes, which were all targeting the JRCD area of the Borealis Project. The use of diamond drilling to test the shallow and highly altered oxide mineralization within the JRCD area of the Borealis Project created some challenges, as the areas of oxide mineralization had very poor recoveries, possibly owing to the diamond drill bit and water washing away much of the mineralized material. An RC drill rig is recommended by the Technical Report Principal QP within the surficial oxide targets in order to achieve better recoveries and more consistent samples. Nevertheless, assays from drillholes DHBM001 and DHBW002 returned gold and silver values that correlate well with historic drilling, with DHBM001 returning 1.89 g/t Au, 13.3 g/t Ag, and 0.47% Cu over a core length of 26.5 ft.

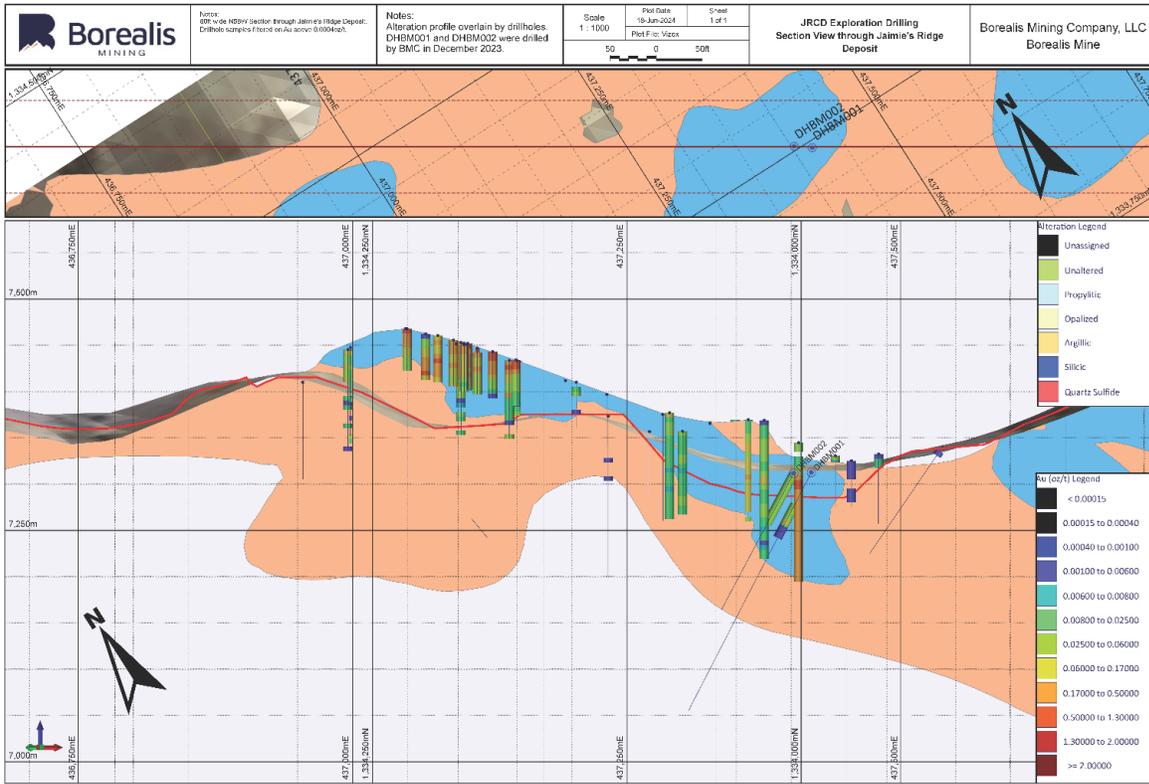
The table below summarizes significant mineralization intercepts from recent Borealis drillholes at the Borealis Project:

DHID	From (ft)	To (ft)	Interval (ft)	Au (g/t)	Ag (g/t)	Cu (%)
DMBM001	38.5	65	26.5	1.89	13.3	0.47
DMBM002	0	62	62 <sup>(1)</sup>	1.5	16.15	0.03
DMBM003	No significant intercepts					

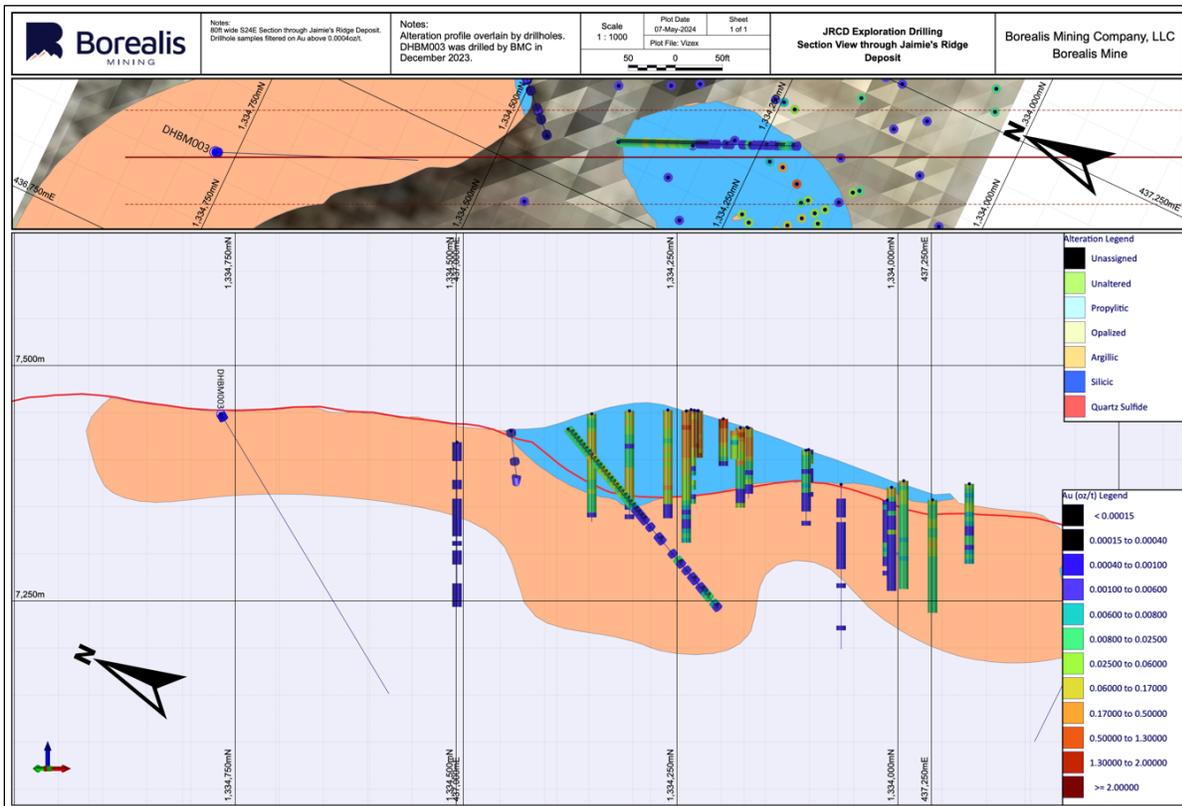
Notes:

- (1) The interval from DHBM002 represents a single sample of extremely low recovery mineralization within the oxide portion of the historical JRCD resource area. The interval is insufficient to be used for resource purposes but was included as it mirrors the results of the neighboring DHBM001 with similar results at similar depths, along with historical drillholes in the same area.

The figure below illustrates a cross section through the JRCD area of the Borealis Project showing the results of the assays received to date from DHBM001 and DHBM002:



The figure below illustrates a cross section through the JRC area of the Borealis Project showing the results of the assays received to date from DHBM003:



### *Collar Surveys*

Borealis provided the Technical Report Principal QP with its internal survey procedures. Collars and drill pads are surveyed using a Trimble GPS unit with sub-centimeter accuracy. Orientation of the collars is measured using an azimuth aligner tool from Minnovare that accurately measures both azimuth and dip to one decimal place.

### *Downhole Surveys*

Borealis has been utilizing the services of IDS to survey most of its drillholes. IDS uses a gyroscopic survey tool that is not affected by magnetic fields. Borealis requests IDS's downhole services at the completion of each drillhole. All holes larger than 200 ft are surveyed at 50-ft intervals.

### *Logging*

Borealis provided the Technical Report Principal QP with its logging survey procedures. Drill core is logged in the on-site Borealis core shack. A geotechnician cleans, rotates, and measures all core, along with rock quality designation measurements. Geologists then log the drill core, with attention to alteration, structure, brecciation, mineralization, oxidation, and lithology, and all observations are recorded in a Geospark database. The geologists then mark the core up for sampling, and the geotechnicians photograph the core.

### *Sampling*

Samples are selected at the geologist's discretion based on a number of features, including alteration and mineralization. The minimum sample interval is 1 ft, but the typical sample interval is 5 ft. Drill core is marked up with a wax pencil, and sample tags are inserted at the end of each sample interval. Drill core is then cut in half using a diamond-bladed core saw and placed in sample bags under the supervision of the Borealis geologists. Samples are then stored on the fenced-off Borealis Project site until ready for shipment to the ALS USA Inc. laboratory facility in Reno, Nevada.

### *Procedures for Historical Drilling Programs*

Limited documentation was available for SRK to review the procedures for collar surveying, downhole surveying, logging and sampling followed in the various historical drilling campaigns. Sampling procedures for Gryphon drilling are described below.

### *Sampling for the Gryphon Drilling*

Auger drilling in the heaps (2004) were originally designed to be every 10 ft but were contingent upon drilling conditions. Actual drill sample interval lengths were subject to the position of the sample tube where this was extracted from the drillhole. Individual runs varied from 1 to 3 ft, which were then combined to produce a sample with an interval length as close to 10 ft as practicable (the combination was completed at AAL). Combined sample intervals routinely varied from 9 to 11 ft, except at the bottom of a hole where the final sample intervals were typically shorter.

When the sample tube was extracted from the drillhole, the sample was immediately slid into a plastic sleeve that was sealed and marked with the drillhole number and footage interval. These plastic sample sleeves were not reopened until they reached the analytical laboratory. All of the drill procedures and handover to the analytical laboratory were monitored by a contract geologist. The contract field geologist also maintained lithologic logs for each drillhole. A non-blind standard was added as the last sample interval of each drillhole. The standard was obvious to the laboratory because the standard was contained in a pulp envelope, although the laboratory did not know the gold value of the standard.

In 2005, RC sampling procedures at the drill sites and monitoring of assays were standardized. Initially, the program consisted of a limited number of standards and duplicates submitted with each drillhole. In May 2006, Gryphon instituted more-rigorous quality control procedures.

Drift Exploration Drilling was contracted in the spring of 2010 to drill with a RC drill rig. A Telesto geologist was on-site for drill supervision for 14 of the 21 total RC holes drilled during the 2010 program. A Gryphon geologist was on-site for drill supervision for the remaining seven holes of the program. The same sampling procedures as used during the 2005 through 2007 drilling program were utilized.

Samples were collected at 5 ft intervals from each hole, starting at the surface and continuing through the end of the hole. Material from each 5 ft interval was split to about one-quarter to one-half of the original volume at the drill site and was then bagged and sealed by the drilling contractor. At the completion of each drillhole, samples were put into a sample bin and moved to a secure site on the Borealis Project where they were held until picked up by AAL of Sparks, Nevada.

The Technical Report Principal QP notes that some of the samples from a drillhole in the Middle Ridge area were contaminated by diesel fuel during transport to the sample bin. Because of this, the labels for 60 ft of drill samples were rendered unreadable. These samples were not assayed.

The same sampling procedures as used during the 2005 through 2007 drilling program were utilized. Samples were collected at 5 ft intervals from each hole, starting at the surface and continuing through the end of the hole. Material from each 5 ft interval was split to about one-quarter to one-half of the original volume at the drill site, then bagged and sealed by the drilling contractor. At the completion of each drillhole, samples were put into a sample bin and moved to a secure site on the Borealis Project property where they were held until picked up by AAL of Sparks, Nevada.

Summary of Historical Drill Intercepts

RC and core drilling are reasonable methods for the Borealis Project and these techniques have been applied by all operators since early exploration and mining on the Borealis Project. Drilling has been completed from surface with drillholes designed to provide reasonable intersections to the interpreted dip and strike of the mineralization.

All intercepts reported were drilled by previous operators. There has been no exploration or infill drilling on the Borealis Project since 2011. Heaps were drilled in 2012, but these intercepts are not included in the table below. The table below summarizes historical significant mineralization intercepts at the Borealis Project:

Hole-ID	Deposit	From (ft)	To (ft)	Length (ft)	Weathering	Au (oz/ton)	Au (g/t)	Comment
DFF229	Graben	620	720	100	Sulfide	0.844	28.94	
CBO002	Graben	722	761.5	39.5	Sulfide	0.554	19.00	
CBO023	Graben	602.6	662.6	60	Sulfide	0.257	8.81	
GGCG-55	Graben	770	840	70	Sulfide	0.225	7.72	
CBO028	Graben	687	721.3	34.3	Sulfide	0.815	27.95	
DFF173	Graben	680	730	50	Sulfide	0.546	18.72	
DJR071	Jamie's Ridge	35	150	115	Oxide	0.298	10.22	Below historic pit
DBX009	Borealis	100	160	60	Oxide	0.0931	3.19	Below historic pit
DLB058A	Borealis	105	170	65	Oxide	0.174	5.97	Below historic pit
DRR022	Borealis	85	120	35	Oxide	0.11	3.77	Below historic pit
DFF050	Freedom Flats	550	710	160	Sulfide	0.16	5.49	Below historic pit
DFF032	Freedom Flats	360	495	135	Oxide/ Sulfide	0.322	11.04	Below historic pit
DFF254	Freedom Flats	115	135	20	Oxide	1.24	42.52	Below historic pit
DFF252	Freedom Flats	115	252	137	Oxide/ Sulfide	0.305	10.46	Below historic pit
DFF032	Freedom Flats	365	415	50	Oxide/ Sulfide	0.337	11.56	Below historic pit. Contains 50' of oxide grading 0.28oz/t (9.6g/t)

## ***Sample Preparation, Analysis and Security***

### **Borealis Drilling**

#### ***Sample Security***

Throughout the active Borealis diamond drilling program, samples were routinely collected from each hole, starting at the bedrock surface and continuing through the end of the hole. Drill core from each sample interval was split in half by a core saw, and each half core sample was placed in a sample bag along with an assay tag. Samples were then stored in a secure location on the Borealis Project site and then shipped by truck to the ALS USA Inc. laboratory facility in Reno, Nevada. Upon receipt of the samples at the ALS USA Inc. laboratory facility, the laboratory maintained control over the samples until coarse rejects and pulps were returned to the site. The Technical Report Principal QP notes that samples from holes DHBM004 through DHBM010 (8 holes) were at the effective date of the Technical Report stored at a secured location at the Borealis Project site.

#### ***Sample Preparation***

Samples were submitted to ALS USA Inc. of Reno, Nevada. At the laboratory, each analytical sample was split in a Boyd rotary splitter. Each analytical split was weighed and dried. Each dried sample was crushed to 70% passing <2 mm, and a 250-g sample was riffle split off for assay. Each sample was subsequently pulverized to 85% passing <70 µm. The remaining pulverized material and the coarse rejects were retained at the laboratory until assaying was completed.

#### ***Sample Analysis***

Each sample was assayed for gold and silver by a 30-g fire assay with an atomic absorption finish, along with a four-acid digest inductively coupled plasma-mass spectrometry analysis for 48 additional elements. Each sample was also analyzed for its spectral mineralogy characteristics using a TerraSpec 4 HR spectrometer on the coarse reject material.

#### ***QA/QC***

As part of the current quality control program, OREAS standard reference materials and river rock blanks were routinely inserted in the sample stream by Borealis geologists at a rate of one standard per 20 samples and one blank per 20 samples. As only a limited number of results were received to the effective date of the Technical Report, the number of standard and blank results available for review by the Technical Report Principal QP were extremely limited. Analytical results of the four standards submitted with the drill samples in the results received to the effective date of the Technical Report were within two standard deviations of the standard's gold content, which was deemed acceptable by the Technical Report Principal QP. Analytical results of the three blank samples submitted with the drill samples in the results received to the effective date of the Technical Report were within reasonable with two of the samples returning below detection limit and one sample returning 11 ppb Au, all of which were deemed acceptable by the Technical Report Principal QP. The assays and security controls are continually monitored by Iain Campbell, P.Geo, Vice President of Exploration for Borealis.

The Technical Report Principal QP has reviewed the QA/QC data received by Borealis by the Technical Report Principal QP. In general, the quality control samples indicate that the laboratory data are suitable to support Mineral Resource Estimates. The Technical Report Principal QP recommends that Borealis commence including both coarse and pulp reject duplicates as part of the QA/QC protocol; this will enable a study on the level of precision achieved by ALS USA Inc. Technical Report Principal QP recommends that check assays should be submitted to a third independent assay laboratory as well.

### **Historical Drilling**

Little documentation has been discovered discussing historic sample preparation, analysis, and sample security. The Technical Report Principal QP recommends Borealis search for documentation, but it may not exist.

## Gryphon Drilling

### *Sample Preparation*

All samples were submitted to AAL of Sparks, Nevada. At the laboratory, each of the individual samples was combined into an analytical sample that approximated 10 ft intervals, as instructed by the geologist. Each analytical sample was split in a rotary splitter, with one-fifth of the sample removed for assay and the remaining four-fifths retained for metallurgical testing. Each analytical split was weighed, dried, and weighed again. Each dried sample was crushed to less than 1/4 inch, and a 300 to 500 g sample was riffle split off for assay. Each sample was subsequently pulverized and then assayed for gold and silver by 1 assay ton fire assay. The coarse rejects were retained at the laboratory until assaying was completed.

### *Sample Analysis*

Each assay sample was pulverized and assayed for gold and silver by 1 assay ton fire assay. A two-hour cyanide shake assay for dissolvable gold was conducted on a 200 gram split of selected samples.

### *Sample Security*

Throughout the Borealis RC drilling program during 2005 to 2007, samples were routinely collected at 5 ft intervals from each hole, starting at the surface and continuing through the end of the hole. Material from each 5 ft interval was split to about one-quarter of the original volume at the drill site and then bagged and sealed by the drilling contractor. At the completion of each drillhole, samples were moved to a secure site on the Borealis Project where they were held until picked up by assay laboratory personnel. Initially, this was AAL; starting in the spring of 2006, Inspectorate of Sparks, Nevada, became the assay facility of choice. From the time that the pickup was made, the laboratory maintained control over the samples until coarse rejects and pulps were returned to the site.

### *QA/QC*

As part of the 2004 quality control program, standards were submitted to AAL with each drillhole, several assayed pulps and two standards were submitted to ALS Chemex, and three of the duplicates and two standards were submitted to Actlabs-Skyline. All of the data show good precision and accuracy except for ALS Chemex's analyses of the standard. Based on this information, the analyses from AAL are considered reliable. The Technical Report Principal QP has not yet done sufficient work to verify this.

Until May 2006, a blind standard was included at the end of each drillhole, and with the initial group of holes, a duplicate sample was collected at the drill and included in the sample sequence as a blind sample. The new quality control program started in May 2006 required sufficient standards being inserted so that one standard would be included with each fire assay tray at the laboratory. Additionally, a blank sample was inserted as a blind sample within the drill sample sequence.

The quality control program consisted of standards included with each drillhole, duplicate samples collected at the drill, and duplicate assays as part of the laboratory's internal control. The assays and these controls were monitored continually by Dr. Roger Steininger. If questionable assays were received, a decision on re-assaying portions of or the entire hole was made at the time of receipt of the preliminary assay reports. In general, the quality control samples indicate that both laboratories produced high-quality assays. The close correlation between assays of the original sample and the duplicate sample indicates that sampling at the drill produced representative samples.

Analytical results of the standards submitted with the drill samples were within two standard deviations of the standard's gold content, which was deemed acceptable. Generally, duplicate assays performed by the laboratory corresponded well with the original assays.

During the early part of the drilling program, a duplicate sample was collected at the drill, initially to ensure that a representative sample was collected. Secondly, these samples were also a check on laboratory assay reproducibility. Except for three samples, there is an extremely close correlation between the duplicate samples from each hole. This indicates that representative samples were collected at the drill and that the laboratory was able to produce similar

assays for the same drillhole interval. The three samples with wider variations are probably representative of the nature of a gold deposit with occasional coarse gold and wide variations in gold content over short distances.

As a further check on AAL, six holes, or portions of a hole, were submitted to Inspectorate for re-assay. Except for one hole, there was good correlation in the assays between respective drillhole intervals between the two laboratories. Overall, the assays from this one hole had a good correlation between laboratories with a few inconsistencies between the two laboratories. Some of AAL's assays were higher than Inspectorate's, and for other intervals, the reverse was the case.

It was decided to switch to Inspectorate for analytical work in the spring of 2006 after sample preparation irregularities were found to have generated erratic assays on at least one and possibly up to three holes. The samples were rerun. Coarse rejects from several holes were retrieved and submitted to Inspectorate for comparison. These assays agreed closely with the results from AAL, and Gryphon determined that there was no reason to consider previous assays from AAL unreliable. After the switch to Inspectorate's laboratories, the quality control program was not changed.

The source of the standard material is not noted in the technical disclosures reviewed by the Technical Report Principal QP to the date of the Technical Report and it is considered by the Technical Report Principal QP these materials may have been internal and not certified, but further investigation is needed to confirm. The procedures for standards are described below.

Standard pulps were included with the drill samples in the sample bin before pickup so that one standard would be included with each fire assay tray at the laboratory. The standards were labeled with the drillhole identification number and intervals representing approximately every 70 ft of the drillhole. In addition, for nine of the total 21 RC holes, a blank standard was inserted as a blind sample within the drill sample sequence. This practice was eliminated because it was deemed unnecessary because AAL routinely inserted blanks and standards into the sample sequence to confirm analytical integrity.

The quality control program consisted of standards included with each drillhole and re-assays as part of the laboratory's internal control. The assays and these controls were continually monitored by Steven Craig, Vice President of Exploration for Gryphon. In general, the quality control samples indicate that the laboratory produced high-quality assays.

Analytical results of the standards submitted with the drill samples were within two standard deviations of the standard's gold content, which was deemed acceptable. Re-assays performed by the laboratory corresponded well with the original assays.

The Technical Report Principal QP has not reviewed or verified the historical QA/QC data. During the site visit, paper records of QA/QC results were located. The Technical Report Principal QP recommends Borealis compile the various QA/QC data, and these data be reviewed prior to the 2024 MRE.

### ***Data Verification***

#### ***Borealis Database Verification***

The Technical Report Principal QP has verified the collar and downhole survey data against original documents. The assay results were verified based on csv files directly transmitted to the Technical Report Principal QP from ALS USA Inc.

During the June 12, 2024, site visit, the Technical Report Principal QP verified the collar locations described in the table below using a handheld GPS unit (Garmin eTrex 10), reviewed logging for DHBM001, DHBM006A and DHBM009A and collected 5 witness samples (4 samples from outcrop and one sample from drill core).

WP	Latitude	Longitude	Elevation (m)	GPS Easting (ft)	GPS Northing (ft)	GPS Elevation (ft)	Hole	Prospect	UTM_Grid	East (ft)	North (ft)	Elev (ft)	Difference Easting (ft)	Difference Northing (ft)	Difference Elevation (ft)
145	38.41	-118.80	2232.2	437421.7	1333985.4	7323.6	DHBM001	JRCD	StatePlane_NV_West	437418.0	1333992.9	7312.18	-3.7	7.5	-11.5
144	38.41	-118.80	2230.7	437403.4	1333994.5	7318.6	DHBM002	JRCD	StatePlane_NV_West	437403.1	1334004.6	7311.42	-0.3	10.0	-7.2

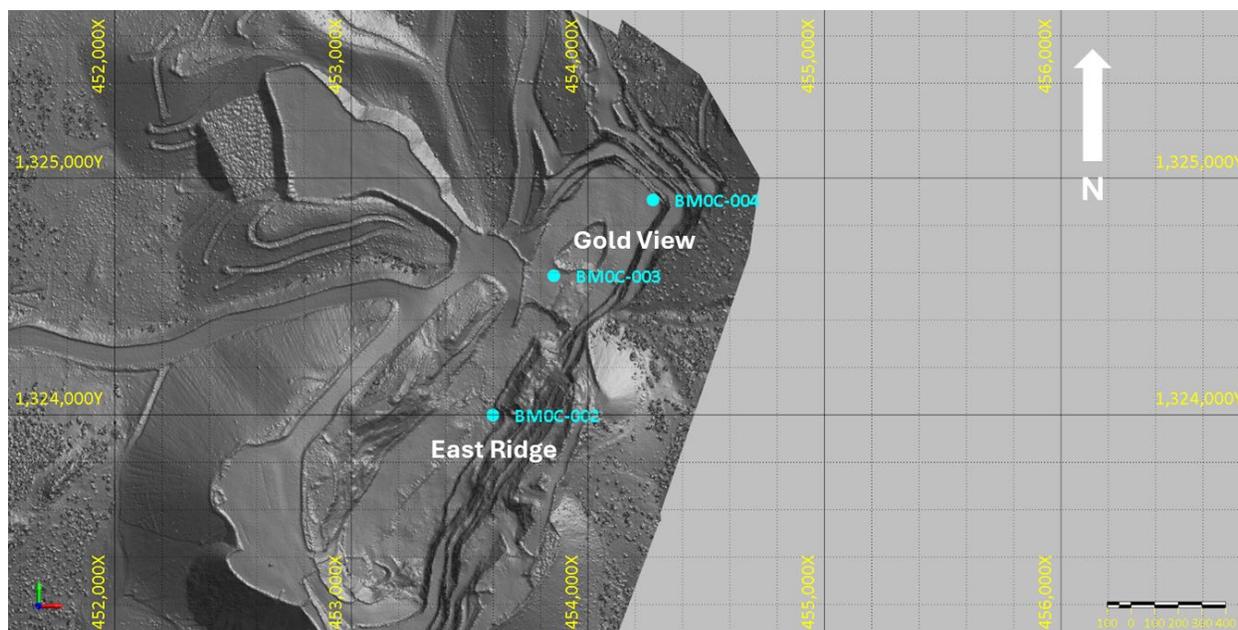
WP	Latitude	Longitude	Elevation (m)	GPS Easting (ft)	GPS Northing (ft)	GPS Elevation (ft)	Hole	Prospect	UTM_Grid	East (ft)	North (ft)	Elev (ft)	Difference Easting (ft)	Difference Northing (ft)	Difference Elevation (ft)
146	38.42	-118.80	2269.1	436880.9	1334760.5	7444.5	DHBM003	JRCD	StatePlane_NV_West	436875.2	1334768.4	7447.22	-5.7	8.0	2.7
154	38.39	-118.75	2206.3	451317.6	1324294.8	7238.6	DHBM005	BOR	StatePlane_NV_West	451317.3	1324300.0	7232.54	-0.3	5.2	-6.1
149	38.38	-118.77	2142.6	446736.1	1321615.6	7029.7	DHBM006A	GBN	StatePlane_NV_West	446738.9	1321621.3	7026.70	2.8	5.7	-3.0
150	38.38	-118.77	2142.1	446575.1	1321337.7	7027.8	DHBM007A	GBN	StatePlane_NV_West	446575.4	1321342.9	7024.36	0.4	5.2	-3.4
148	38.38	-118.77	2146.0	446828.5	1322380.9	7040.7	DHBM010	GBN	StatePlane_NV_West	446828.9	1322389.5	7035.18	0.4	8.6	-5.5

The Technical Report Principal QP delivered these samples to ALS USA Inc. laboratory in Reno. The results are described in the table below:

Sample ID	Location	Received Weight (kg)	Au g/t	Certificate	Sample Type
BM0C-001	Jamie's Ridge Pit	5.62	0.056	RE24157679	Outcrop
BM0C-002	East Ridge	6.49	0.486	RE24157679	Outcrop
BM0C-003	Gold View	4.95	7.77	RE24157679	Outcrop
BM0C-003a	n/a	2.63	0.174	RE24157679	Blank
BM0C-004	Gold View Highwall	3.41	0.56	RE24157679	Outcrop
BM0C-005	DHBM001	3.26	0.064	RE24157679	Drill Core
BM0C-006	n/a	0.12	1.315	RE24157679	CRM

The location of the outcrop samples are illustrated in the figure below:





The Technical Report Principal QP included one blank sample (sourced from a local quarry) and one CRM sample with the submission. These samples returned acceptable results, although the blank sample suggests possible sample contamination or the blank sample may contain low levels of mineralization. Sample contamination is not observed in the blank samples submitted by Borealis as part of their program, but should be monitored in the future.

In the Technical Report Principal QP's opinion, the witness samples confirm the presence of mineralization on the Borealis Project.

#### Historical Database Verification

Much of the data from historical records of drilling, sampling, sample security, and assay procedures are not well documented. Previous verification exercises did not identify material issues with the data. The Technical Report Principal QP has not conducted sufficient work to verify or validate the quality of the current database.

The Technical Report Principal QP recommends the historical data (drillhole and QA/QC data) be compiled into a comprehensive database and a current data verification exercise be completed.

#### Mineral Processing and Metallurgical Testing

Eight open pit mines were developed at the Borealis Project site during its operating years from 1981 to 1990; they include the Northeast Ridge, Gold View, East Ridge, Deep Ore Flats, Borealis, Freedom Flats, Jaime's Ridge, and Cerro Duro mines. Each pit has associated waste rock disposal areas proximal to their mine areas. Two of the pits (Borealis and Deep Ore Flats) were backfilled with mine waste produced from proximal pits. Processing of the mineralized material was by conventional cyanide-agglomerated heap leaching using both permanent and reusable pads. Precious metals were recovered using a Merrill-Crowe process.

Historical heap leach operations throughout the 1980s typically produced gold recoveries in the upper 70% to mid-80% range. This material was primarily oxide and mixed oxide-sulfide and required cement agglomeration to achieve suitable solution percolation, pH control, and precious metal dissolution. Previous heap leach operations also processed run-of-mine material (uncrushed), which were typically low-grade material that was stacked on the upper lifts of the heap leach pad. Historical gold recoveries for RoM ranged from 20% on the RoM from the East Ridge pit to 50% for the Northeast Ridge pit.

More-recent and modern metallurgical testing was completed between 2004 and 2005 to support the last-issued engineering study prior to Gryphon putting the Borealis Project back in production. To the best of the Technical Report Principal QP 's knowledge, no further metallurgical work has been completed since 2010.

The table below summarizes the projected metal recovery from the respective mineralized material locations based on the 2004 to 2005 metallurgical program.

Area	Range of Au Recovery (%)	Estimated Au Recovery (%)
Borealis	62 – 86	75
East Ridge/Goldview	62 – 86	75
Crocodile Ridge	59 – 85	75
Freedom Flats	20 – 80	75
Boundary Ridge	40 – 92	75
Northeast Ridge	37 – 85	75
West Model Pits	46 – 92	75
New RoM Material	55 – 94	55
Legacy Leach Pads	29 – 40	29
Northeast Ridge RoM Pads	-	40
Borealis Waste Dump	62 – 86	55

Section 6 of the Technical Report summarizes the historical mineral processing and metallurgical testing conducted at the Borealis Project.

#### ***Mineral Resource Estimates***

Numerous mineral resource estimates have been completed on the Borealis Project by previous explorers. These estimates are not considered as current and the Technical Report Principal QP will perform further work to provide a current mineral resource estimate at the Borealis Project. Further work is required by the Technical Report Principal QP to update the mineral resources and verify these historical estimates. The Technical Report Principal QP currently has not done sufficient work to classify the historical mineral resource estimate as current mineral resources, and Borealis is not treating the historical mineral resource estimates as current mineral resources. Historical resource estimates are reviewed in section 6.4 of the Technical Report.

Borealis has commissioned SRK to act as independent engineers and QPs for the review and assessment of the Borealis Project and to develop a strategic plan to progress the Borealis Project to an advanced exploration project as well as the declaration of mineral resources in 2024.

#### ***Other Important Considerations***

The Borealis Project is located on public lands partly within the Humboldt-Toiyabe National Forest, Bridgeport Ranger District and BLM-administered lands. Because most activity to date has been within the USFS-administered lands, the PoO for this activity is subject to USFS approval and environmental analysis under NEPA. A project of this magnitude typically requires the preparation and approval of either an EA or an EIS, with the EIS process generally being longer and more comprehensive. Since the Borealis Project area has been extensively affected by previous mining operations, the USFS determined that resuming mining operations at the Borealis Project would have no significant impact to public lands and that an EA would satisfy the NEPA requirements for the Borealis Project. The Cerro Duro, Jaime's Ridge, and Purdy Peak resources and the exploration targets in the Central and West Pediment areas are within the BLM jurisdiction and require BLM approval for exploring or mining.

#### ***Environmental Studies, Permitting and Social or Community Impact***

The principal operating permits required for construction, operation, and closure of the mine at the Borealis Project have been acquired from Nevada state and federal regulatory agencies as of the date of the Technical Report. Except for Crocodile Ridge, which was not part of the approved USFS EA and PoO, the permits received cover an approximate 10 Mt project within the 457 acre central operating area and include an exploration program within that operating area that recognizes the potential to expand the resource base with successful exploration results. Expansion

of the approved project plans will require modification of the USFS EA and PoO and state operating permits. There are no known issues to the Technical Report Principal QP that would preclude the approval of such routine modifications by the applicable regulatory agencies.

The operating permits exclude some of the Middle Ridge area and Orion's Belt (West Model). The deposits in Orion's Belt have been subject to previous mining operations and have been successfully reclaimed. No fatal flaws or material concerns which would preclude the permitting and development of mining operations in these areas have been identified, although the timing of such permitting processes is uncertain.

#### Required Permits and Status

The following is a summary and status of the permits required for the Borealis Project:

- An approved PoO from the USFS, Humboldt-Toiyabe National Forest has been received. The EA was approved for the PoO with a Finding of No Significant Impact (FONSI) on June 19, 2006. The Decision Notice was published on June 22 and 23, 2006, and is not appealable. Final revisions to the PoO were submitted to the USFS on June 23, 2006, and the USFS signed the plan on June 29, 2006. The current bond for project reclamation submitted to the Nevada Department of Environmental Protection (NDEP) is for the total amount of US\$11 million.
- A Water Pollution Control Permit (WPCP) from the NDEP Bureau of Mining Regulation & Reclamation (BMRR) was approved and granted to Borealis on January 28, 2006, and renewed most recently in 2021. The permit allows Borealis to operate a 10 Mt-capacity HLP and processing plant as a zero-discharge facility. Monitoring wells have been installed, and quarterly sampling and reports are conducted to comply with permit conditions.
- A Reclamation Permit from the NDEP BMRR was granted on June 23, 2006, with subsequent modification in 2011, 2012 and 2014. This permit is the State of Nevada's approval of the Borealis Project and is effective with the posting of the reclamation bond with the USFS.
- A Tentative Permanent Closure Plan to be administered by the NDEP BMRR was submitted with the 2020 WPCP application and accepted by NDEP BMRR. A Final Permanent Closure Plan will not need to be developed until 2 years prior to Borealis Project closure.
- NDEP Bureau of Air Pollution Control (BAPC) issued the latest Class I Air Quality Operating Permit on May 17, 2023, for the Borealis Project processing facilities.
- NDEP Bureau of Air Pollution Control (BAPC) has issued a Class II Air Quality Operating Permit for the operation of crushing facilities at the Borealis Project on August 03, 2022.
- NDEP Bureau of Air Pollution Control (BAPC) issued a Mercury Operating Permit to Construct for ADR facilities on July 19, 2011.
- The Storm Water Pollution Prevention Plan (SWPPP) is in place for the Borealis site.
- An Emergency Release, Response and Contingency Plan (ERRCP) was submitted with the PoO. The ERRCP provides methods for storing, using, and transporting process chemicals on-site as well as emergency response measures in the event of a release. Both the USFS and the NDEP BMRR require the ERRCP.
- Threatened and Endangered (T&E) Species Act: No known threatened or endangered species have been identified within or near the Borealis Project area. A Biological Assessment (BA) and Biological Evaluation (BE) and a Wildlife Specialist Report were approved by the USFS on June 6, 2006. These reports identified three USFS sensitive plants and two other plant species of concern within the Borealis Project area. Mitigation measures were developed for these plants and incorporated into the EA and PoO. The USFS concluded that the Borealis Project may impact individual plants and plant habitat but will not likely contribute to a trend towards listing or cause a loss of viability to the population or species.

- Historical Preservation Act (Section 107): Consultation with the USFS and the State Historical Preservation Officer (SHPO) has occurred in conjunction with the preparation of the EA. The “Heritage Research Final Report, Gryphon Gold, USA, Mining and Exploration Project, Borealis Mine Area” was submitted to the USFS in March 2006. The report identifies prehistoric cultural resources located within and near the Borealis Project area. This report was approved by the USFS and forwarded to SHPO for their review and comment on April 17, 2006. The SHPO approved the report in early May 2006. Mitigation measures consisting of avoidance and protection were incorporated into the EA and the PoO.
- Water rights have been granted by the Nevada Division of Water Resources (NDWR) for two production wells located approximately 3 miles south of the Borealis Project, in the same vicinity as the supply wells from the previous mining operation. Based on historic well productivity records, this water right and point of diversion has the capacity and productivity to meet the Borealis Project needs.

### Environmental Study Results

#### *Approved PoO and Permits*

The latest modification to the USFS PoO occurred in 2014 and will continue to occur from time to time as the Borealis Project develops and operational changes are required within the central operating area. These modifications most likely will involve boundary adjustments to accommodate any needed adjustment in operations once mining commences. These modifications to the PoO are often routine.

#### *WPCP*

The regulations branch of NDEP BMRR issues the WPCP to ensure that the waters of the state are not adversely impacted by mining and mineral processing activities. The permit stipulates monitoring measures for the heap leach facility and the waste rock facilities (WRF) on-site. The heap leach and processing plant are designed as zero discharge facilities.

This permit was successfully renewed in 2021, and compliance efforts, including scheduled sampling at approved and in-place monitoring wells, are up to date.

#### *Closure Plans*

A mining operation is required to submit a Tentative Permanent Closure Plan at the time of the application for the WPCP. A Final Permanent Closure Plan must be submitted two years prior to the anticipated closure of the mine. Both plans must provide closure goals and a detailed methodology of activities necessary to achieve a level of stabilization of all known and potential contaminants at the site.

#### *Air Quality Permit*

The Borealis Project currently holds Class I, Class II, and Mercury Operating Permit to Construct (MOPTC) permits.

The air permits respectively cover the following facilities:

- Class I Permit: ADR plant operation, carbon kiln, mercury retort, smelting furnace, electrowinning cells, pregnant tanks, and barren tanks
- Class II Permit: crushing and screening of gold-bearing material and operation of diesel generators
- MOPTC: deep bed carbon scrubber, carbon regeneration kiln, mercury retort furnace, smelting furnace, electrowinning circuit, pregnant tanks, and barren tanks

### *Storm Water Permit*

The Federal Clean Water Act includes requirements for the control of storm water discharges. The State of Nevada has addressed these requirements by issuing a General Permit for Storm Water Discharges Associated with Industrial Activity from Metal Mining Activities. This plan must identify potential sources that would possibly affect water quality and describe the practices that will be used to reduce pollutants in storm water discharges from the facility. Borealis holds an approved Storm Water Permit for its operations.

### *Spill Prevention, Control and Countermeasure Plan*

A mine at the Borealis Project will be a facility that has a total aboveground oil storage capacity greater than 1,320 gallons. Therefore, the operation will be required to comply with the Environmental Protection Agency's (EPA) Spill Prevention, Control and Countermeasure (SPCC) Plan requirements.

### *ERRCP*

An ERRCP was included in the WPCP submitted in 2020. The ERRCP addresses the storage, use, and transport of process chemicals on-site including cyanide. The ERRCP provides measures for responding to unplanned spills and releases, spill prevention, spill containment, medical emergencies, emergency communications, and regulatory reporting.

### *T&E Species Act*

The Endangered Species Act requires that federal agencies protect T&E species. Implementation of the law and regulations involves the preparation of a BA for the Borealis Project area. A draft of the BA, prepared by JBR, was submitted to the USFS in January 2006. This report was based on vegetation and wildlife surveys conducted by JBR in 2004 and 2005 that found no federally listed threatened, endangered, or candidate species in or near the Borealis Project site. A total of four USFS sensitive plant species and two plant species of concern were identified within or in close proximity to the Borealis Project area. Although these plants are not considered to be T&E species, they are relatively rare and could someday qualify for listing. Of the six plant species identified, four would be impacted by the Borealis Project to some extent. No sensitive wildlife or wildlife species of concern were identified on-site.

JBR reissued the Draft BA in early March 2006, with changes in formatting requested by the USFS and additional information on plant occurrence, the extent of projected impacts, and proposed mitigation measures. JBR and Knight Piésold and Co. personnel subsequently met with the USFS botanist and the Bridgeport District wildlife biologist on April 17, 2006, to discuss the occurrence of the plants, projected and cumulative impacts to the plants, and appropriate mitigation measures. The BA was subsequently revised to incorporate the USFS comments and was submitted as a final draft on April 21, 2006. The USFS edited this document internally and issued it as a final document on June 6, 2006. The plant mitigation measures included in the BA were subsequently incorporated in the EA and the PoO.

### *Historical Preservation Act*

Preservation of cultural resources is required by the terms of the National Historic Preservation Act. The process to satisfy the requirements of the law is commonly referred to as 106 Consultation. The USFS and SHPO are charged with enacting the terms of the act for the Borealis Project. The law and regulations require the investigation of potential cultural resources and the evaluation of such resources if any are found. Also, there must be an assessment of the effects the Borealis Project may have on the identified cultural resources.

The Borealis Project area contains numerous prehistoric cultural resources, as the area was used by prehistoric Native Americans to quarry stone and make stone tools and hunting points. Extensive cultural resource surveys and treatment plans were implemented prior to and during the previous mine operations. Some historic mining artifacts were also identified during previous surveys, but they were not historically significant and are not an issue for the Borealis Project.

Desert Research Institute (DRI) conducted a cultural resource survey of the Borealis Project area in June and July 2005. The cultural resource survey identified seven prehistoric sites within or partially within the Borealis Project area

that were recommended as being eligible for inclusion in the National Register of Historic Places (NRHP). Four of these sites were disturbed to a small degree (e.g., two-track roads) by previously approved mining activity. The PoO will limit the disturbance in these areas to the same areas previously disturbed (i.e., there would be no incremental impact on these sites). Two of the three remaining NRHP-eligible sites will not be impacted by proposed mining activity. Borealis modified the location and design of one of its WRFs to avoid impacting the seventh and final NRHP-eligible site.

A draft of the cultural resources survey was submitted to the USFS in September 2005. Comments were received from the USFS in December 2005 and were incorporated into a final draft report that was submitted to the USFS on January 9, 2006. The projected impact and mitigation measures included in this report were also included in the draft EA that was submitted at about the same time. After USFS review, a final report was issued in March 2006. The USFS approved this report and forwarded it to SHPO for review and comment on April 17, 2006. The SHPO, which had been consulted, did not have any comments or changes.

Impacts to cultural resource sites are expected to be minimal with three small, non-NRHP-eligible lithic scatters being destroyed and three other similar sites potentially impacted to a small degree by nearby mining activities.

#### *Water Rights*

Water rights were granted to Borealis by the NDWR for two production wells located approximately three miles south of the Borealis Project and in the same vicinity as the supply wells from the previous mining operation. The first well (PW-1) was drilled in 2008, and test pumping was successful. The second well (PW-2) was drilled and tested with excellent results in 2009. Based on the historical productivity records and current test pumping results, these two wells have the capacity and productivity to meet anticipated Borealis Project requirements.

#### *Other Minor Permits and Authorizations*

In addition to the permits listed above, there are a number of miscellaneous permits, licenses, authorizations, or plans that were required for the recent mining operations. These permits are necessary, but not considered cumbersome or time consuming to secure. The table below lists all known minor permits that may be required and the corresponding regulatory agency:

<b>Permit/License/Authorization/Plan</b>	<b>Agency</b>	<b>Comments</b>
Hazardous Waste Generator Number (Registration)	EPA and NDEP	Completed as a conditionally exempt small generator
Drinking Water Supply (Approval of Plans)	NDEP Bureau of Safe Drinking Water (BSDW)	Currently exempt, will restore permit when in full mining operations
Radio Communications Permit	Federal Communications Commission (FCC)	Complete
Mine Safety and Health Administration (MSHA) Identification Number and MSHA Coordination	U.S. Department of Labor MSHA	Complete
Building Permit	Mineral County Fire Marshall	Complete
Special Use Permit	Mineral County Planning Commission	Complete
On-Site Sewage Disposal System (Small Capacity Commercial Wastewater Disposal System)	NDEP Bureau of Water Pollution Control	Complete
Industrial Artificial Pond Permit	Nevada Department of Wildlife	Complete
Fire Protection Certification	Nevada Department of Public Safety; Nevada State Fire Marshall	Complete
Right of Way for a Power Line (approximately 5,000 linear ft)	BLM USFS	Complete

### Environmental Issues

Borealis maintains a weather station, environmental staff and active monitoring to ensure compliance with its operating permits. Borealis is currently investigating groundwater conditions at Monitoring Well 5. Borealis is working with the BMRR and no mitigation measures are currently anticipated.

### Post Closure Requirements and Plans

Detailed mine closure requirements are laid out in the Borealis PoO and Reclamation Cost Estimate (RCE) documents.

### Post-Performance or Reclamations Bonds

The reclamation branch of NDEP BMRR issues Reclamation Permits to ensure that the disturbance created by mining will be reclaimed to create a safe and stable condition to ensure a productive post-mining land use. In addition to obtaining a Reclamation Permit, an operator must file a surety with NDEP BMRR or the USFS to guarantee that reclamation will be completed.

The PoO and the Reclamation Permit Application were submitted to NDEP BMRR on August 5, 2004. The Reclamation Permit documents submitted to NDEP BMRR are identical to the PoO documents submitted to the USFS.

The latest Reclamation Cost Estimate (RCE) update was approved by the BMRR on August 18, 2023, and reflected updated costs of closure. At the date of the Technical Report, the RCE is under USFS review. The updated reclamation bond is US\$11.0 million. The bond is reassessed on a three- year basis per the frequency normally required by the NDEP BMRR.

### Social and Community

The Borealis Project is located 12 miles southwest of the town of Hawthorne, Nevada. The majority of the current and planned workforce for the Borealis Project would be sourced from the nearby communities of Hawthorne, Yerington and Fallon and the Mineral County area. Mineral County has several operating mines and exploration projects. Local communities are largely supportive of mining and exploration activities within the county.

### Mine Closure

The Borealis Project will be closed and reclaimed in accordance with the procedures outlined in the PoO that have been approved by the State of Nevada and the USFS. The area that will be disturbed and reclaimed currently encompasses approximately 400 acres and may, with permit modifications, grow based on favorable exploration results.

### Reclamation Measures During Operations and Project Closure

Reclamation and closure activities will be conducted concurrently, to the extent practical, to reduce the overall reclamation and closure costs, minimize environmental liabilities, and limit bond exposure. Land disturbances will be closed and reclaimed in a manner that is compatible with the local land uses. The post-mining land use will include domestic livestock grazing, wildlife habitat, and dispersed recreation with allowance for potential future mineral exploration and development.

Closure activities include recirculating heap drain down solution until the drain down rates reach a point where the solution ponds can be filled with coarse material and converted to evapotranspiration (ET) basins. Reclamation includes building demolition, regrading the heap and WRFs to 3H/1V slopes or flatter, backfilling any pit lakes that may be present, placing salvaged growth media (topsoil and subsoils) over the disturbed areas, ripping and scarifying to relieve compaction, and seeding with the USFS-approved seed mix.

## *Surface Reclamation and Revegetation Plan*

### *(a) Soils and Soil Availability for Reclamation*

Prior to land disturbing activities, topsoil and subsoils that provide suitable growth media will be salvaged from areas to be disturbed. The salvaged soils will be stockpiled for later use and seeded with a fast-growing seed mix approved by the USFS to control invasive weeds and erosion.

### *(b) Surface Reclamation*

Surface reclamation will include removal of all structures and foundations and regrading to achieve free draining surfaces. With the exception of the open pits, final grades will be at 3H/1V (18°) or less steep. The pits will not be reclaimed; although two pits may require partial backfilling if pit lakes are formed during mining. Compacted areas, such as roads and yards, will be ripped to relieve compaction. Growth media will then be placed at the desired thickness over the area to be reclaimed. The soil will be scarified and seeded.

### *(c) Revegetation*

A general reclamation seed mix, consisting of native species common to the area, was developed for the site by the USFS. The general seed mix will be used over 95% of the site, which originally was pinyon/juniper habitat. Vegetative cover in reclaimed areas is generally good; however, the species present are not native to the area, and the USFS would like to see the native species reestablished during Project reclamation.

Additional seed mixes will be developed for topsoil stockpiles and for areas of low sagebrush and big basin sagebrush habitat. The latter two seed mixes will include locally collected seed from sensitive plant species present within the site. The areas requiring use of the low sagebrush and big basin sagebrush seed mixes are limited to 7.1 and 1.6 acres, respectively. Mitigation measures for the sensitive plant species, consisting primarily of fencing (to restrict access) and plant monitoring, will also be implemented during mining operations.

Vegetation reference areas will be established for the pinyon/juniper, low sagebrush, and big basin sagebrush habitats in adjacent undisturbed areas. The revegetation goal will be to establish as high a percentage as possible for area cover with the PoO minimum of 75% as the lower requirement. Transects will also be conducted in the previously reclaimed area to document current ground cover prior to Borealis Project startup.

## *HLPs*

Ore stacked on the new HLP will be actively leached until recovery of precious metals is no longer economical. It is estimated that residual leaching will occur over a one-year period after cyanidation has been discontinued. During this time, the water balance will be carefully managed to start the drain down and dewatering process. The residual leach will be followed by approximately three years of active fluid management to promote drain down and remove excess water through enhanced evaporation on the leach pad. After three years, drain down rates are expected to decrease to a level where evaporation will remove the remaining water while the storage ponds maintain sufficient capacity to handle the design storm.

After the drain down has been completed, the HLP will be regraded to achieve slopes of 3H/1V (18°) or flatter. The regraded spent material will then be covered with approximately three ft of fine-grained soil and topsoil/growth media.

After placement of the final cover, the soil surface will be scarified (on contour) and seeded with the approved general seed mix. The soil and vegetative cover was designed to minimize surface erosion and water percolation into the processed material, thereby creating a long-term, stable configuration.

The Phase I and Phase II permanent drainage channels around the leach pad will be left in place to divert storm water into the existing drainages to the west. These rip rapped channels were designed for the 100 year/24 hour storm event and are not expected to require long-term maintenance. Ditches will be modified as necessary to meet 500 year event closure requirements.

### *Storage Ponds and ADR Plant*

Once the drain down has been completed, the ponds will be converted into ET basins that will serve to capture and evaporate any residual drain down. The ET basins will be constructed by leaving the pond liners in place and filling the empty ponds with the following:

- a layer of non-acid-generating coarse rock
- a network of perforated polyvinyl chloride (PVC) pipe (to distribute the drain down)
- a geotextile layer
- a layer of crushed aggregate
- a topsoil cover

A 4 to 5 inch diameter, perforated piezometer (i.e., standpipe) will be installed in the ET basins to monitor water levels. The ADR plant and the adjacent laboratory, if constructed, will be removed once they are no longer needed to support residual leaching and drain down activities.

### *Open Pits*

Reclamation of historic pits will include blocking access to the pits and fencing. A small volume of meteoric water and groundwater currently collects in the bottom of the East Ridge pit. Groundwater could also be encountered in the Northeast Ridge pit when it is mined deeper.

Borealis will partially backfill to a free draining profile any pits that develop pit ponds to 10 ft above the phreatic surface. For reclamation cost estimating purposes, backfilling of the East Ridge pit and the Northeast Ridge pit is assumed. All backfill material would consist of waste rock with low acid-generating potential.

### *WRFs*

Although topsoil/growth media will be salvaged during construction of the new WRFs, there may be insufficient soil available to meet reclamation needs. Revegetation tests will be conducted to determine the suitability of the different types of waste rock for use as growth media. Waste rock that is found to be suitable as a growth media will be selectively placed or stockpiled so that it may be used for portions of the final soil cover. During the final stages of construction, waste rock will also be strategically placed on the top lifts of the WRFs to promote final drainage, make the WRFs more natural looking, and enhance revegetation of the facilities.

Reclamation of the WRFs will occur once the adjacent pits are mined out and they are no longer needed for waste rock disposal.

### *Roads and Drainages*

All roads within the Borealis Project, including remnants of old access roads, will be reclaimed. Road reclamation in the flatter areas will include pushing the safety berms down and over the road, removal of any culverts, backfilling of drainage ditches, and minor grading to reestablish the natural drainage system. In steeper areas (such as the haul road to the Northeast Ridge pit), additional fill will be brought in or pushed from the surrounding areas to eliminate road cuts and steep embankments. Rolling dips will be constructed in those areas where the culverts are removed to maintain adequate drainage capacity through the reclaimed areas.

After grading is completed, the soil will be scarified and seeded with the approved seed mix. Periodic post-reclamation monitoring and maintenance will be necessary after completion of reclamation to ensure adequate drainage function and establishment of vegetative cover.

The existing fences and gates around the Borealis Project area will be left in place to discourage access by cattle, horses, and recreational vehicles that could damage vegetated areas and cause erosion in steeper areas. Additionally, large boulders will be placed in reclaimed roads to preclude vehicle access.

Two diversion channels constructed around WRFs (Northeast Ridge and Polaris WRF channels) will provide permanent drainage control in those areas where the existing drainage has been impacted by construction of WRFs. The channels were designed for the 100 year/24 hour storm event and will not require long-term maintenance.

#### *Exploration Activities*

Exploration drilling at the site is conducted under separately approved PoOs. Reclamation requirements for these activities are outlined in their respective PoOs and USFS decision memoranda. If exploration or monitoring drillholes and access fall within the footprint of previous disturbance, approval for drilling beyond previously submitted exploration plans can be given following inspection of proposed drillholes by USFS personnel, through a letter to file with district ranger concurrence, and subsequent notice to Borealis. Exploration in undisturbed areas within the Borealis Project area boundary will require USFS clearances for sensitive plant species and cultural resources.

#### *Buildings and Infrastructure*

The Borealis Project includes ADR plant, laboratory, administrative, warehouse, and maintenance buildings. These buildings will consist of trailers and prefabricated buildings. These structures will be removed from the Project area when they are no longer needed to support mining and processing activities.

Aboveground fuel tanks will be removed from the site at the end of reclamation activities. The synthetic liner will be removed and disposed of in an approved off-site landfill. Any petroleum-contaminated materials encountered during reclamation will be selectively removed and hauled off-site for disposal.

Production water wells will be abandoned in accordance with state regulations or transferred to support an approved post-mining land use. Monitoring wells will be properly abandoned once the NDEP decides that they are no longer needed for long-term monitoring purposes. Aboveground waterlines will be removed or buried. Buried pipe will be capped and abandoned in place. Utility poles, power lines, propane tanks, and any generators or transformers will be removed from the site. Concrete pads will be broken up and buried in place or in the immediate vicinity. Perimeter fencing will be left in place.

#### *Closure Monitoring*

The revegetation release criteria for reclaimed areas are presented in the “Guidelines for Successful Revegetation for the NDEP, the Bureau of Land Management, and the U.S.D.A. Forest Service.”. This document is included as an attachment to the approved PoO. The revegetation goal is to achieve as close to 100% of the perennial plant cover of selected comparison areas as soon as possible.

Site-specific revegetation release criteria will be developed during the initial 18 months of operation, based upon mapped reference areas.

At the conclusion of reclamation activities, as-built diagrams of the reclaimed features will be prepared by Borealis and submitted to the USFS for future reference purposes. Post-mining monitoring will include sampling and analysis of selected monitoring wells and residual drain down into the ET basins. Reclaimed areas will also be periodically monitored for erosion and to record vegetation success. Areas exhibiting erosion or poor vegetative cover will be repaired and reseeded as necessary. A reclaimed area will be eligible for release no sooner than the third growing season after earthwork and planting have been completed. Where it has been determined that revegetation success has not been met, Borealis will meet with the USFS and the NDEP personnel to decide on the best course of action for meeting the reclamation goal.

### Reclamation and Closure Cost Estimate

An update to the Reclamation Cost Estimate (RCE) was approved by the BMRR on August 18th, 2023. At the time of writing the RCE is under USFS review. The reclamation cost estimate was prepared for Reclamation Permit #0248 and Plan of Operations (PoO) #02-04-08. The reclamation costs have been calculated using the Standardized Reclamation Cost Estimator (SRCE), version 1.4.1; the Heap Leach Draindown Estimator (HLDE) version 1.2; and the Nevada Standardized Process Fluids Cost Estimator (PFCE) version 1.1. The SRCE uses the 2022 cost data file. The costs for fluid management (Interim Fluid Management and Process Fluid Stabilization) have been estimated using the NDEP guidance documents, Heap Leach Pad Process Fluid Stabilization (PFS) and Heap Leach Interim Fluid Management (IFM) all with 2022 costs.

The current reclamation bond is \$11,049,965. The RCE is updated every three years, with the next RCE update due in 2026.

### Reclamation and Closure Risk

The processing operation uses cyanide solutions to liberate metals, and there is always a risk that these solutions could be released to the environment and contaminate groundwater, resulting in the need to install and operate a remediation system. This risk is relatively low for this site because of the deep groundwater table. The pad, ponds, and ADR plant and facility have been designed and constructed as zero-discharge facilities and include liner(s) and leak detection systems that meet the State of Nevada's regulatory design criteria contained in NAC 445A. There is ongoing monitoring on MW-5 which shows elevated nitrate values. There are no natural surface water bodies (i.e., creeks, rivers, or lakes) present at the site that could be impacted by operations.

Pit ponds or lakes with poor water quality could be created in the East Ridge and Northeast Ridge pits; however, the reclamation cost estimate conservatively assumes that partial backfilling of these two pits will be required. The volume of backfill for each pit was calculated to a level of 10 ft above the maximum projected water level in each pit plus additional fill volume to provide for adequate surface drainage runoff.

The site is located in a semiarid area where reestablishment of vegetation cover to meet agency standards will depend on receiving adequate precipitation. If a drought occurs, it may require more than five years to establish adequate vegetative cover. Reclamation repairs and reseeding of portions of the site may also be required if vegetative cover is poor and prone to erosion. The site was successfully reclaimed by the previous operator, and a full release was obtained for the vegetative cover that was established. Borealis will document this level of cover so that baseline site conditions are established for both the surrounding undisturbed areas and the previously disturbed and reclaimed areas.

### **Conclusions and Recommendations**

The Borealis Project is focused on generating an updated CIM compliant MRE and continuing exploration to discover new deposits within the greater Borealis Project property.

It is the Technical Report Principal QP's opinion that the historical information suggests there is sufficient potential at the Borealis Project to warrant additional work to support a future MRE compliant with CIM guidelines. As at the effective date of the Technical Report, the Technical Report Principal QP had not completed sufficient work to verify historical data and to define a current Mineral Resource for the Borealis Project, until sufficient verification drilling and additional supporting studies be completed.

In the Technical Report Principal QP's opinion, the Borealis Project has been historically exploited, but remains a property of interest. A large historical database exists which if validated, could lead to further assessment of the potential of the Borealis Project. It is the view of the Technical Report Principal QP that the potential warrants the additional work required to validate the historical data. Additionally, there remains potential within the boundaries of the Borealis Project based on regional geology that warrants further exploration through geophysics and drilling to support identifying additional potential exploration targets. Once this work is completed, the Technical Report Principal QP recommends an updated MRE for the Borealis Project.

The Technical Report Principal QP considers there to be two phases of work that need to be completed on the Borealis Project to advance to a Mineral Resource. These can be broken down into two key areas of focus:

- data validation and organization of the historical datasets; and
- exploration, drilling and sampling of potential extensions to existing mineralization and the identification of new exploration targets (provided that the Technical Report Principal QP notes that it is uncertain if exploration will result in the delineation of new Mineral Resources).

#### Data Validation and Organization

Borealis has recently come into significant historical data related to the Borealis Project that are in varying states of organization. The existing Borealis database will require updating to reflect this additional information but that will also include focus on validation of the historical dataset, and all the associated QA/QC data.

To preserve data integrity, it is recommended by the Technical Report Principal QP that future core and chip logging be done directly into the database rather than on intermediary forms or in spreadsheets that are later compiled. Any historical data, such as blasthole data, multi-element geochemistry, or grade-control data, should also be compiled and imported into the database if it is located.

Once the database compilation is completed, it will need to be validated against the source documents, which may also include validation in the field of coordinates and interpretation from historical core. This verification should be completed prior to the next MRE and should be done under the guidance of the Technical Report Principal QP for the MRE.

Should the Borealis Project advance to an MRE, resampling of historical material would be required to increase the confidence of historical assays.

#### Exploration

As previous authors have noted, the Technical Report Principal QP agrees that the greatest potential in the district lies beneath a large gravel-covered area at the mountain front with several potential blind deposits (with no surface expression). The Graben zone is an example of this type of deposit, and other high-potential targets include North Graben area, West Pediment (including Sunset Wash and Vuggy Hill), Central Pediment (Lucky Boy), and others yet to be named.

Modern geophysical surveys, such as airborne magnetics, that cover the entire Borealis Project are recommended to detect possible fault structures under pediment cover. Hyperspectral studies, which may aid in mapping favorable lithologies and alteration, should be conducted over the entire Borealis Project. Favorable trends and intersections should be further examined using Induced Polarization and Resistivity surveys to identify favorable alteration associated with gold. The Technical Report Principal QP recommends compilation and review of historical and future geophysical data to assist in drill planning.

Additionally, the Technical Report Principal QP recommends a LIDAR or similar survey be conducted to provide accurate elevation control.

Additional field geology to ground truth structures mapped from geophysical surveys should be completed where possible, in order to corroborate structural interpretation.

The Technical Report Principal QP recommends that a multi-disciplinary geologic model of the district should be created. This model should include hydrogeologic, structural, geochemical, and metallurgical data and will support further advancement of the Borealis Project through engineering studies and ease permitting.

Current geologic models of some prospect areas may not be accurate, as the vast majority of drill data that they were based on came from RC chips rather than core. Of particular note, the current Graben model shows a very shallowly dipping fault forming the upper surface of the mineralized zone. However, normal faults are not known to form at

such shallow angles and it is likely that the near-horizontal mineralized zone is instead a replacement body along a favorable stratigraphic unit, such as a tuff layer. Permeable layers can be intensely altered to clays by the mineralizing fluids, and may appear as a fault to inexperienced loggers, particularly when looking at chips instead of coherent core. Properly identifying strata-bound versus fault-hosted mineralization will have a significant impact on exploration strategy. Relogging of chips from RC holes that penetrated the shallow Graben structure is recommended by the Technical Report Principal QP.

As with the proposed modeling, a multi-disciplinary approach is recommended for drilling. It is recommended that future drilling campaigns are diamond core rather than RC. This core provides superior structural interpretation and more-accurate identification of alteration and can also be used to support concurrent metallurgy, geochemical, and hydrogeologic programs to advance the Borealis Project.

Borealis intends to drill an additional 7,500 ft of core in the Graben zone to confirm historical results and for expansion (along strike, down dip, and at depth), with infill to add confidence. Other high-priority prospect areas may also receive drilling, depending on considerations such as drill scheduling and weather, etc. A modern airborne magnetic survey that will cover the entire Borealis Project is also planned by Borealis. Additional drilling is planned by Borealis to follow up on favorable drilling results, depending on the success of the initial drill program. The total anticipated expenditure for this first phase of work is approximately US\$2.26 million.

Most of the previous metallurgical studies were focused on oxide material. Early metallurgical analysis of sulfide material from Graben and other sulfide prospects is recommended by the Technical Report Principal QP to help prioritize drill dollars and allow Borealis to make early go/no go decisions on different prospect areas depending on deleterious mineral contents, among others.

The proposed exploration budget proposed by the Technical Report Principal QP is set out in the table below:

<b>Activity</b>	<b>Cost (US\$)</b>
Drilling	1,600,000
Geophysics	300,000
Data Compilation/Verification	50,000
Geological Modeling	50,000
MRE and TR	150,000
Metallurgy	90,000
Contingency (10%)	22,400
<b>Subtotal</b>	<b>\$2,262,400</b>

## **Selected Consolidated Financial Information and Management’s Discussion and Analysis**

### ***Borealis***

#### **Financial Statements**

The following table sets forth selected historical financial information of Borealis for the periods indicated, which information has been derived from the financial statements of Borealis and notes thereto included in this Filing Statement. Investors should read the following information in conjunction with those financial statements of Borealis and related notes thereto, along with the related MD&A, included in this Filing Statement as Schedule “C” and Schedule “D”, respectively, for complete financial information relating to Borealis. The audited consolidated financial information of Borealis is as at, and for the period from November 17, 2022 (date of incorporation) to July 31, 2023, and is presented in accordance with IFRS. The unaudited condensed consolidated interim financial information is as at, and for the three and nine month period ended, April 30, 2024 and is presented in accordance with IFRS.

	For the period from November 17, 2022 to July 31, 2023  (audited)  US\$	Nine months ended April 30, 2024  (unaudited)  US\$
<b>Operations</b>		
Total Revenue	nil	865,494
Net Loss	(16,344,645)	(3,921,843)
Comprehensive Loss	(16,365,977)	(4,048,955)
Net Loss per share (basic and diluted)	(0.99)	(0.08)
<b>Balance Sheet</b>		
Total Assets	2,126,614	7,279,750
Total Liabilities	16,644,367	16,571,224
Deficit	(16,344,645)	(20,266,488)
Total Shareholders' Equity	(14,517,753)	(9,291,474)
Total Borealis Shares	33,921,700	60,499,500

The following tables sets forth selected quarterly consolidated financial information for Borealis from November 17, 2022 (date of incorporation) ending at the end of the most recently completed quarter. Such information should be read in conjunction with the financial statements of Borealis attached to this Filing Statement as Schedule "C" and Schedule "D".

	Quarter ended April 30, 2024 (US\$)	Quarter ended January 31, 2024 (US\$)	Quarter ended October 31, 2023 (US\$)	Quarter ended July 31, 2023 (US\$)	Quarter ended April 30, 2023 (US\$)	Quarter starting November 17, 2022 and ended January 31, 2023 (US\$)
Total revenue	nil	nil	865,494	nil	nil	nil
Net income (loss)	(1,885,370)	(1,712,039)	(324,878)	(1,111,180)	(15,233,465)	nil

### Management Discussion and Analysis

Attached to this Filing Statement as Schedule "J" and Schedule "K" and forming part of this Filing Statement is the MD&A of Borealis or the period from November 17, 2022 (date of incorporation) to July 31, 2023 and the MD&A for the nine month period ended April 30, 2024, respectively.

### **Borealis LLC**

#### Financial Statements

The following table sets forth selected historical financial information of Borealis LLC for the periods indicated, which information has been derived from the financial statements of Borealis LLC and notes thereto included in this Filing Statement as Schedule "E". Shareholders should read the following information in conjunction with those financial statements and related notes thereto for complete financial information relating to Borealis LLC. The audited financial information of Borealis LLC is as at, and for the years ended December 31, 2021 and December 31, 2022 and for the period from January 1, 2023 to April 17, 2023, the date Borealis acquired its interest in the Borealis Project by completing the Borealis Project Purchase, and is presented in accordance with IFRS.

	Period		
	From January 1, 2023 to April 17, 2023	Year ended December 31, 2022	Year ended December 31, 2021
	(audited)  US\$	(audited)  US\$	(audited)  US\$
<b>Operations</b>			
Total Revenue	2,292,000	21,292,000	6,089,000
Net Loss	443,000	(7,799,000)	(17,231,000)
Net Loss and Comprehensive Loss	(13,030,000)	(6,514,000)	(5,706,000)

	Period		
	From January 1, 2023 to April 17, 2023	Year ended December 31, 2022	Year ended December 31, 2021
	(audited) US\$	(audited) US\$	(audited) US\$
<b>Balance Sheet</b>			
Total Assets	734,000	16,195,000	33,609,000
Total Liabilities	10,643,000	10,677,000	13,397,000
Deficit	(62,539,000)	(49,509,000)	(42,995,000)
Total Shareholders' Equity	(9,909,000)	5,518,000	20,212,000

### Operating Expenses

The following table sets out the operating expenses of Borealis LLC for the fiscal years ended December 31, 2021 and 2022, the date Borealis acquired its interest in the Borealis Project by completing the Borealis Project Purchase:

Operating Expenses	Period	
	Year ended December 31, 2022	Year ended December 31, 2021
	\$US	\$US
Contractors and consulting fees	770,000	1,580,000
Consumables and supplies	31,000	71,000
Professional fees	93,000	2,000
Property and business taxes	322,000	348,000
Permits and claim staking	230,000	270,000
Insurance	33,000	2,000
Other	55,000	135,000
<b>Total</b>	<b>1,534,000</b>	<b>2,408,000</b>

### Management Discussion and Analysis

Attached to this Filing Statement as Schedule “F” and Schedule “M” and forming part of this Filing Statement is the MD&A of Borealis LLC for the period from January 1, 2023 to April 17, 2023 and the MD&A for the years ended December 31, 2022 and December 31, 2021, respectively.

### **Description of Capital Structure**

Prior to completion of the Arrangement, the authorized capital of Borealis consisted of an unlimited number of Borealis Shares without par value and an unlimited number of special shares, issuable in series. As at the Effective Date, there were 60,499,500 Borealis Shares issued and outstanding as fully paid and non-assessable shares and nil special shares.

### ***Borealis Shares***

Each holder of Borealis Shares was entitled to receive notice of and to attend all meetings of Borealis Shareholders, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each Borealis Share held by such holder.

The holders of Borealis Shares were entitled to receive on a *pro rata* basis such dividends if, as and when declared by the Borealis Board at its discretion.

In the event of any liquidation, dissolution or winding-up of Borealis or other distribution of the assets of Borealis among the Borealis Shareholders for the purpose of winding-up its affairs, the holders of Borealis Shares were entitled, subject to the rights of holders of shares of any class ranking prior to the Borealis Shares, to receive on a pro rata basis the remaining property or assets of Borealis.

The Borealis Shares did not carry any pre-emptive, subscription, conversion or redemption rights, nor did they contain any sinking or purchase fund provisions.

### ***Borealis Warrants***

As at the Effective Date, there were 13,288,900 Borealis Warrants outstanding. Each Borealis Warrant entitled the holder thereof to acquire one Borealis Share at an exercise price of \$0.75 until September 14, 2025. In connection with the Arrangement, the Issuer issued to the holders of Borealis Warrants one Issuer Warrant for each Borealis Warrant held on the Effective Date for an aggregate of 13,288,900 Issuer Warrants. The Issuer Warrants are governed by the terms of the Issuer Warrant Indenture.

### ***Borealis Compensation Options***

As at the Effective Date, there were 1,123,136 Borealis Compensation Options outstanding. Each Borealis Compensation Option entitled the holder thereof to acquire one Borealis Share at an exercise price of \$0.50 until September 14, 2025. In connection with the Arrangement, the Issuer issued to the holders of Borealis Compensation Options one Issuer Compensation Options for each Borealis Compensation Options held on the Effective Date for an aggregate of 1,123,136 Issuer Compensation Options.

### **Consolidated Capitalization**

There have been no material changes in Borealis' share and debt capital, on a consolidated basis, since April 30, 2024, the date of the Borealis Interim Financial Statements. See the Borealis Interim Financial Statements and the Borealis Interim MD&A, which are included in this Filing Statement as Schedule "D" and Schedule "K", respectively, for additional information with respect to Borealis' consolidated capitalization.

### **Prior Sales**

During the 12-month period prior to the Effective Date, the following Borealis securities have been issued:

<b>Date</b>	<b>Number of Securities</b>	<b>Issue/Exercise Price Per Security</b>	<b>Aggregate Issue Price</b>
November 17, 2022	10,000,000 Borealis Shares	\$0.02	\$200,000
April 17, 2023	10,000,000 Borealis Shares	\$0.02	\$200,000
June 15, 2023	8,475,000 Borealis Shares	\$0.05	\$423,750
June 21, 2023	5,446,700 Borealis Shares	\$0.30	\$1,634,010
September 14, 2023	16,000,000 Borealis Shares	\$0.50	\$8,000,000
September 14, 2023	8,000,000 Borealis Warrants <sup>(1)</sup>	\$0.75	n/a
September 14, 2023	902,568 Borealis Compensation Options <sup>(2)</sup>	\$0.50	n/a
January 3, 2024	2,166,800 Borealis Shares	\$0.50	\$1,083,400
January 3, 2024	1,083,400 Borealis Warrants <sup>(1)</sup>	\$0.75	n/a
January 3, 2024	88,608 Borealis Compensation Options <sup>(2)</sup>	\$0.50	n/a
April 4, 2024	8,411,000 Borealis Shares	\$0.50	\$4,205,500
April 4, 2024	4,205,500 Borealis Warrants <sup>(1)</sup>	\$0.75	n/a
April 4, 2024	131,960 Borealis Compensation Options <sup>(2)</sup>	\$0.50	n/a

Notes:

- (1) Each Borealis Warrant entitled the holder thereof to acquire one Borealis Share at an exercise price of \$0.75 until September 14, 2025. See "Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Three-year History" in this Filing Statement.
- (2) Each Borealis Compensation Option entitled the holder thereof to acquire one Borealis Share at an exercise price of \$0.50 until September 14, 2025. See "Information Concerning Borealis and Borealis LLC – Narrative Description of the Business – Three-year History" in this Filing Statement.

### **Executive Compensation**

Prior to completion of the Arrangement, Borealis was not a reporting issuer at any time since incorporation and had not fully implemented a compensation program.

Under the policies of the TSXV, the Issuer is required to disclose in this Filing Statement certain financial and other information relating to the compensation paid for each of Borealis' three most recently completed financial years to (i) the CEO and the CFO of Borealis, (ii) the three most highly compensated executive officers of Borealis regardless of the amount of their compensation and (iii) the directors of Borealis.

Prior to completion of the Arrangement, (i) the officers of Borealis were Kelly Malcolm, President and CEO, Mike Dai, CFO, Andreas Steckenborn, Chief Operating Officer, Iain Campbell, Vice President of Geology and Jennifer Thor, Secretary and (ii) the directors of Borealis were Kelly Malcolm, Robert Buchan, Greg Gibson, Anthony Makuch and Richard Patricio.

**Summary Compensation Table for Officers**

The following table provides a summary of compensation paid, directly or indirectly, during the period from November 17, 2022 (date of incorporation) to July 31, 2023, to the CEO, the CFO and the three most highly compensated executive officers of Borealis.

Name and Principal Position	Period	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation <sup>(1)</sup> (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Kelly Malcolm, President and CEO and Director	Year ended July 31, 2023	60,000	n/a	n/a	n/a	n/a	n/a	n/a	60,000
Mike Dai, CFO	Year ended July 31, 2023	30,000	n/a	n/a	n/a	n/a	n/a	n/a	30,000
Anthony Makuch, Non-Executive Chairman and Director	Year ended July 31, 2023	nil	n/a	n/a	n/a	n/a	n/a	n/a	nil
Andreas Steckenborn, Chief Operating Officer	Year ended July 31, 2023	44,000	n/a	n/a	n/a	n/a	n/a	14,000	58,000
Iain Campbell, Vice President of Geology	Year ended July 31, 2023	44,000	n/a	n/a	n/a	n/a	n/a	n/a	44,000
Jennifer Thor, Secretary	Year ended July 31, 2023	nil	n/a	n/a	n/a	n/a	n/a	n/a	nil

*Note:*

(1) This table does not include any amount paid as reimbursement for expenses. This table includes compensation received by the officers as directors of Borealis.

**Employment, consulting and management agreements**

At the Effective Date, Borealis had in place the following employment, consulting and management agreements:

Kelly Malcolm – President and CEO

Borealis entered into a consulting agreement dated May 1, 2023, (the “**CEO Agreement**”) with Generic Geo Inc. (the “**CEO Consultant**”) for the services of Kelly Malcolm as President and CEO of Borealis. Pursuant to the CEO Agreement, the CEO Consultant will receive remuneration in the amount of \$20,000 per month (the “**CEO Fees**”) plus any reasonable and pre-approved expenses and any reasonable out-of-pocket expenses.

The term of the CEO Agreement commences on May 1, 2023, and continues on a monthly basis until terminated. The CEO Consultant may terminate the CEO Agreement on 120 days’ written notice to Borealis, in which case Borealis has the option, in its complete discretion, to waive all or part of the required notice period and immediately terminate the CEO Agreement. In the event that Borealis exercises its option to waive all or part of the required notice period, Borealis will only be liable to the CEO Consultant for any CEO Fees and expenses owing for the period up to, and including, the effective date of termination. Borealis may terminate the CEO Agreement for just cause without paying the CEO Consultant any further amounts of the CEO Fees. In the event of termination by Borealis without cause, Borealis will pay to the CEO Consultant any CEO Fees and expenses due as of the effective date of termination.

Mike Dai – CFO

Borealis entered into a consulting agreement dated May 1, 2023 (the “**CFO Agreement**”) with ALOE Finance Inc. for the services of Mike Dai as CFO of Borealis. Pursuant to the CFO Agreement, ALOE Finance Inc. will provide to Borealis the services of Mike Dai as CFO of Borealis for monthly fee of \$10,000 (plus all applicable taxes). The CFO Agreement may be terminated by either party upon 90 days’ written notice.

Andreas Steckenborn, Chief Operating Officer

Borealis entered into a consulting agreement dated June 1, 2023 (the “**COO Agreement**”) with S-Teck Mining Consulting Ltd. (the “**COO Consultant**”) for the services of Andreas Steckenborn as COO of Borealis. Pursuant to the COO Agreement, the COO Consultant will receive remuneration in the amount of \$15,000 per month (the “**COO Fees**”) plus any reasonable and pre-approved expenses and any reasonable out-of-pocket expenses. Upon signing the COO Agreement, the COO Consultant received a signing bonus of \$14,000.

The term of the COO Agreement commences on June 1, 2023, and continues on a monthly basis until terminated. The COO Consultant may terminate the CEO Agreement on 30 days’ written notice to Borealis, in which case Borealis has the option, in its complete discretion, to waive all or part of the required notice period and immediately terminate the COO Agreement. In the event that Borealis exercises its option to waive all or part of the required notice period, Borealis will only be liable to the COO Consultant for any COO Fees and expenses owing for the period up to, and including, the effective date of termination. Borealis may terminate the COO Agreement for just cause without paying the COO Consultant any further amounts of the COO Fees. In the event of termination by Borealis without cause, Borealis will pay to the COO Consultant any COO Fees and expenses due as of the effective date of termination.

Iain Campbell – Vice President of Geology

Borealis entered into a consulting agreement dated June 1, 2023, (the “**VP of Geology Agreement**”) with Iain Campbell (the “**VP of Geology Consultant**”) for geological consultant services for Borealis. Pursuant to the VP of Geology Agreement, the VP of Geology Consultant will receive remuneration in the amount of \$15,000 per month (the “**VP of Geology Consulting Fees**”) plus any reasonable and pre-approved expenses and any reasonable out-of-pocket expenses. In addition, the VP of Geology Consultant received a \$14,000 signing bonus on the date of the VP of Geology Agreement.

The term of the VP of Geology Agreement commences on June 1, 2023, and continues on a monthly basis until terminated. The VP of Geology Consultant may terminate the VP of Geology Agreement on 30 days’ written notice to Borealis, in which case Borealis has the option, in its complete discretion, to waive all or part of the required notice period and immediately terminate the VP of Geology Agreement. In the event that Borealis exercises its option to waive all or part of the required notice period, Borealis will only be liable to the VP of Geology Consultant for any Consulting Fees and expenses owing for the period up to, and including, the effective date of termination. Borealis may terminate the VP of Geology Agreement for just cause without paying the VP of Geology Consultant any further

amounts of the Consultant Fees. In the event of termination by Borealis without cause, Borealis will pay to the VP of Geology Consultant any Consulting Fees and expenses due as of the effective date of termination.

**Director Compensation Table**

The following table provides a summary of compensation paid, directly or indirectly, during the period from November 17, 2022 (date of incorporation) to July 31, 2023, to the directors of Borealis who are not also officers of Borealis.

Name	Period	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Robert Buchan Director	Year ended July 31, 2023	nil	n/a	n/a	n/a	n/a	n/a	nil
Greg Gibson Director	Year ended July 31, 2023	nil	n/a	n/a	n/a	n/a	n/a	nil
Richard Patricio Director	Year ended July 31, 2023	nil	n/a	n/a	n/a	n/a	n/a	nil

**Indebtedness of Directors and Officers**

No director or officer of Borealis or person who acted in such capacity in the last financial year of Borealis, or any other individual who at any time during the most recently completed financial year of Borealis was a director of Borealis or any Associate of Borealis, was indebted to Borealis on the Effective Date, nor was any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Borealis.

**Non-Arm’s Length Transaction**

To the knowledge of Borealis, within the five years preceding the Effective Date, there have been no transactions, or proposed transactions, in which any director, officer, Promoter or principal stockholder of Borealis or Associates or Affiliates thereof have or have had a material interest.

**Legal Proceedings**

On the Effective Date, Borealis was not aware of any existing or contemplated legal proceedings or regulatory actions material to Borealis or Borealis LLC to which Borealis or Borealis LLC was a party or to which any of its property was subject since the beginning of its most recently completed financial year.

**Material Contracts**

As at the Effective Date, other than the material contacts listed below, Borealis had not entered into any material contracts material to investors since incorporation which were still in force as at the Effective Date, other than contracts entered into in the ordinary course of business:

- the Arrangement Agreement;
- the Amalgamation Agreement; and
- the Borealis LLC Purchase Agreement.

A copy of each of the Arrangement Agreement and the Amalgamation Agreement is posted under the Issuer's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## INFORMATION CONCERNING THE RESULTING ISSUER

*The following information is presented on a post-Arrangement basis and is reflective of the projected business, financial and share capital position of the Resulting Issuer. This section includes information respecting the Resulting Issuer that is materially different from the information provided earlier in this Filing Statement. The Resulting Issuer will carry on the business carried on by Borealis prior to completion of the Arrangement. Please see the various headings under "Information Concerning the Issuer" and "Information Concerning Borealis and Borealis LLC" for additional information regarding the Issuer and Borealis, respectively. See also the pro forma financial statements of the Resulting Issuer attached hereto as Schedule "G".*

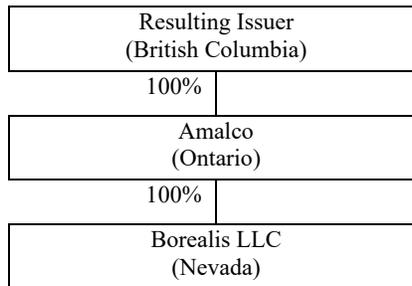
### Corporate Structure

#### *Name and Incorporation*

On the Effective Date, the Issuer and Borealis completed the Arrangement and the Resulting Issuer completed the Name Change and changed its name to "Borealis Mining Company Limited". The Resulting Issuer is governed by the BCBCA and the Resulting Issuer's head office and registered office is located at 410 West Georgia Street, 5<sup>th</sup> Floor, Vancouver, BC V6B 1Z3.

#### Intercorporate Relationships

As a result of the Arrangement, the corporate structure of the Resulting Issuer is as follows:



#### Narrative Description of the Business

As a result of the completion of the Arrangement, the Resulting Issuer is carrying on the business of Borealis, an exploration and development stage mining company engaged in the business of acquiring and exploring mineral properties whose material property is the Borealis Project. See "*Information Concerning Borealis and Borealis LLC*" in this Filing Statement.

#### *Stated Business Objectives*

The Resulting Issuer plans to:

- 1) pursue strategic exploration activities designed to identify a mineral resource at the Borealis Project;
- 2) pursue exploration, drilling and sampling of potential extensions to existing mineralization and the identification of new exploration targets at the Borealis Project; and
- 3) identify, evaluate, acquire and explore additional mineral properties for the purposes of identifying additional mineral resources.

## Milestones

The principal milestones to execute the ongoing work programs for the Borealis Project recommended by the Technical Report are approximately estimated as follows:

Event	Initial Amount <sup>(1)</sup> (US\$)	Estimated Costs to Complete <sup>(2)</sup> (US\$)	Anticipated Time Frame
Exploration work program			
<i>Drilling</i>	\$1,600,000	\$750,000	Ongoing until November 2024
<i>Geophysics</i>	\$300,000	\$50,000	Ongoing until August 2024
<i>Data Compilation/Verification</i>	\$50,000	\$25,000	Ongoing until September 2024
<i>Geological Modeling</i>	\$50,000	\$50,000	Ongoing until March 2025
<i>MRE and TR</i>	\$150,000	\$150,000	Ongoing until May 2025
<i>Metallurgy</i>	\$90,000	\$40,000	Ongoing until December 2024
<i>Contingency</i>	\$22,400	\$22,400	not applicable
<b>Subtotal</b>	<b>\$2,262,400</b>	<b>\$1,087,400</b>	

Notes:

- (1) See “Information Concerning Borealis and Borealis LLC – Borealis Project - Conclusions and Recommendations” for a description of the work programs recommended by the Technical Report.
- (2) Following completion of the September 2023 Private Placement, Borealis commenced the work programs recommended in the Technical Report. These amounts represent the approximate balance of expenditures to be incurred by Borealis with respect to completion of the work program estimated as at June 30, 2024.

Other than as described in this Filing Statement, there are no particular significant events or milestones that must occur for the Resulting Issuer’s business objectives to be accomplished. However, there is no guarantee that the Resulting Issuer will meet its business objectives or milestones described above within the specific time periods, within the estimated costs or at all. The Resulting Issuer may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described above.

## Description of the Securities

### Resulting Issuer Shares

The authorized capital of the Resulting Issuer consists of an unlimited number of Resulting Issuer Shares and will continue to have the same attributes as the authorized capital of the Issuer prior to completion of the Arrangement. As at the date of this Filing Statement, there are 83,220,583 Resulting Issuer Shares outstanding. See “Information Concerning the Issuer – Description of the Capital Structure” in this Filing Statement.

### Resulting Issuer Warrants

As at the date of this Filing Statement, there are 13,288,900 Resulting Issuer Warrants outstanding. The Resulting Issuer Warrants have the same attributes as the Issuer Warrants and are governed by the Issuer Warrant Indenture which remained in place as the Resulting Issuer Warrant Indenture after completion of the Arrangement. See “Information Concerning the Issuer – Description of the Capital Structure” in this Filing Statement.

### Resulting Issuer Compensation Options

As at the date of this Filing Statement, there are 1,123,136 Resulting Issuer Compensation Options outstanding. The Resulting Issuer Compensation Options have the same attributes as the Issuer Compensation Options. See “Information Concerning the Issuer – Description of the Capital Structure” in this Filing Statement.

### 2024 Warrants and 2024 Broker Warrants

Between May 2024 and June 2024, the Resulting Issuer completed a private placement (the “**2024 Private Placement**”) and issued 5,425,000 units at a price of \$0.50 per unit for total proceeds of \$2,712,500. Each unit consisted of one Resulting Issuer Share and one-half of one warrant to purchase Resulting Issuer Shares (each whole warrant a “**2024 Warrant**”). Each 2024 Warrant entitles the holder thereof to purchase one Resulting Issuer Share at a price of \$0.75 per Resulting Issuer Share until September 14, 2025. In connection with the 2024 Private Placement, the Resulting Issuer issued 51,200 Resulting Issuer broker warrants (the “**2024 Broker Warrants**”). Each 2024

Broker Warrant entitles the holder thereof to purchase one Resulting Issuer Share at a price of \$0.50 per Resulting Issuer Share until September 14, 2025.

See “*Information Concerning the Resulting Issuer – Fully Diluted Share Capital*” in this Filing Statement for the total issued and outstanding share capital of the Resulting Issuer and securities convertible into Resulting Issuer Shares.

### **Pro Forma Consolidated Capitalization**

The following table sets forth the expected *pro forma* share capital of the Resulting Issuer following completion of the Arrangement, based on the *pro forma* statement of financial position contained in this Filing Statement at Schedule “G” – *Unaudited Pro Forma Financial Statements of the Resulting Issuer*.

<b>Designation of Security</b>	<b>Amount Authorized</b>	<b>Amount Outstanding as at the date of this Filing Statement After Giving Effect to the Arrangement</b>
Resulting Issuer Shares	Unlimited	83,220,583
Resulting Issuer Warrants	n/a	13,288,900
2024 Warrants	n/a	2,712,500
Resulting Issuer Compensation Options	n/a	1,123,136
2024 Broker Warrants	n/a	51,200

### **Fully Diluted Share Capital**

The following table sets forth the fully-diluted share capital of the Resulting Issuer on a *pro forma* basis as at the date of this Filing Statement based on the share capital of the Issuer and Borealis as at the same date, after giving effect to the Arrangement.

	<b><u>Number of Resulting Issuer Shares</u></b>	<b><u>Percentage (undiluted)</u></b>
<i>Resulting Issuer Shares:</i>		
Held by Shareholders prior to completion of the Arrangement	1,737,745	2.09%
Held by former Borealis Shareholders	60,499,500	72.70%
Issued pursuant to the Borealis LLC Purchase Agreement	15,558,338	18.69%
Issued pursuant to the 2024 Private Placement	5,425,000	6.52%
<b>TOTAL</b>	<b>83,220,583</b>	<b>100%</b>

	<b><u>Number of Resulting Issuer Shares</u></b>	<b><u>Exercise Price</u></b>	<b><u>Expiry Date</u></b>
<i>Resulting Issuer Convertible Securities:</i>			
Resulting Issuer Warrants	13,288,900	\$0.75	September 14, 2025
2024 Warrants	2,712,500	\$0.75	September 14, 2025
Resulting Issuer Compensation Options	1,123,136	\$0.50	September 14, 2025
2024 Broker Warrants	51,200	\$0.50	September 14, 2025
<b>TOTAL</b>	<b>17,175,736</b>		

### **Available Funds and Principal Purposes**

Following completion of the Arrangement, as at June 30, 2024, the Resulting Issuer had estimated total available funds in the amount of US\$4,339,873.

The Resulting Issuer believes that its working capital will be sufficient to fund the planned operations of the Resulting Issuer for at least the next 12 months after the date of this Filing Statement.

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives following completion of the Arrangement:

Purpose	Initial Amount <sup>(1)</sup> (US\$)	Estimated Costs to Complete <sup>(2)</sup> (US\$)	Anticipated Time Frame
Exploration work program			
<i>Drilling</i>	\$1,600,000	\$750,000	Ongoing until November 2024
<i>Geophysics</i>	\$300,000	\$50,000	Ongoing until August 2024
<i>Data Compilation/Verification</i>	\$50,000	\$25,000	Ongoing until September 2024
<i>Geological Modeling</i>	\$50,000	\$50,000	Ongoing until March 2025
<i>MRE and TR</i>	\$150,000	\$150,000	Ongoing until May 2025
<i>Metallurgy</i>	\$90,000	\$40,000	Ongoing until December 2024
<i>Contingency</i>	\$22,400	\$22,400	not applicable
<b>Subtotal</b>	<b>\$2,262,400</b>	<b>\$1,087,400</b>	
General and administrative expenses <sup>(3)</sup>		\$905,000	
Operating Expenses		\$1,200,000	
Unallocated working capital		\$1,147,473	
<b>Total:</b>		<b>\$4,339,873</b>	

Notes:

- (1) See "Information Concerning Borealis and Borealis LLC – Borealis Project – Conclusions and Recommendations" for a description of the work programs recommended by the Technical Report.
- (2) Following completion of the September 2023 Private Placement, Borealis commenced the work programs recommended in the Technical Report. These amounts represent the approximate balance of expenditures to be incurred by Borealis with respect to completion of the work program estimated as at June 30, 2024.
- (3) Comprised of US\$267,000 for management fees, US\$133,000 for professional fees and US\$98,000 for office and administrative expenses.

Although the Resulting Issuer expects to use the funds available as set forth above, the actual allocation of the funds available may vary depending on future developments or unforeseen events, and there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary.

## Dividends

It is expected that the Resulting Issuer will not declare any dividends payable to the shareholders of the Resulting Issuer in the foreseeable future. The Resulting Issuer will have no restrictions on paying dividends, but if the Resulting Issuer generates earnings in the foreseeable future, it is expected that they will be retained to finance growth, if any. The Resulting Issuer Board will determine if and when dividends should be declared and paid in the future based upon the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid.

## Principal Securityholders

As at the date of this Filing Statement, to the knowledge of the Resulting Issuer, except as set out below, no person or company beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the outstanding Resulting Issuer Shares:

Name and Municipality of Residence	Number of Resulting Issuer Shares	Percentage of Outstanding Resulting Issuer Common Shares (undiluted)
Evanachan Limited <sup>(1)</sup> Toronto, Ontario	13,448,153 <sup>(2)</sup>	16.16%

Notes:

- (1) The sole shareholder, director and officer of Evanachan Limited is Mr. Robert McEwen.
- (2) The above information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Resulting Issuer, has been obtained from publicly disclosed information.

## Directors, Officers and Promoters

The following table sets forth the name, province or state and country of residence, position with the Resulting Issuer, principal occupation during the previous five years and the number of Resulting Issuer Shares which are beneficially owned, directly or indirectly, or over which control or direction is exercised, for the directors and executive officers of the Resulting Issuer. The term of each director listed below will conclude at the end of the Resulting Issuer's next annual meeting of shareholders subject to reappointment by the shareholders of the Resulting Issuer at such meeting.

Name, Jurisdiction of Residence and Position(s) <sup>(1)</sup>	Principal Occupation For Past Five Years <sup>(1)</sup>	Served as Director of the Issuer or Borealis	Number of Resulting Issuer Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly, Immediately Following the Completion of the Arrangement <sup>(2)</sup>	Percentage of Resulting Issuer Shares Issued and Outstanding Immediately Following the Completion of the Arrangement <sup>(3)</sup>
Kelly Malcolm Ontario, Canada  President, CEO since May 9, 2024 and Director since March 19, 2024	President and CEO of Borealis and VP Exploration of Amex Exploration Inc.	Director of the Issuer since March 19, 2024 Director of Borealis since May 31, 2023	4,300,000	5.53%
Mike Dai Ontario, Canada  CFO since May 9, 2024	Partner of ALOE Finance Inc.	n/a	nil	n/a
Anthony Makuch <sup>(7)</sup> Ontario, Canada  Non-Executive Chairman since May 9, 2024 and Director since March 19, 2024	CEO of Discovery Silver Corp.	Director of the Issuer since March 19, 2024 Director of Borealis since May 31, 2023	nil	n/a
Andreas Steckenborn <sup>(4)</sup> Nevada, United States  Chief Operating Officer since May 9, 2024	Chief Operating Officer of Borealis and Owner and Principal Engineer of S-Teck Mining Consulting Ltd.	n/a	1,150,000	1.49%
Iain Campbell Nevada, United States  Vice President, Exploration since May 9, 2024	Vice President of Geology of Borealis	n/a	750,000	0.96%
Robert Buchan <sup>(9)</sup> Ontario, Canada  Director since March 19, 2024	Retired.	Director of the Issuer since March 19, 2024 Director of Borealis since May 31, 2023	2,500,000	3.21%
Greg Gibson <sup>(9)</sup> Ontario, Canada  Director since March 19, 2024	Director of G6 Energy Corp.	Director of the Issuer since March 19, 2024 Director of Borealis since May 31, 2023	nil	n/a
Richard Patricio <sup>(5)(7)(8)(9)</sup> Ontario, Canada  Director since March 19, 2024	President and Chief Executive Officer of Mega Uranium Ltd.	Director of the Issuer since March 19, 2024 Director of Borealis since May 31, 2023	2,000,000	2.57%
Christina McCarthy <sup>(6)(7)(8)</sup> Ontario, Canada  Director since March 19, 2024	Director of i-80 Gold Corp. and Dryden Gold Corp.	Director of the Issuer since March 19, 2024	300,000	0.39%

Notes:

(1) The information as to residence and principal occupation has been furnished by the respective directors and executive officers of the Resulting Issuer. For details of the principal occupation of each director and executive officer of the Resulting Issuer during the previous five years see section entitled "Biographies" below.

- (2) *The information as to securities beneficially owned or over which a director or executive officer of the Resulting Issuer exercises control or direction has been furnished by the respective directors and executive officers individually based on shareholdings as of the date of this Filing Statement.*
- (3) *Based on 77,795,583 Resulting Issuer Shares outstanding immediately following completion of the Arrangement.*
- (4) *1,000,000 Resulting Issuer Shares are held directly and 150,000 Resulting Issuer Shares and 75,000 Resulting Issuer Warrants are held by S-Teck Mining Consulting Ltd., a company controlled by Mr. Andreas Steckenborn.*
- (5) *2,000,000 Resulting Issuer Shares and 1,000,000 Resulting Issuer Warrants are held by Mega Uranium Ltd., a company Mr. Richard Patricio is an officer of and has control and direction over the securities.*
- (6) *300,000 Resulting Issuer Shares are held by Global Exploration and Mining Resources Inc., a company controlled by Ms. Christina McCarthy.*
- (7) *Member of the audit committee of the Resulting Issuer.*
- (8) *Member of the compensation committee of the Resulting Issuer.*
- (9) *Member of the nominating and corporate governance committee of the Resulting Issuer.*

The executive officers and directors of the Resulting Issuer own, directly or indirectly, or exercise control or direction over 11,000,000 Resulting Issuer Shares, representing approximately 13.28% of the Resulting Issuer Shares outstanding as at the date of this Filing Statement.

### ***Biographies***

The following is a brief description of the background and experience of each member of the Resulting Issuer management team and the Resulting Issuer Board.

***Kelly Malcolm, Age 37, President, Chief Executive Officer and Director*** – Mr. Malcolm is a Professional Geologist (Ontario) with extensive exploration experience focused on precious metal exploration. Mr. Malcolm was the President and CEO of Borealis from May 2023 until the Effective Date when he became the President, Chief Executive Officer and a director of the Resulting Issuer. Mr. Malcolm was VP Exploration of Amex Exploration Inc., a mineral resource company which has made several discoveries on the Perron project in Quebec, from January 2019 to January 2024. Prior thereto, Mr. Malcolm served as President and CEO of Generic Gold Corp., a mineral resource company, from May 2017 to July 2020. Mr. Malcolm was involved in the discovery and delineation of Detour Gold's high grade 58N gold deposit, and acts as director, advisor, or management for several public and private mineral exploration companies. Mr. Malcolm holds a BSc in geology and a BA in economics from Laurentian University.

On the Effective Date, the CEO Agreement entered into between Borealis and Mr. Malcolm was transferred to the Resulting Issuer. According to the CEO Agreement, Mr. Malcolm is an independent contractor of the Resulting Issuer and will dedicate approximately 100% of his time to the affairs of the Resulting Issuer. Mr. Malcolm did not enter into a non-competition agreement with the Resulting Issuer.

***Mike Dai, Age 37, Chief Financial Officer*** – Mr. Dai is a seasoned financial executive having held several key roles in finance, operations and capital markets. Mr. Dai was the CFO of Borealis from May 2023 until the Effective Date when he became the CFO of the Resulting Issuer. Mr. Dai is also CFO of Copperhead Resources Inc. (CSE:CUH), a mineral resource company, since May 2022. He is a CPA and a CFA charter holder and has been involved in several public transactions throughout his career. Mr. Dai joined ALOE Finance in 2012, a transaction advisory and financial consulting firm, and is a partner at the firm. Prior to his involvement with ALOE Finance, he held various roles at Grant Thornton LLP, an audit, tax and advisory firm. Mr. Dai is an alumnus of the University of Waterloo, where he obtained his masters of accounting.

On the Effective Date, the CFO Agreement entered into between Borealis and Mr. Dai was transferred to the Resulting Issuer. According to the CFO Agreement, Mr. Dai is an independent contractor of the Resulting Issuer and will dedicate approximately 35% of his time to the affairs of the Resulting Issuer. Mr. Dai did not enter into a non-competition agreement with the Resulting Issuer.

***Anthony Makuch, Age 66, Non-Executive Chairman and Director*** – Mr. Makuch has over 35 years of mining industry experience. Mr. Makuch is the CEO of Discovery Silver Corp., a mineral resource company, since January 2023. Prior thereto, Mr. Makuch was President, CEO and Director of Kirkland Lake Gold Ltd., a mineral resource company, from July 2016 to February 2022, President and CEO at Lake Shore Gold Inc., from 2008 until its acquisition by Tahoe Resources Inc. in 2016, when he became the Executive Vice-President and President of Canadian Operations. From 2006 to 2008 Mr. Makuch was Senior Vice President and Chief Operating Officer for FNX Mining Company Inc. From 1998 to 2005 he held progressively senior positions with Dynatec Corporation, including VP

Operations. From 1992 to 1998, Mr. Makuch worked with Kinross Gold Corporation at a number of their North American operations. Mr. Makuch is a Professional Engineer (P.Eng) and holds a Bachelor of Science Degree (Honours Applied Earth Sciences) from the University of Waterloo (Ontario), and both a Master of Science Degree in Engineering and a Master of Business Administration from Queen's University (Ontario) and has obtained the Institute of Corporate Directors ICD.D designation from the University of Toronto Rotman School of Business.

**Andreas Steckenborn, Age 33, Chief Operating Officer** – Mr. Steckenborn is a mining engineering entrepreneur based in Reno, Nevada. Mr. Steckenborn was the Chief Operating Officer of Borealis from May 2023 until the Effective Date when he became the Chief Operating Officer of the Resulting Issuer. Mr. Steckenborn is the Owner and Principal Engineer of S-Teck Mining Consulting Ltd., a mining consulting company, since April 2022. Prior thereto, Mr. Steckenborn was a Senior Engineer at Kirkland Lake Gold Ltd., a mineral resource company, from June 2014 to January 2022. Mr. Steckenborn is a Professional Engineer (P.Eng) and holds a Bachelor of Applied Science Degree (Mineral Engineering) from the University of Toronto.

On the Effective Date, the COO Agreement entered into between Borealis and Mr. Steckenborn was transferred to the Resulting Issuer. According to the COO Agreement, Mr. Steckenborn is an independent contractor of the Resulting Issuer and will dedicate approximately 100% of his time to the affairs of the Resulting Issuer. Mr. Steckenborn did not enter into a non-competition agreement with the Resulting Issuer.

**Iain Campbell, Age 37, Vice President, Exploration** – Mr. Campbell was the Vice President of Geology of Borealis from May 2023 until the Effective Date when he became the Vice President, Exploration of the Resulting Issuer. Prior thereto, Mr. Campbell was the Resource Geologist of Agnico Eagle Limited, a mineral resource company, from February 2022 to April 2023, the Senior Geologist of Kirkland Lake Gold Ltd., a mineral resource company, from January 2020 to February 2022, and Geologist of Detour Gold Corporation, a mineral resource company, from June 2013 to January 2020. Mr. Campbell is a Professional Geologist (Ontario) and holds a BSc in geology from Laurentian University.

On the Effective Date, the VP of Geology Agreement entered into between Borealis and Mr. Campbell was transferred to the Resulting Issuer. According to the VP of Geology Agreement, Mr. Campbell is an independent contractor of the Resulting Issuer and will dedicate approximately 100% of his time to the affairs of the Resulting Issuer. Mr. Campbell did not enter into a non-competition agreement with the Resulting Issuer.

**Robert Buchan, Age 76, Director** – Mr. Buchan graduated from Heriot-Watt University in Scotland in 1969 with a degree in mining engineering and from Queens University in 1971 with a masters in mineral economics. Mr. Buchan started his career with Joy Manufacturing, a mining equipment manufacturer, and quickly moved to the financial services market with various stints as a mining analyst. In 1986, Mr. Buchan helped Ned Goodman start Dundee Capital, where he served as Vice Chair until his departure 1993 to start Kinross Gold where he served as CEO until he retired in 2004. Mr. Buchan subsequently participated in the formation of Katanga Copper, where he served as Chair until 2007. In that year he was instrumental in creating Allied Nevada, where he remained as Chair until 2014. Mr. Buchan has served on numerous boards including being the Chair of Polius Gold, Russia's largest gold mining company. Mr. Buchan recently completed a seven-year appointment as chancellor of Herriot-Watt University.

**Greg Gibson, Age 61, Director** – Mr. Gibson has more than 30 years' experience in the mining industry as a miner, mine manager, director and officer. Mr. Gibson's experience has focused on gold and copper mines primarily in Canada, US, and Australia. Mr. Gibson successfully led Trelawney Mining and Exploration as President, CEO and director from an early explorer to the \$608 million sale to IAMGOLD in 2012. Mr. Gibson is a Director of the Borealis since May 2023 and a Director of G6 Energy Corp., a junior resource company, since May 2022. Prior thereto, Mr. Gibson was a Special Advisor to the CEO of Kirkland Lake Gold Ltd., a mining company, from June 2020 to February 2022, President, CEO and a Director of Jerritt Canyon Canada Ltd., a mining company, from June 2015 to April 2019, and Chairman, CEO and a Director of Sprott Mining Inc., a mining company, from May 2015 to April 2019.

**Richard Patricio, Age 50, Director**

Mr. Patricio is the President and CEO of Mega Uranium Ltd., having previously been its Executive Vice President from 2005 to 2015. Until April 2016, Mr. Patricio was also the CEO of Pinetree Capital Ltd. ("**Pinetree**"), a TSX-listed investment company specializing in early-stage resource investments. Mr. Patricio joined Pinetree in November 2005 as Vice President, Corporate and Legal Affairs. Prior to that, Mr. Patricio practiced law at a top-tier Toronto-

based law firm before moving in-house with a TSX- listed issuer. Mr. Patricio has built a number of mining companies with global operations and holds (and has held) senior officer and director positions in several companies listed on stock exchanges in Toronto, Australia, London and New York. He currently serves on the Board of IsoEnergy Ltd., Latitude Uranium Inc., Toro Energy Limited, and the NexGen Energy Ltd., all in his capacity as CEO of Mega Uranium Ltd. He also sits on the Board of Sterling Metals Corp. Mr. Patricio received his law degree from Osgoode Hall and was called to the Ontario bar in 2000.

**Christina McCarthy, Age 42, Director** – Ms. McCarthy is a geologist with over 15 years of experience in the resource capital markets. Ms. McCarthy is the former President and CEO of Paycore Minerals Inc., recently acquired by i-80 Gold Corp. for \$90 million. She previously held the position of Vice President of Corporate Development for New Oproeru Resources Inc., which was acquired by Anacortes Mining Corp. in 2021. Ms. McCarthy served as Director of Corporate Development for McEwen Mining from 2014 to 2019. She spent the past 15 years in various roles, including management and board roles, equity research at Euro Pacific, and Institutional Sales at Haywood Securities, as well as building an exempt market dealer focusing on resources. Prior to entering the resource capital markets, she worked for a junior exploration company managing exploration programs on multiple projects throughout Norway and Sweden. Ms. McCarthy was also influential in building and supporting one of the leading resource initial public offerings in August 2020, New Found Gold Corp., while briefly serving as the CEO of Palisades Goldcorp Ltd. Ms. McCarthy holds a Bachelor of Science Degree (Earth Sciences/Geology) from Brock University.

### **Promoter Consideration**

There is no person or company that is expected to be a promoter of the Resulting Issuer, or has been within the two years immediately preceding the date of this Filing Statement, a promoter of the Issuer, Borealis or Borealis LLC.

### **Corporate Cease Trade Orders or Bankruptcies**

Other than as set out below, no person who is a director, officer, promoter of the Resulting Issuer or a securityholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, within ten years before the date of this Filing Statement, has acted as a director, officer or promoter of any person or company that, while that person was acting in that capacity:

- 1) was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemptions under applicable securities legislation, for a period of more than 30 consecutive days; or
- 2) 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.

Mr. Malcolm is an officer and director of Northern Sphere Mining Corp., which is subject to a cease trade order issued by the Ontario Securities Commission on May 6, 2019, for failure to file its annual financial statements and accompanying management's discussion and analysis for the period ended December 31, 2018, within the prescribed time period under Applicable Securities Laws. As of the date of this Filing Statement, the cease trade order has not been revoked.

### **Penalties or Sanctions**

Other than as forth below, no person who is a director or executive officer of the Resulting Issuer, or a securityholder holding a sufficient number of securities of the Resulting Issuer to materially affect control 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 a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Robert Buchan was a director of Allied Nevada Gold Corp. from May 2007 to July 2015. On March 10, 2015, Allied Nevada Gold Corp. filed in the United States Bankruptcy Court for the District of Delaware voluntary petitions for relief under Chapter 11 of title 11 of the United States Code (Bankruptcy Code).

### Personal Bankruptcies

No person who is a director, officer, promoter of the Resulting Issuer or a securityholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is, or within the ten years before the date of this Filing Statement, has been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

### Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Resulting Issuer will be subject to in connection with the operations of the Resulting Issuer. In particular, certain of the directors and officers of the Resulting Issuer are involved in managerial or director positions with other mining companies whose operations may, from time to time, be in direct competition with those of the Resulting Issuer or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies available under the BCBCA. The BCBCA provides that, in the event that a director has an interest in a contract or proposed contract or agreement, the director is required to disclose his or her interest in such contract or agreement and is required to refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the BCBCA. As at the date of this Filing Statement, the Resulting Issuer is not aware of any existing or potential material conflicts of interest between the Resulting Issuer and any director or officer of the Resulting Issuer.

### Other Reporting Issuer Experience

The following table sets out the directors, officers and promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Market	Position	Term From – To
Kelly Malcolm	Generic Gold Corp. (Ontario)	CSE	Director	July 2017 – Present
	Glow Lifetech Corp. (Ontario)	CSE	Director	February 2018 – March 2021
	Northern Sphere Mining Corp. (Canada)	Unlisted	Interim CEO and Director	April 2018 – Present
	Radio Fuels Energy Corp. (Canada)	CSS	Director	June 2018 – December 2021
	QcX Gold Corp. (British Columbia)	TSXV	Director	October 2019 – Present
	Amex Exploration Inc. (Quebec)	TSXV	Vice President, Exploration	December 2020 – January 2024
	Royal Fox Gold Inc. (Ontario)	TSXV	Director	May 2021 – November 2022
	Hercules Silver Corp. (Ontario)	TSXV	Director	March 2023 – Present
	Canadian Metals Inc.	CSE	Director	June 2024 – Present
Mike Dai	Dinamic IP Holdings Inc. (British Columbia)	Unlisted	CFO and Director	December 2018 – August 2021
	Simply Better Brands Corp. (British Columbia)	TSXV	Director	January 2019 – December 2020
	Atmofizer Technologies Inc. (British Columbia)	NEX	CFO and Director	August 2020 – November 2021
	Evergreen Acquisitions Corp. (British Columbia)	Unlisted	CEO, CFO and Director	October 2021 - Present
	Copperhead Resources Inc. (British Columbia)	CSE	CFO	May 2023 – Present
Anthony Makuch	Barkerville Gold Mines Ltd. (British Columbia)	TSXV	Director	June 2015 – November 2019

Name	Name and Jurisdiction of Reporting Issuer	Market	Position	Term From – To
	Cordoba Minerals Corp. (British Columbia)	TSXV	Director	April 2014 – June 2019
	Premier Gold Mines Limited (Ontario)	TSX	Director	June 2016 – May 2020
	Kirkland Lake Gold Ltd. (Ontario)	TSX	President, CEO and Director	July 2016 – November 2016
			President, CEO and Director	November 2016 – February 2022
	Wallbridge Mining Company Limited (Ontario)	TSX	Director	December 2019 – Present
	Discovery Silver Corp. (British Columbia)	TSX	President, CEO and Director	May 2022 – Present
	Karora Resources Inc. (Ontario)	TSX	Director	August 2023 – Present
West Red Lake Gold. (British Columbia)	TSXV	Director	June 2022 – Present	
Jennifer Thor	Medicus Pharma Ltd. (Ontario)	TSXV	CEO	August 2020 – September 2023
	EV Minerals Corporation (Ontario)	CSE	Director	October 2020 – December 2022
	1329291 B.C. Ltd. (British Columbia)	United	President and CEO	January 2023 – Present
			Director	October 2023 – Present
	1329293 B.C. Ltd. (British Columbia)	Unlisted	President and CEO	January 2023 – Present
	1329295 B.C. Ltd. (British Columbia)	Unlisted	President and CEO	January 2023 – Present
	1329300 B.C. Ltd. (British Columbia)	Unlisted	President and CEO	January 2023 – August 2023
	1329306 B.C. Ltd. (British Columbia)	Unlisted	President and CEO	January 2023 – June 2023
	1329307 B.C. Ltd. (British Columbia)	Unlisted	President and CEO	January 2023 – August 2023
	1329308 B.C. Ltd. (British Columbia)	Unlisted	President and CEO	January 2023 – August 2023
	1329310 B.C. Ltd. (British Columbia)	Unlisted	President and CEO	January 2023 – August 2023
	Veta Resources Inc. (Canada)	Unlisted	Director	January 2023 – August 2023
	Sylla Gold Corp. (Canada)	TSXV	Secretary	July 2023 – Present
Robert Buchan	Andean Precious Metals Corp. (Ontario)	TSXV	Director	January 2021 – August 2022
	Fife Capital Corp. (British Columbia)	TSXV	Director	April 2021 – Present
Greg Gibson	Ascot Resources Ltd. (British Columbia)	TSX	Director	August 2016 – September 2019
	Novo Resources Corp. (British Columbia)	TSX	Director	June 2017 – December 2019
	Bonterra Resources Inc. (British Columbia)	TSXV	Director	September 2018 – June 2020
Richard Patricio	NexGen Energy Ltd. (British Columbia)	TSX	Director	December 2012 – Present
	Toro Energy Limited (Australia)	ASX	Director	November 2013 - Present
	Mega Uranium Ltd. (Ontario)	TSX	President and CEO	March 2015 – Present
	Sterling Metals Corp. (Canada)	TSXV	Director	July 2016 – Present
	IsoEnergy Ltd. (British Columbia)	TSXV	Director	October 2016 – Present
	Consolidated Uranium Inc. (Ontario)	TSXV	Director	February 2017 – May 2020
	Sixty Six Capital Inc. (British Columbia)	CSE	Director	June 2018 – April 2024
	Beyond Minerals Inc. (Manitoba)	CSE	Director	October 2019 – June 2022
Generic Gold Corp. (Ontario)	CSE	President and CEO	July 2020 – Present	

Name	Name and Jurisdiction of Reporting Issuer	Market	Position	Term From – To
	Mindset Pharma Inc. (British Columbia)	CSE	Chairman and Director	September 2020 – October 2023
	Latitude Uranium Inc. (Ontario)	CSE	Director	February 2022 – March 2024
Christina McCarthy	Paycore Minerals Inc. (Ontario)	TSXV	President, CEO and Director	November 2021 – May 2023
	i-80 Gold Corp (British Columbia)	NYSE TSX	Director	May 2023 - Present
	New Oropuru Resources Inc. (British Columbia)	TSXV	Vice President Corporate Development	May 2020 – October 2021

## Executive Compensation

### Overview

Under applicable securities legislation, the Resulting Issuer is required to disclose certain financial and other information relating to the compensation of its NEOs and directors. The Resulting Issuer will continue the practices of the Issuer prior to completion of the Arrangement regarding the director and NEO compensation oversight. In addition, the Compensation Committee will be responsible with providing the Resulting Issuer Board with recommendations regarding the director and NEO compensation. For further details, see “*Information Concerning the Issuer – Executive Compensation*” in this Filing Statement.

### Stock Option Plan and other Incentive Plans

The LTIP, approved by the Shareholders at the Meeting on March 19, 2024, remained in place as the Resulting Issuer LTIP upon completion of the Arrangement. For details of the LTIP see “*Information Concerning the Issuer – Stock Option Plan*” in this Filing Statement.

### Employment, Consulting and Management Agreements

Each of the CEO Agreement, the CFO Agreement, the COO Agreement and the VP of Geology Agreement were transferred from Borealis to the Resulting Issuer upon completion of the Arrangement. For details of the CEO Agreement, the CFO Agreement, the COO Agreement and the VP of Geology Agreement see “*Information Concerning Borealis and Borealis LLC – Executive Compensation – Employment, consulting and management agreements*” in this Filing Statement.

### Summary Compensation Table

It is expected that the CEO, the CFO and the three most highly compensated executives of the Resulting Issuer will receive the following compensation for the 12 month period following completion of the Arrangement:

Name and Principal Position	Salary (\$)	Share- Based Awards (\$)	Option- Based Awards (\$)	All Other Compensation (\$)	Total Compensation <sup>(1)</sup> (\$)
Kelly Malcolm President and CEO and Director	240,000	nil	nil	nil	240,000
Mike Dai CFO	120,000	nil	nil	nil	120,000
Andreas Steckenborn Chief Operating Officer	180,000	nil	nil	nil	180,000
Iain Campbell Vice President, Exploration	180,000	nil	nil	nil	180,000

### ***Pension Disclosure***

As at the date of this Filing Statement, there are no pension plan benefits in place for the NEOs or the directors of the Resulting Issuer.

### **Indebtedness of Directors and Officers**

No director or officer of the Resulting Issuer, or any Associates of such Persons, is indebted to the Resulting Issuer and no indebtedness of such Persons is subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Resulting Issuer.

### **Investor Relations Arrangements**

On May 9, 2024, the Resulting Issuer entered into an investor relations consulting agreement (the “**Investor Relations Agreement**”) with Adelaide Capital Markets Inc. (“**Adelaide**”), located in Toronto, Ontario, to provide investor relations and communications services to the Resulting Issuer. The Resulting Issuer and Adelaide act at arm’s length and are unrelated and unaffiliated entities. Pursuant to the Investor Relations Agreement, Adelaide will provide the following services: (a) meet and communicate with corporate analysts, institutional and professional investors, and retail brokers for the purposes of increasing awareness of, and interest in, the Resulting Issuer; (b) introduce the Resulting Issuer to and liaise on behalf of the Resulting Issuer with writers for and publishers of relevant subscriber-based publications, including newspapers, magazines, business publications and financial publications; (c) develop and/or advise the Resulting Issuer with respect to its communication materials, including the Resulting Issuer’s press releases, website and presentations developed for investor meetings, conferences and industry; (d) advise the Resulting Issuer generally with respect to its corporate development and the advancement of its interests; (e) coordinate annual general meetings of shareholders; (f) manage investor relations activities as scheduled and agreed to by the parties on a quarterly basis; (g) assist the Resulting Issuer with all work necessary to prepare for meetings and presentations with investors; and (h) such other services as the Resulting Issuer and Adelaide may from time to time agree upon (the “**Services**”). The Services shall be provided by Adelaide for a period of six months, commencing on May 9, 2024, and shall automatically renew on a month-to-month basis until such time as the Investor Relations Agreement is terminated. The Investor Relations Agreement may be terminated by either party by giving thirty (30) days’ prior written notice or by mutual written agreement by both parties.

In consideration for the services, the Resulting Issuer shall pay Adelaide a monthly fees of \$8,000 per month, plus an additional fee of \$500 per hour for Services provided outside the hours of 7:00 a.m. to 7:00 p.m. (Toronto time) on a Business Day. As additional consideration for the Services, the Resulting Issuer shall grant 150,000 options to purchase Resulting Issuer Shares. For greater certainty, Adelaide shall not be entitled to any other remuneration from the Resulting Issuer in connection with the Services. Adelaide is owned by Deborah Honig, Deborah Honig will have beneficial ownership of, or control or direction over, any securities of the Resulting Issuer held.

### **Options to Purchase Securities**

As at the date of this Filing Statement, the Resulting Issuer does not have any stock options outstanding.

### ***Stock Option Plan***

The LTIP, approved by the Shareholders at the Meeting on March 19, 2024, as amended at the request of the TSXV on May 22, 2024, remained in place as the Resulting Issuer LTIP upon completion of the Arrangement. For details of the LTIP see “*Information Concerning the Issuer – Stock Option Plan*” in this Filing Statement.

### **Escrowed Securities**

The TSXV Policy 5.4 requires that all securities of the Resulting Issuer held by Principals of the Resulting Issuer on completion of the Arrangement are to be subject to escrow restrictions. The Principals of the Resulting Issuer as a group beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 12,120,000 Resulting Issuer Shares and 1,235,000 Resulting Issuer Warrants (collectively the “**Resulting Issuer Escrow**”).

**Securities**”). All of the Resulting Issuer Escrow Securities are subject to escrow as “Value Escrow Securities” and are subject to the release schedule (“**Value Escrow Release Schedule**”) applicable under the Resulting Issuer Escrow Agreement in accordance with the following timeline:

Percentage of Resulting Issuer Escrow Securities Released	Release Date
10%	Listing
15%	6 months from Completion of the Listing
15%	12 months from Completion of the Listing
15%	18 months from Completion of the Listing
15%	24 months from Completion of the Listing
15%	30 months from Completion of the Listing
15%	36 months from Completion of the Listing
100%	

The table below sets out the names of the securityholders whose Resulting Issuer Escrow Securities are subject to the Resulting Issuer Escrow Agreement.

Name and Municipality of Residence of Securityholder	Designation of Class	Number of securities to be held in escrow <sup>(3)</sup>	Percentage of class
Kelly Malcolm Toronto, Ontario	Resulting Issuer Shares	4,300,000	5.17%
	Resulting Issuer Warrants	150,000	1.13%
Andreas Steckenborn <sup>(4)</sup> Reno, Nevada	Resulting Issuer Shares	1,040,000	1.43%
	Resulting Issuer Warrants	10,000	0.56%
S-Teck Mining Consulting Ltd. <sup>(5)</sup> Timmins, Ontario	Resulting Issuer Shares	150,000	
	Resulting Issuer Warrants	75,000	
Iain Campbell Reno, Nevada	Resulting Issuer Shares	750,000	0.90%
Jen Thor Toronto, Ontario	Resulting Issuer Shares	80,000	0.10%
Robert Buchan Toronto, Ontario	Resulting Issuer Shares	2,500,000	3.00%
Mega Uranium Ltd. <sup>(6)</sup> Toronto, Ontario	Resulting Issuer Shares	2,000,000	2.40%
	Resulting Issuer Warrants	1,000,000	7.52%
Richard Patricio <sup>(7)</sup> Mississauga, Ontario	Resulting Issuer Shares	1,000,000	1.20%
Global Exploration and Mining Resources Inc. <sup>(8)</sup> Hamilton, Ontario	Resulting Issuer Shares	300,000	0.36%

*Notes:*

- (1) On a basic, non-diluted basis.
- (2) Each security holder entered into the Resulting Issuer Escrow Agreement with TSX Trust, as escrow agent.
- (3) These securities are subject to escrow in accordance with the SSRs and will be held pursuant to a Resulting Issuer Escrow Agreement, as described below.
- (4) 1,000,000 Resulting Issuer Shares are held by Mr. Andreas Steckenborn and 40,000 Resulting Issuer Shares and 10,000 Resulting Issuer Warrants are held by an Associate of Mr. Andreas Steckenborn.
- (5) S-Teck Mining Consulting Ltd. is a company controlled by Mr. Andreas Steckenborn.
- (6) Mega Uranium Ltd. is a company Mr. Richard Patricio is an officer of and has control and direction over the securities.
- (7) 1,000,000 Resulting Issuer Shares are held by an Associate of Mr. Richard Patricio.
- (8) Global Exploration and Mining Resources Inc. is a company controlled by Ms. Christina McCarthy.

The foregoing Resulting Issuer Escrow Securities held pursuant to the Resulting Issuer Escrow Agreement may not be sold, assigned, transferred, redeemed, surrendered or otherwise dealt with in any manner except as provided by the Resulting Issuer Escrow Agreement. The Resulting Issuer Escrow Securities subject to the Resulting Issuer Escrow Agreement may be transferred within escrow to an individual who is a director or senior officer of the Resulting Issuer or a material operating subsidiary of the Resulting Issuer, provided that certain requirements of the TSXV are met, including that the new proposed transferee agrees to be bound by the terms of the Resulting Issuer Escrow Agreement. In the event of the bankruptcy of a holder of Resulting Issuer Escrow Securities, the Resulting Issuer Escrow Securities held by such holder may be transferred within escrow to the trustee in bankruptcy or other Person legally entitled to such Resulting Issuer Escrow Securities provided that certain prescribed TSXV requirements are met.

### Seed Share Resale Restrictions

In addition to the above, applicable SSRRs are imposed on securities purchased by non-principals in certain circumstances at a price which was below 75% of the price at which the September 2023 Private Placement, January 2024 Private Placement and April 2024 Private Placement securities were issued. An aggregate of 21,888,297 Resulting Issuer Shares are subject to the release schedule applicable under the Resulting Issuer Escrow Agreement as set out above under the section entitled “*Escrowed Securities*”.

### Voluntary Lock-Up

In addition to the escrow pursuant to TSXV Policy 5.4 and the SSRRs set out above, a certain shareholder of the Resulting Issuer agreed that 13,448,153 Resulting Issuer Shares will be subject to contractual resale restrictions providing that such Resulting Issuer Shares may not be sold, transferred, optioned, encumbered, pledged or hypothecated in any way, in accordance with the following:

On Listing	25% of the common shares
6 months after Listing	25% of the remaining common shares
12 months after Listing	25% of the remaining common shares
18 months after Listing	25% of the remaining common shares

Other than as disclosed above, no other securities of the Resulting Issuer are held in escrow or are anticipated to be held in escrow.

### Auditor, Transfer Agent and Registrar

The registrar and transfer agent of the Resulting Issuer is TSX Trust, at its office located at 100 Adelaide, Suite 301, Toronto, Ontario, M5H 4H1.

The Resulting Issuer’s auditors are McGovern Hurley LLP, Chartered Professional Accountants at their office located at 251 Consumers Road, Suite 800, Toronto, Ontario M2J 4R3.

## GENERAL MATTERS

### Sponsorship

The Resulting Issuer applied to the TSXV for an exemption from the sponsorship requirement in connection with its application to list the Resulting Issuer Shares on the TSXV. While the Issuer believes the Resulting Issuer qualifies for an exemption, there can be no assurance that the exemption will be granted by the TSXV.

### Interests of Experts

The following is a list of persons or companies whose profession or business gives authority to a statement made by a person or company named in this Filing Statement as having prepared or certified a part of that document or report described in the Filing Statement:

- 1) McGovern Hurley LLP, Chartered Professional Accountants, auditors of the Resulting Issuer
- 2) Jones & O’Connell LLP, Chartered Professional Accountants, auditors of the Issuer;
- 3) McGovern Hurley LLP, Chartered Professional Accountants, auditors of Borealis; and
- 4) Douglas Reid, P.Eng., Principal Consultant (Resource Geology) of SRK, prepared the Technical Report.

McGovern Hurley LLP, Chartered Professional Accountants, are the auditors of the Resulting Issuer and are independent with respect to the Resulting Issuer within the meaning of the Chartered Professional Accountants of Ontario Code of Professional Conduct. Jones & O’Connell LLP, Chartered Professional Accountants, were the

auditors of the Issuer and are independent with respect to the Issuer within the meaning of the Chartered Professional Accountants of Ontario Code of Professional Conduct. McGovern Hurley LLP, Chartered Professional Accountants, were the auditors of Borealis prior to the completion of the Arrangement and were independent with respect to Borealis within the meaning of the Chartered Professional Accountant of Ontario Code of Professional Conduct.

The aforementioned persons held either less than 1% or no securities of the Resulting Issuer or of any Associate or Affiliate of the Resulting Issuer when they rendered services or prepared the reports, as applicable, or following the rendering of services or preparation of such reports or data, as applicable, and either did not receive any or received less than a 1% direct or indirect interest in any such securities of the Resulting Issuer or of any Associate or Affiliate of the Resulting Issuer in connection with the rendering of such services or preparation of such reports or data.

### **Expertized Reports**

The Technical Report, with an effective date of February 16, 2024, was prepared in accordance with NI 43-101 by Douglas Reid, P.Eng., Principal Consultant (Resource Geology) of SRK, who is a “Qualified Person” as defined in NI 43-101 and is independent of the Resulting Issuer. See “*Information Concerning Borealis and Borealis LLC – Borealis Project*” for further details regarding the Technical Report. There are no known distinctive material benefits that might accrue to a Non-Arm’s Length Party (within the meaning of the TSXV policies) of the Resulting Issuer as a consequence of the Arrangement or the Technical Report, including the earlier use of available tax losses, lower income taxes, reduced costs or increase revenues. Reference should be made to the full text of the Technical Report as filed under the Resulting Issuer’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Other Material Facts**

To management’s knowledge, there are no other material facts relating to (i) the Issuer, Borealis and Borealis LLC prior to completion of the Arrangement, (ii) the Resulting Issuer after the completion of the Arrangement or (iii) the Arrangement that are not otherwise disclosed in this Filing Statement or are necessary for the Filing Statement to contain full, true and plain disclosure of all material facts relating to (i) the Issuer, Borealis and Borealis LLC prior to completion of the Arrangement, (ii) the Resulting Issuer after the completion of the Arrangement or (iii) the Arrangement.

### **Board Approval**

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

**CERTIFICATE OF BOREALIS MINING COMPANY LIMITED**

Dated: July 29, 2024.

The foregoing document constitutes full, true, and plain disclosure of all material facts relating to the securities of Borealis Mining Company Limited.

*“Kelly Malcolm” (signed)*

\_\_\_\_\_  
Kelly Malcolm  
President and Chief Executive Officer

*“Mike Dai” (signed)*

\_\_\_\_\_  
Mike Dai  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

*“Richard Patricio” (signed)*

\_\_\_\_\_  
Richard Patricio  
Director

*“Greg Gibson” (signed)*

\_\_\_\_\_  
Greg Gibson  
Director

**ACKNOWLEDGMENT – PERSONAL INFORMATION**

“Personal Information” means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement that are analogous to Items 4.2, 11, 13.1, 16, 18.2, 19.2, 24, 25, 27, 32.3, 33, 34, 35, 36, 37, 38, 39, 41 and 42 of TSXV Form 3D1/3D2, as applicable.

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

- a. the disclosure of Personal Information by the undersigned to the TSXV (as defined in Appendix 6B) pursuant to TSXV Form 3D1/3D2; and
- b. the collection, use and disclosure of Personal Information by the TSXV for the purposes described in Appendix 6B or as otherwise identified by the TSXV, from time to time.

Dated: July 29, 2024.

**CERTIFICATE OF BOREALIS MINING COMPANY LIMITED**

*“Kelly Malcolm” (signed)*

Name: Kelly Malcolm

Title: President, Chief Executive Officer and a director

**SCHEDULE "A"**  
**FINANCIAL STATEMENTS OF THE ISSUER FOR THE YEARS ENDED DECEMBER 31, 2023 AND**  
**DECEMBER 31, 2022 (AUDITED)**

*[See attached]*

# **1329300 B.C. Ltd.**

## **Annual Consolidated Financial Statements**

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

**(Expressed in Canadian Dollars)**

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## Independent Auditor's Report

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To the Shareholders of **1329300 B.C. Ltd.**

### Opinion

We have audited the consolidated financial statements of **1329300 B.C. Ltd.** ("the Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022 and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity (deficiency) and consolidated statements of cash flow for the years ended December 31, 2023 and December 31, 2022, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **1329300 B.C. Ltd.** as at December 31, 2023 and December 31, 2022 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the company has accumulated losses of \$135,945 since its incorporation and is dependent upon obtaining necessary financing to meet its ongoing operational levels of corporate overhead. As stated in Note 1, these factors, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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## Independent Auditor's Report

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To the Shareholders of 1329300 B.C. Ltd. (Continued)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 a fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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 Wayne O'Connell.

*Jones & O'Connell LLP*

Jones & O'Connell LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
St. Catharines, Ontario  
March 15, 2024

# 1329300 B.C. Ltd.

## Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	December 31, 2023	December 31, 2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 1,525	\$ 1
Accounts receivable (Note 6)	3,676	1,524
Prepaid expenses	4,537	-
<b>Total assets</b>	<b>\$ 9,738</b>	<b>\$ 1,525</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables (Note 7)	\$ 145,682	\$ 66,302
<b>Total liabilities</b>	<b>145,682</b>	<b>66,302</b>
<b>Shareholder's deficiency</b>		
Share capital (Note 8)	1	1
Deficit	(135,945)	(64,778)
<b>Total shareholder's deficiency</b>	<b>(135,944)</b>	<b>(64,777)</b>
<b>Total liabilities and shareholder's deficiency</b>	<b>\$ 9,738</b>	<b>\$ 1,525</b>

Nature of Operations and Going Concern (Note 1)

Subsequent Events (Note 11)

Approved on behalf of the Board of Directors on March 15, 2024

"Riccardo Forno" (signed)

Director

"Daniel Nauth" (signed)

Director

**1329300 B.C. Ltd.**  
**Consolidated Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian Dollars)

	Year ended December 31, 2023	Year ended December 31, 2022
<b>Expenses</b>		
Consulting fees ( <i>Note 10</i> )	\$ 40,000	\$ 40,000
Professional fees ( <i>Note 10</i> )	25,582	18,142
Shareholder information	5,585	5,819
<b>Net loss and comprehensive loss</b>	<b>\$ (71,167)</b>	<b>\$ (63,961)</b>
Basic and diluted loss per share	\$ (0.04)	\$ (0.04)
Weighted average number of shares outstanding:		
Basic and diluted	1,737,745	1,737,745

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*The accompanying notes are an integral part of these consolidated financial statements.*

## 1329300 B.C. Ltd.

### Consolidated Statements of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars)

	Share Capital		Deficit	Total Shareholder's Deficiency
	Shares*	Amount		
Balance, December 31, 2021	1,737,745	\$ 1	\$ (817)	\$ (816)
Net loss and comprehensive loss for the year	-	-	(63,961)	(63,961)
Balance, December 31, 2022	1,737,745	\$ 1	\$ (64,778)	\$ (64,777)
Net loss and comprehensive loss for the year	-	-	(71,167)	(71,167)
<b>Balance, December 31, 2023</b>	<b>1,737,745</b>	<b>\$ 1</b>	<b>\$ (135,945)</b>	<b>\$ (135,944)</b>

\*Post 13:1 share consolidation

Effective March 15, 2024, the Company consolidated its common shares on the basis of one new common share for every thirteen old common shares issued and outstanding at that time. All references to share and per share amounts in these financial statements have been retroactively restated to reflect the share consolidation.

*The accompanying notes are an integral part of these consolidated financial statements.*

# 1329300 B.C. Ltd.

## Consolidated Statements of Cash Flow

(Expressed in Canadian Dollars)

	Year ended December 31, 2023	Year ended December 31, 2022
<b>Operating activities</b>		
Net loss for the year	\$ (71,167)	\$ (63,961)
Change in non-cash operating working capital:		
Accounts receivable	(2,152)	(1,524)
Prepaid expenses	(4,537)	-
Trade and other payables	79,380	65,485
<b>Cash flows provided by operating activities</b>	<b>1,524</b>	<b>-</b>
<b>Net change in cash</b>	<b>1,524</b>	<b>-</b>
Cash, beginning of year	1	1
<b>Cash, end of year</b>	<b>\$ 1,525</b>	<b>\$ 1</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

# 1329300 B.C. Ltd.

## Notes to the Consolidated Financial Statements For the years ended December 31, 2023 and 2022 (Expressed in Canadian dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

1329300 B.C. Ltd. (the “Company”), was incorporated on October 20, 2021 under the *Business Corporations Act* (British Columbia). Its principal business is to effect mergers, arrangements, reverse takeover transactions and other corporate transactions with other entities with a view to providing liquidity in connection with “go public” transactions. The Company’s head office is located at 890 Pender Street, Suite 600, Vancouver, British Columbia V6C 1J9.

The Company was a wholly-owned subsidiary of Veta Resources Inc. (“Veta”) until a plan of arrangement was completed on February 18, 2022 under which the Company’s common shares were distributed to shareholders of Veta on a pro-rata basis (refer to Note 8).

These consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. As at December 31, 2023, the Company had accumulated losses of \$135,945 since its incorporation. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of corporate overhead. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

In addition, the Company began operations after the World Health Organization categorized COVID-19 as a pandemic. Financial markets around the world have been extremely volatile due to events and conditions resulting from this pandemic and as a result, the volatility could also impact the Company’s ability to continue its operations as a going concern.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

The Company’s consolidated Financial Statements have been prepared in accordance with and using accounting policies in full compliance with the IFRS and International Accounting Standards (“IAS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were authorized by the Board of Directors of the Company on March 15, 2024.

#### 2.2 Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

#### 2.3 Basis of consolidation

The consolidated financial statements as at and for year ended December 31, 2023 and 2022 include the accounts of the Company for the period and those of its wholly owned subsidiary - 1000693081 Ontario Ltd., incorporated under the laws of the Province of Ontario; from October 27, 2023 (date of incorporation) to December 31, 2023. The consolidated entity is hereinafter collectively referred to as the “Company”. All significant inter-company balances and transactions have been eliminated upon consolidation.

# 1329300 B.C. Ltd.

## Notes to the Consolidated Financial Statements For the years ended December 31, 2023 and 2022 (Expressed in Canadian dollars)

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### 2. BASIS OF PREPARATION (continued)

#### 2.4 Use of management estimates, judgments and measurement uncertainty

The preparation of these consolidated financial statements using accounting policies in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the consolidated financial statements. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below:

#### ***Calculation of share-based payments and warrants***

The Black-Scholes option pricing model is used to determine the fair value for the share-based payments and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

#### ***Income, value added, withholding and other taxes***

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Taxation

Income tax expense represents the sum of tax currently payable and deferred income tax.

#### ***Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

#### ***Deferred income tax***

Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

# 1329300 B.C. Ltd.

Notes to the Consolidated Financial Statements  
For the years ended December 31, 2023 and 2022  
(Expressed in Canadian dollars)

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.1 Taxation (continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

### 3.2 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. Diluted loss per share assumes that the proceeds upon the exercise of the options and warrants are used to purchase common shares at the average market price during the year.

# 1329300 B.C. Ltd.

## Notes to the Consolidated Financial Statements For the years ended December 31, 2023 and 2022 (Expressed in Canadian dollars)

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following categories: fair value through profit or loss (“FVTPL”), fair value through other comprehensive income (“FVOCI”) or amortized cost.

Financial assets classified as FVTPL are measured at fair value with realized and unrealized gains and losses recognized through net loss. The Company did not have any assets classified as FVTPL.

Financial assets classified as amortized cost are initially measured at fair value. Subsequently they are measured at amortized cost. The Company’s cash is classified at amortized cost.

Financial assets classified as FVOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income except for losses in value that are considered other than temporary, in which case the losses are recognized in the statement of loss. As at December 31, 2023 and 2022, the Company had no assets classified as FVOCI.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

#### 3.4 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or amortized cost.

Financial liabilities classified as amortized cost are initially recognized at fair value less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period. The Company’s trade and other payables are measured at amortized cost.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At December 31, 2023 and 2022, the Company has no financial liabilities classified as FVTPL.

#### 3.5 Impairment of financial assets

The Company assesses at each statement of financial position date whether a financial asset is impaired.

##### ***Assets carried at amortized cost***

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in the statement of loss and comprehensive loss.

# 1329300 B.C. Ltd.

Notes to the Consolidated Financial Statements  
For the years ended December 31, 2023 and 2022  
(Expressed in Canadian dollars)

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.5 Impairment of financial assets (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of loss and comprehensive loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in the statement of loss and comprehensive loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

#### ***FVOCI***

If an FVOCI asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in net income or loss, is transferred from equity to the statement of loss and comprehensive loss.

### 3.6 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense. As at December 31, 2023 and 2022, the Company has no obligations that require provisions.

### 3.7 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, which includes key management and family of key management. Parties are also considered to be related if they are subject to common control or common significant influence, and related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value.

### 3.8 Cash

Cash in the statement of financial position is held in trust with the Company's lawyer.

# 1329300 B.C. Ltd.

## Notes to the Consolidated Financial Statements For the years ended December 31, 2023 and 2022 (Expressed in Canadian dollars)

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### 4. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and the industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital and deficit which at December 31, 2023 totaled \$(135,944) (2022 - \$(64,777)).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating and capital expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company is not subject to any capital requirements.

### 5. FINANCIAL INSTRUMENTS

#### Fair value hierarchy and fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

*Level 1* - valuation based on quoted prices (unadjusted) in active markets for identical assets or 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. derived from prices);

*Level 3* - valuation techniques using inputs for the asset or liability that are not based on observable market data.

As at December 31, 2023 the Company did not have any financial instruments measured at fair value and that classification within the fair value hierarchy. As at December 31, 2023, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

# 1329300 B.C. Ltd.

Notes to the Consolidated Financial Statements  
For the years ended December 31, 2023 and 2022  
(Expressed in Canadian dollars)

## 5. FINANCIAL INSTRUMENTS (continued)

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

### i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

- a. **Cash** – Cash is held in trust with the lawyer. The risk of loss is minimal.

The Company's maximum exposure to credit risk as at December 31, 2023 is the carrying value of cash.

### ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At December 31, 2023, the Company had a working capital deficiency of \$135,944 (2022 - \$64,777). Working capital deficiency as at December 31, 2023 consisted of: cash of \$1,525 (2022 - \$1), accounts receivable of \$3,676 (2022 - \$1,524), prepaid expenses of \$4,537 (2022 - \$nil), and trade payables and other liabilities company of \$145,682 (2022 - \$66,302). The Company had not yet achieved profitable operations, has accumulated losses of \$135,945 and expects to incur further losses in the development of its business.

### iii) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

## 6. ACCOUNTS RECEIVABLE

The Company's accounts receivable is comprised of the following:

	December 31, 2023		December 31, 2022
HST recoverable	\$ 3,676	\$	1,524

## 7. TRADE AND OTHER PAYABLES

The Company's trade and other payables are comprised of the following:

	December 31, 2023		December 31, 2022
Trade payables	\$ 59,682	\$	20,302
Accrued liabilities	86,000		46,000
	\$ 145,682	\$	66,302

## 1329300 B.C. Ltd.

### Notes to the Consolidated Financial Statements For the years ended December 31, 2023 and 2022 (Expressed in Canadian dollars)

#### 8. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares consist of the following:

	No. of Shares	Amount
Balance at December 31, 2023 and 2022	<b>1,737,745</b>	<b>\$ 1</b>

On February 18, 2022, under a statutory plan of arrangement, the Company cancelled the 1 outstanding common share issued upon incorporation and issued 22,590,750 new common shares from treasury for no additional consideration. Those shares have been consolidated effective March 15, 2024 to 1,737,745.

#### 9. INCOME TAXES

##### Income Tax Provision

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the year ended December 31, 2023 and 2022 is as follows:

	2023	2022
Combined statutory income tax rate	27%	27%
Income tax recovery at statutory rates	\$ (19,000)	\$ (17,000)
Tax benefits of losses and temporary differences not recognized	19,000	17,000
Income tax provision	\$ -	\$ -

The Canadian statutory income tax rate of 27% is comprised of the federal income tax rate at approximately 15% and the provincial income tax rate of approximately 12%.

##### Deferred Income Tax

The primary differences which give rise to the deferred income tax assets and liabilities using the deferred tax rate of 27% at December 31, 2023 and 2022 are as follows:

	2023	2022
<b>Deferred tax assets</b>	\$	\$
Non-capital losses carried forward	36,000	17,000
	36,000	17,000
Less: deferred tax asset not recognized	(36,000)	(17,000)
Net deferred tax assets	-	-
<b>Deferred tax liabilities</b>	-	-
Net deferred tax liabilities	-	-

# 1329300 B.C. Ltd.

## Notes to the Consolidated Financial Statements For the years ended December 31, 2023 and 2022 (Expressed in Canadian dollars)

### 9. INCOME TAXES (continued)

The Company has available for carry forward non-capital losses in Canada of \$135,945 to offset future taxable income. As at December 31, 2023, the non-capital loss carry forwards expire as follows:

2041	\$	817
2042		63,961
2043		71,167
<u>Total non-capital losses available for</u>		<u>\$ 135,945</u>

### 10. RELATED PARTY TRANSACTIONS

#### i) Key management personnel compensation

The company did not pay employment-based remuneration to directors, officers or other members of key management for the year ended December 31, 2023. However, the Company did pay contract-based remuneration to directors, officers and other members of key management as disclosed in Note 10(ii).

#### ii) Other related party transactions

Included in these annual audited consolidated financial statements are the following related party transactions, which have been determined by negotiation amongst the related parties. These transactions are in the normal course of operations and are measured at the same value as if the transactions had occurred with non-related parties.

		December 31, 2023		December 31, 2022
Consulting expenses	\$	40,000	\$	40,000
Professional fees		13,352		6,562
Shareholder information		1,600		2,900
	\$	54,952	\$	49,462

#### Related party balances

Included in trade and other payables at December 31, 2023 is \$113,676 (2022 – \$58,995) due to related parties. Such amounts are due on demand, non-interest bearing and are unsecured.

### 11. SUBSEQUENT EVENTS

#### Proposed Transaction

On March 1, 2024, the Company entered into an amalgamation agreement (the “Amalgamation Agreement”) with Borealis Mining Company Limited (“Borealis”) and 1000693081 Ontario Ltd. (“Subco”), a wholly-owned subsidiary of the Company, in connection with proposed business combination by way of a plan of arrangement (the “Arrangement”) dated February 6, 2024. In order to facilitate the Arrangement, Borealis and Subco will amalgamate upon the terms and conditions of the Amalgamation Agreement.

The Arrangement will result in the Company acquiring all of the issued and outstanding common shares of Borealis (each, a “Borealis Share”) on the effective date of the Arrangement. Borealis and Subco will amalgamate, the resulting entity will be a wholly-owned subsidiary of the Company carrying on the business of Borealis.

## 1329300 B.C. Ltd.

### Notes to the Consolidated Financial Statements For the years ended December 31, 2023 and 2022 (Expressed in Canadian dollars)

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#### 11. SUBSEQUENT EVENTS (continued)

On March 15, 2024, the Company consolidated its common shares (each, a “Company Share”) on the basis of one (1) post-consolidation Company Share for every thirteen (13) pre-consolidation Company Shares (the “Consolidation”), resulting in 1,737,745 Company Shares being outstanding post-Consolidation.

In connection with the Arrangement, the Company will issue 52,088,500 Company Shares to acquire all of the issued and outstanding Borealis Shares (this does not include up to 8,000,000 Borealis Shares comprising part of the units issuable in connection with the proposed Current Financing (as defined below)). Additionally, there are 9,083,400 common share purchase warrants (each, a “Borealis Warrant”) to acquire Borealis Shares (this does not include up to 4,000,000 Borealis Warrants comprising part of the units issuable in connection with the proposed Current Financing) and 991,176 compensation options (each, a “Borealis Compensation Option”) to acquire Borealis Shares.

In connection with the closing of the Arrangement, it is expected that, among other things:

- Borealis and Subco will be amalgamated under the provisions of the Business Corporations Act (Ontario) and the resulting entity will become a wholly-owned subsidiary of the Company.
- Each Borealis Share outstanding immediately prior to the completion of the Arrangement will be cancelled, and the former holders of the Borealis Shares will receive one (1) Company Share.
- The Borealis Warrants and Borealis Compensation Options will be cancelled, and the former holders of such securities will receive economically equivalent securities of the Company.

Upon completion of the Arrangement, the non-diluted Company Shares shall be held as follows: 52,088,500 Company Shares (96.8%) held by former Borealis shareholders; and 1,737,750 Company Shares (3.2%) held by existing Company shareholders (assuming completion of the Consolidation), subject to change as a result of the Concurrent Financing and other issuances of securities of Borealis prior to closing of the Arrangement.

It is anticipated that all Company Shares issued in exchange for the Borealis Shares on closing of the Arrangement will be freely tradable pursuant to applicable securities laws in Canada. In connection with the Arrangement, the Company will change its name to “Borealis Mining Company Limited”, or such other similar name as the parties may agree (the “Name Change”).

The completion of the Arrangement is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) receipt of all necessary regulatory approvals, court or governmental approvals, authorizations and consents; (ii) the completion of the Consolidation; (iii) the approval of not less than 66 2/3% of the votes cast by shareholders of the Company at the Meeting; and (iv) Borealis having received appropriate approvals from its shareholders. There can be no assurance that the Arrangement will be completed on the terms proposed above or at all.

Borealis intends to complete a private placement (the “Concurrent Financing”) of up to 8,000,000 units at a price of \$0.50 per unit for total proceeds of up to \$4,000,000. Each unit shall consist of one Borealis Share and one-half of one Borealis Warrant. Each Borealis Warrant shall entitle the holder thereof to purchase one Borealis Share at a price of CDN\$0.75 per Borealis Share until September 14, 2025.

#### **Long Term Incentive Plan**

Shareholders will be asked, at the meeting to be held on March 19, 2024, to approve the adoption of the Company’s omnibus long term incentive plan (the “LTIP”).

## 1329300 B.C. Ltd.

### Notes to the Consolidated Financial Statements For the years ended December 31, 2023 and 2022 (Expressed in Canadian dollars)

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#### 11. SUBSEQUENT EVENTS (continued)

The LTIP will allow for a variety of equity-based awards that provide different types of incentives to be granted to certain of the executive officers, employees, and consultants of the Company (in the case of options (“Options”), performance share units (“PSUs”) and restricted share units (“RSUs”)) and directors (in the case of Options, RSUs and deferred share units (“DSUs”)). Options, PSUs, RSUs and DSUs are collectively referred to herein as “Awards”. Each Award will represent the right to receive Company Shares, or in the case of PSUs, RSUs, and DSUs, Company Shares or cash, in accordance with the terms of the LTIP.

Under the terms of the LTIP, the Board, or if authorized by the Board, the Corporate Governance, Nominating and Compensation Committee, may grant Awards to eligible participants, as applicable. Participation in the LTIP is voluntary and, if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, other than by will or the laws of descent and distribution.

The LTIP will provide those appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization or other change of the Company Shares, share split or consolidation, distribution, merger or amalgamation, in the Company Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the LTIP.

The maximum number of Company Shares reserved for issuance, in the aggregate, under the LTIP will be 10% of the aggregate number of Company Shares issued and outstanding from time to time, which represents 2,259,075 Company Shares. For the purposes of calculating the maximum number of Company Shares reserved for issuance under the LTIP, any issuance from treasury by the Company that is issued in reliance upon an exemption under applicable stock exchange rules applicable to equity-based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Company shall not be included. All of the Company Shares covered by the exercised, cancelled or terminated Awards will automatically become available Company Shares for the purposes of Awards that may be subsequently granted under the LTIP. As a result, the LTIP is considered an “evergreen” plan.

The maximum number of Company Shares that may be: (i) issued to insiders of the Company within any one-year period; or (ii) issuable to insiders of the Company at any time, in each case, under the LTIP alone, or when combined with all of the Company’s other security-based compensation arrangements, cannot exceed 10% of the aggregate number of Company Shares issued and outstanding from time to time determined on a non-diluted basis.

An Option is exercisable during a period established by the Board which commences on the date of the grant and terminates no later than ten years after the date of the granting of the Option or such shorter period as the Board may determine. The minimum exercise price of an Option will be determined based on the closing price of the Company Shares on the stock exchange the Company Shares may be listed on the last trading day before the date such Option is granted. The LTIP will provide that the exercise period will automatically be extended if the date on which it is scheduled to terminate falls during a black-out period. In such cases, the extended exercise period will terminate ten business days after the last day of the black-out period. In order to facilitate the payment of the exercise price of the Options, the LTIP has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker assisted “cashless exercise” or a “net exercise” subject to the procedures set out in the LTIP, including the consent of the Board, where required.

**SCHEDULE "B"**  
**FINANCIAL STATEMENTS OF THE ISSUER FOR THE INTERIM PERIOD ENDED MARCH 31, 2024**

# **Borealis Mining Company Limited**

**(formerly 1329300 B.C. Ltd.)**

## **Condensed Interim Consolidated Financial Statements**

**For the three months ended March 31, 2024 and 2023**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

# Borealis Mining Company Limited

(formerly 1329300 B.C. Ltd.)

## Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 1	\$ 1,525
Accounts receivable (Note 5)	5,769	3,676
Prepaid expenses	6,073	4,537
<b>Total assets</b>	<b>\$ 11,843</b>	<b>\$ 9,738</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables (Notes 6 & 8)	\$ 214,750	\$ 145,682
<b>Total liabilities</b>	<b>214,750</b>	<b>145,682</b>
<b>Shareholder's deficiency</b>		
Share capital (Note 7)	1	1
Deficit	(202,908)	(135,945)
<b>Total shareholder's deficiency</b>	<b>(202,907)</b>	<b>(135,944)</b>
<b>Total liabilities and shareholder's deficiency</b>	<b>\$ 11,843</b>	<b>\$ 9,738</b>

Nature of Operations and Going Concern (Note 1)

Plan of Arrangement (Note 9)

Subsequent Events (Note 10)

Approved on behalf of the Board of Directors on May 27, 2024

"Kelly Malcolm" (signed)

Director

"Richard Patricio" (signed)

Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

# Borealis Mining Company Limited

(formerly 1329300 B.C. Ltd.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended March 31,	
	2024	2023
<b>Expenses</b>		
Consulting fees (Note 8)	\$ 10,000	\$ 10,000
Professional fees	28,654	1,500
Shareholder information	28,309	(85)
<b>Net loss and comprehensive loss</b>	\$ (66,963)	\$ (11,415)
Basic and diluted loss per share	\$ (0.04)	\$ (0.01)
Weighted average number of shares outstanding:		
Basic and diluted (see Note 7)	1,737,745	1,737,745

The accompanying notes are an integral part of these condensed interim consolidated financial statements

# Borealis Mining Company Limited

(formerly 1329300 B.C. Ltd.)

Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited)

	Share Capital		Deficit	Total Shareholder's Deficiency
	Shares*	Amount		
Balance, December 31, 2022	1,737,745	\$ 1	\$ (64,778)	\$ (64,777)
Net loss and comprehensive loss for the period	-	-	(11,415)	(11,415)
Balance, March 31, 2023	1,737,745	\$ 1	\$ (76,193)	\$ (76,192)
Net loss and comprehensive loss for the period	-	-	(59,752)	(59,752)
Balance, December 31, 2023	1,737,745	\$ 1	\$ (135,945)	\$ (135,944)
Net loss and comprehensive loss for the period	-	-	(66,963)	(66,963)
<b>Balance, March 31, 2024</b>	<b>1,737,745</b>	<b>\$ 1</b>	<b>\$ (202,908)</b>	<b>\$ (202,907)</b>

\*Post 13:1 share consolidation

Effective March 15, 2024, the Company consolidated its common shares on the basis of one new common share for every thirteen old common shares issued and outstanding at that time. All references to share and per share amounts in these financial statements have been retroactively restated to reflect the share consolidation.

*The accompanying notes are an integral part of these condensed interim consolidated financial statements*

# Borealis Mining Company Limited

(formerly 1329300 B.C. Ltd.)

Condensed Interim Consolidated Statements of Cash Flow

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended March 31,	
	2024	2023
<b>Operating activities</b>		
Net loss and comprehensive loss for the period	\$ (66,963)	\$ (11,415)
Change in non-cash operating working capital:		
Prepaid expenses	(1,536)	-
Receivables	(2,093)	(109)
Trade and other payables	69,068	11,524
<b>Cash flows from operating activities</b>	<b>(1,524)</b>	<b>-</b>
<b>Net change in cash</b>	<b>(1,524)</b>	<b>-</b>
Cash, beginning of period	1,525	1
<b>Cash, end of period</b>	<b>\$ 1</b>	<b>\$ 1</b>

*The accompanying notes are an integral part of these condensed interim consolidated financial statements*

# **Borealis Mining Company Limited**

(formerly 1329300 B.C. Ltd.)

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

Borealis Mining Company Limited (formerly 1329300 B.C. Ltd.) (the “Company”), was incorporated on October 20, 2021 under the *Business Corporations Act* (British Columbia). Its principal business is to effect mergers, arrangements, reverse takeover transactions and other corporate transactions with other entities with a view to providing liquidity in connection with “go public” transactions. The Company’s head office is located at 890 Pender Street, Suite 600, Vancouver, British Columbia V6C 1J9.

The Company was a wholly-owned subsidiary of Veta Resources Inc. (“Veta”) until a plan of arrangement was completed on February 18, 2022 under which the Company’s common shares were distributed to shareholders of Veta on a pro-rata basis (refer to Note 7).

These consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. As at March 31, 2024, the Company had accumulated losses of \$202,908 since its incorporation. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of corporate overhead. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These condensed interim consolidated financial statements of Borealis Mining Company Limited have been prepared in accordance with IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all notes of the type normally included within the annual financial report and should be read in conjunction with the audited consolidated financial statements of the Company for year ended December 31, 2023 and 2022, which has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

These condensed interim consolidated financial statements of the Company for the period ended March 31, 2024 were approved and authorized for issue by the Board of Directors on May 27, 2024.

### **2.2 Basis of presentation**

The condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

# Borealis Mining Company Limited

(formerly 1329300 B.C. Ltd.)

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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## 2. BASIS OF PREPARATION (continued)

### 2.3 Basis of consolidation

The condensed interim consolidated financial statements as at March 31, 2024 and 2023 include the accounts of the Company for the period and those of its wholly owned subsidiary - 1000693081 Ontario Ltd., incorporated under the laws of the Province of Ontario. The consolidated entity is hereinafter collectively referred to as the "Company". All significant inter-company balances and transactions have been eliminated upon consolidation.

### 2.4 Use of management estimates, judgments and measurement uncertainty

These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as the financial statements of the Company as at and for the year ended December 31, 2023 and 2022.

Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for year ended December 31, 2023 and 2022.

## 3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and the industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital and deficit which at March 31, 2024 totaled a deficit of \$202,908 (December 31, 2023 – a deficit of \$135,944).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating and capital expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company is not subject to any capital requirements.

## 4. FINANCIAL INSTRUMENTS

### Fair value hierarchy and fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

*Level 1* - valuation based on quoted prices (unadjusted) in active markets for identical assets or 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. derived from prices);

# Borealis Mining Company Limited

(formerly 1329300 B.C. Ltd.)

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

## 4. FINANCIAL INSTRUMENTS (continued)

*Level 3* - valuation techniques using inputs for the asset or liability that are not based on observable market data.

As at March 31, 2024, the Company did not have any financial instruments measured at fair value and that classification within the fair value hierarchy. As at March 31, 2024, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

### i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

- a. **Cash** – Cash is held in trust with the lawyer. The risk of loss is minimal.

The Company's maximum exposure to credit risk as at March 31, 2024 is the carrying value of cash.

### i) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At March 31, 2024, the Company had a working capital deficiency of \$202,908 (December 31, 2023 - \$135,944). Working capital deficiency as at March 31, 2024 consisted of: cash of \$1 (December 31, 2023 - \$1,525), accounts receivables of \$5,769 (December 31, 2023 - \$3,676), prepaid expenses of \$6,073 (December 31, 2023 - \$4,537), and trade and other payables of \$214,750 (December 31, 2023 - \$145,682). The Company had not yet achieved profitable operations, has accumulated losses of \$202,908 (December 31, 2023 - \$135,945) and expects to incur further losses in the development of its business.

### ii) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

## 5. ACCOUNTS RECEIVABLE

The Company's accounts receivable is comprised of the following:

	March 31, 2024	December 31, 2023
HST recoverable	\$ 5,769	\$ 3,676

# Borealis Mining Company Limited

(formerly 1329300 B.C. Ltd.)

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

## 6. TRADE AND OTHER PAYABLES

The Company's trade and other payables are comprised of the following:

	<b>March 31, 2023</b>		December 31, 2023
Trade payables	\$ 112,100	\$	59,682
Accrued liabilities	102,650		86,000
	<b>\$ 214,750</b>	\$	145,682

## 7. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares consist of the following:

	No. of Shares	Amount
<b>Balance at March 31, 2024 and December 31, 2023</b>	<b>1,737,745</b>	<b>\$ 1</b>

On February 18, 2022, under a statutory plan of arrangement, the Company cancelled the 1 outstanding common share issued upon incorporation and issued 22,590,750 new common shares from treasury for no additional consideration. Those shares have been consolidated effective March 15, 2024 to 1,737,745.

### ***Long Term Incentive Plan***

The Company has a long term incentive plan ("LTIP") whereby the Company can provide different types of incentives to be granted to certain of the executive officers, employees, and consultants of the Company (in the case of options ("Options"), performance share units ("PSUs") and restricted share units ("RSUs")) and directors (in the case of Options, RSUs and deferred share units ("DSUs")). Options, PSUs, RSUs and DSUs are collectively referred to herein as "Awards". Each Award will represent the right to receive Company Shares, or in the case of PSUs, RSUs, and DSUs, Company Shares or cash, in accordance with the terms of the LTIP.

Under the terms of the LTIP, the Board, or if authorized by the Board, the Corporate Governance, Nominating and Compensation Committee, may grant Awards to eligible participants, as applicable. Participation in the LTIP is voluntary and, if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, other than by will or the laws of descent and distribution.

The maximum number of Company Shares reserved for issuance, in the aggregate, under the LTIP will be 10% of the aggregate number of Company Shares issued and outstanding from time to time, which represents 173,775 Company Shares. For the purposes of calculating the maximum number of Company Shares reserved for issuance under the LTIP, any issuance from treasury by the Company that is issued in reliance upon an exemption under applicable stock exchange rules applicable to equity-based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Company shall not be included. All of the Company Shares covered by the exercised, cancelled or terminated Awards will automatically become available Company Shares for the purposes of Awards that may be subsequently granted under the LTIP. As a result, the LTIP is considered an "evergreen" plan.

# Borealis Mining Company Limited

(formerly 1329300 B.C. Ltd.)

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

## 7. SHARE CAPITAL (continued)

The maximum number of Company Shares that may be: (i) issued to insiders of the Company within any one-year period; or (ii) issuable to insiders of the Company at any time, in each case, under the LTIP alone, or when combined with all of the Company's other security-based compensation arrangements, cannot exceed 10% of the aggregate number of Company Shares issued and outstanding from time to time determined on a non-diluted basis.

An Option is exercisable during a period established by the Board which commences on the date of the grant and terminates no later than ten years after the date of the granting of the Option or such shorter period as the Board may determine. The minimum exercise price of an Option will be determined based on the closing price of the Company Shares on the stock exchange the Company Shares may be listed on the last trading day before the date such Option is granted. The LTIP will provide that the exercise period will automatically be extended if the date on which it is scheduled to terminate falls during a black-out period. In such cases, the extended exercise period will terminate ten business days after the last day of the black-out period.

In order to facilitate the payment of the exercise price of the Options, the LTIP has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker assisted "cashless exercise" or a "net exercise" subject to the procedures set out in the LTIP, including the consent of the Board, where required.

## 8. RELATED PARTY TRANSACTIONS

### i) Key management personnel compensation

The company did not pay employment-based remuneration to directors, officers or other members of key management for the period ended March 31, 2024 and 2023. However, the Company did pay contract-based remuneration to directors, officers and other members of key management as disclosed in Note 8(ii).

### i) Other related party transactions

Included in these interim condensed financial statements are the following related party transactions, which have been determined by negotiation amongst the related parties. These transactions are in the normal course of operations and are measured at the same value as if the transactions had occurred with non-related parties.

<i>Three months ended March 31,</i>	<b>2024</b>	2023
Consulting expenses	<b>\$ 10,000</b>	\$ 10,000
Professional fees	<b>22,504</b>	-
	<b>\$ 32,504</b>	\$ 10,000

### Related party balances

Included in trade and other payables at March 31, 2024 is \$129,721 (December 31, 2023 – \$113,676) due to related parties. Such amounts are due on demand, non-interest bearing and are unsecured.

# Borealis Mining Company Limited

(formerly 1329300 B.C. Ltd.)

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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## 9. PLAN OF ARRANGEMENT

On March 1, 2024, the Company entered into an amalgamation agreement (the “Amalgamation Agreement”) with Borealis Mining Company Limited (“Borealis”) and 1000693081 Ontario Ltd. (“Subco”), a wholly-owned subsidiary of the Company, in connection with proposed business combination by way of a plan of arrangement (the “Arrangement”) dated February 6, 2024. In order to facilitate the Arrangement, Borealis and Subco will amalgamate upon the terms and conditions of the Amalgamation Agreement.

The Arrangement will result in the Company acquiring all of the issued and outstanding common shares of Borealis (each, a “Borealis Share”) on the effective date of the Arrangement. Borealis and Subco will amalgamate, the resulting entity will be a wholly-owned subsidiary of the Company carrying on the business of Borealis.

On March 15, 2024, the Company consolidated its common shares (each, a “Company Share”) on the basis of one (1) post-consolidation Company Share for every thirteen (13) pre-consolidation Company Shares (the “Consolidation”), resulting in 1,737,745 Company Shares being outstanding post-Consolidation.

In connection with the Arrangement, the Company will issue 52,088,500 Company Shares to acquire all of the issued and outstanding Borealis Shares (this does not include up to 8,000,000 Borealis Shares comprising part of the units issuable in connection with the proposed Current Financing (as defined below)). Additionally, there are 9,083,400 common share purchase warrants (each, a “Borealis Warrant”) to acquire Borealis Shares (this does not include up to 4,000,000 Borealis Warrants comprising part of the units issuable in connection with the proposed Current Financing) and 991,176 compensation options (each, a “Borealis Compensation Option”) to acquire Borealis Shares.

In connection with the closing of the Arrangement, it is expected that, among other things:

- Borealis and Subco will be amalgamated under the provisions of the Business Corporations Act (Ontario) and the resulting entity will become a wholly-owned subsidiary of the Company.
- Each Borealis Share outstanding immediately prior to the completion of the Arrangement will be cancelled, and the former holders of the Borealis Shares will receive one (1) Company Share.
- The Borealis Warrants and Borealis Compensation Options will be cancelled, and the former holders of such securities will receive economically equivalent securities of the Company.

Upon completion of the Arrangement, the non-diluted Company Shares shall be held as follows: 52,088,500 Company Shares (96.8%) held by former Borealis shareholders; and 1,737,750 Company Shares (3.2%) held by existing Company shareholders (assuming completion of the Consolidation), subject to change as a result of the Concurrent Financing and other issuances of securities of Borealis prior to closing of the Arrangement.

It is anticipated that all Company Shares issued in exchange for the Borealis Shares on closing of the Arrangement will be freely tradable pursuant to applicable securities laws in Canada. In connection with the Arrangement, the Company will change its name to “Borealis Mining Company Limited”, or such other similar name as the parties may agree (the “Name Change”).

The completion of the Arrangement is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) receipt of all necessary regulatory approvals, court or governmental approvals, authorizations and consents; (ii) the completion of the Consolidation; (iii) the approval of not less than 66 2/3% of the votes cast by shareholders of the Company at the Meeting; and (iv) Borealis having received appropriate approvals from its shareholders. There can be no assurance that the Arrangement will be completed on the terms proposed above or at all.

# Borealis Mining Company Limited

(formerly 1329300 B.C. Ltd.)

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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## 10. SUBSEQUENT EVENTS

### The Arrangement

On May 9, 2024, the Company closed its business combination 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 the Company (formerly, 1329300 B.C. Ltd.), 1000693081 Ontario Ltd. ("Subco"), a wholly-owned subsidiary of the Company and Borealis Mining Company Limited (the "Target"). The Target owns a 100% interest in the Borealis mine property.

The closing of the Arrangement resulted in the Company acquiring all of the issued and outstanding common shares in the capital of the Target (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 Company (each, a "Company Share"), resulting in the Company issuing an aggregate of 76,057,838 Company Shares.

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

The Arrangement resulted in the non-diluted Company Shares being held as follows: (i) 76,057,838 Company Shares (approximately 97.77%) held by former Target shareholders; and (ii) 1,737,745 Company Shares (approximately 2.23%) held by existing Company shareholders.

### Name Change and Amalgamation

In connection with the closing of the Arrangement, the Target and Subco amalgamated pursuant to the provisions of the *Business Corporations Act* (Ontario) and the resulting entity has become a wholly-owned subsidiary of the Company, carrying on the business of the Target. In addition, the Company changed its name from 1329300 B.C. Ltd. to Borealis Mining Company Limited.

**SCHEDULE "C"**  
**FINANCIAL STATEMENTS OF BOREALIS FOR THE PERIOD FROM INCORPORATION ON**  
**NOVEMBER 17, 2022 AND ENDED JULY 31, 2023 (AUDITED)**

*[See attached]*



**Borealis Mining Company Limited**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION)  
TO JULY 31, 2023**

*(Expressed in United States Dollars)*

## **Independent Auditor's Report**

To the Directors of Borealis Mining Company Limited

### **Opinion**

We have audited the consolidated financial statements of Borealis Mining Company Limited and its subsidiary (the "Company"), which comprise the consolidated statement of financial position as at July 31, 2023, and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in shareholders' deficiency and consolidated statement of cash flows for the period from November 17, 2022 (date of incorporation) to July 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at July 31, 2023, and its consolidated financial performance and its consolidated cash flows for the period from November 17, 2022 (date of incorporation) to July 31, 2023 in accordance with International Financial Reporting Standards ("IFRS").

### **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 consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. 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.

### **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

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

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

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

## **Auditor's responsibilities for the audit of the consolidated financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
February 16, 2024

**BOREALIS MINING COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT JULY 31, 2023**

(Expressed in United States dollars, except indicated otherwise)

	Note	July 31, 2023 \$
<b>Assets</b>		
Current assets		
Cash		1,029,363
Prepaid expenses		308,301
Inventory	6	316,569
<b>Total current assets</b>		<b>1,654,233</b>
Non-current assets		
Restricted cash	9	25,630
Property, plant and equipment	7	446,751
<b>Total assets</b>		<b>2,126,614</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities		
Current portion of contingent consideration	11	804,485
	5	5,000,000
<b>Total current liabilities</b>		<b>5,804,485</b>
Non-current liabilities		
Decommissioning obligation	10	10,826,575
Contingent consideration	5	13,307
<b>Total liabilities</b>		<b>16,644,367</b>
<b>Shareholders' deficiency</b>		
Share capital	8	1,848,224
Accumulated deficit		(16,344,645)
Accumulated other comprehensive loss		(21,332)
<b>Total shareholders' deficiency</b>		<b>(14,517,753)</b>
<b>Total liabilities and shareholders' deficiency</b>		<b>2,126,614</b>

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 9)

Subsequent events (Note 13)

Approved and authorized for issue by the Board on February 16, 2024:

"Kelly Malcolm"  
Signed: Director

"Richard Patricio"  
Signed: Director

*The accompanying notes are an integral part of these consolidated financial statements.*

**BOREALIS MINING COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

	Note	\$
Revenue		-
Cost of sales	6	(196,997)
<b>Gross loss</b>		<b>(196,997)</b>
Project acquisition expense	5	15,109,977
Operating expenses		243,209
Consulting and professional fees	11	177,862
General and administrative		67,425
Depreciation and amortization	7	31,981
Exploration and evaluation expenses		6,464
<b>Loss before other items</b>		<b>15,833,915</b>
<b>Other expenses:</b>		
Finance cost	10	513,270
Other income		(2,540)
<b>Net loss for the period</b>		<b>16,344,645</b>
<b>Other comprehensive loss</b>		
Foreign exchange translation adjustment		21,332
<b>Comprehensive loss for the period</b>		<b>16,365,977</b>
<b>Weighted-average number of shares outstanding - basic and diluted (#)</b>	12	16,428,586
<b>Basic and diluted loss per share</b>		<b>(0.99)</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**BOREALIS MINING COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**

(Expressed in United States dollars, except indicated otherwise)

	Note	Common shares	Share capital	Accumulated deficit	Accumulated comprehensive loss	Total
		#	\$	\$	\$	\$
<b>Balance, November 17, 2022</b>		-	-	-	-	-
Net loss for the period		-	-	(16,344,645)	-	(16,344,645)
Other comprehensive loss for the period		-	-	-	(21,332)	(21,332)
Issuance of common shares	<b>8</b>	33,921,700	1,858,291	-	-	1,858,291
Share issuance costs		-	(10,067)	-	-	(10,067)
<b>Balance, July 31, 2023</b>		<b>33,921,700</b>	<b>1,848,224</b>	<b>(16,344,645)</b>	<b>(21,332)</b>	<b>(14,517,753)</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**BOREALIS MINING COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

	Note	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss		(16,344,645)
Items not affecting cash:		
Depreciation of property, plant and equipment	7	92,181
Accretion on decommissioning obligation	10	468,592
Project acquisition expense recognized on acquisition of BMC LLC	5	15,023,321
Changes in non-cash working capital items:		
Increase in prepaid expenses		(113,884)
Increase in inventory		(316,569)
Decrease in accounts payable and accrued liabilities		517,684
<b>Cash flow used in operating activities</b>		<b>(673,320)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	7	(29,698)
Cash paid for the acquisition of BMC LLC	5	(100,000)
Cash acquired from BMC LLC	5	5,489
<b>Cash flow used in investing activities</b>		<b>(124,209)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from shares issued	8	1,858,291
Share issuance costs	8	(10,067)
<b>Cash flow from financing activities</b>		<b>1,848,224</b>
Effect of exchange rate changes on cash		(21,332)
Increase in cash		1,050,695
Cash, beginning of period		-
<b>Cash, end of period</b>		<b>1,029,363</b>
<b>Supplemental information</b>		
Non-cash consideration paid	5	5,013,307

*The accompanying notes are an integral part of these consolidated financial statements.*

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Borealis Mining Company Limited (“BMCL” or the “Company”) was incorporated under the *Ontario Business Corporations Act* on November 17, 2022. The head office of the Company is located at 401-217 Queen Street West, Toronto, Ontario, Canada M5V 0R2. The Company’s principal project is the Borealis Heap Leach Project (“Borealis Project”) via its wholly owned subsidiary, Borealis Mining Company, LLC. The Borealis Project is a fully permitted silver-gold mine and absorption, desorption, and refining plant, located near Hawthorne, Nevada. The Borealis Project has been mined by previous owners intermittently since 1981 and contains certain unpatented mining claims.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will, in the foreseeable future realize on its assets and discharge its liabilities in the normal course of business as they come due. Accordingly, the consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in these consolidated financial statements. Such adjustments could be material. As at July 31, 2023, the Company had a working capital deficit of \$4,150,252. Net loss for the period ended July 31, 2023 was \$16,344,645. The accumulated deficit as at July 31, 2023 was \$16,344,645. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material. 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. Subsequent to the period, the Company has been successful in raising funds (note 13). 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.

**2. STATEMENT OF COMPLIANCE**

The consolidated financial statements of the Company for the period from November 17, 2022 (date of incorporation) to July 31, 2023 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee (“IFRIC”). These consolidated financial statements for the period from November 17, 2022 (date of incorporation) to July 31, 2023 were approved and authorized for issue by the Board of Directors of the Company on February 16, 2024. These consolidated financial statements have been prepared on the going concern basis, under the historical cost convention, except for certain financial instruments that are measured at fair value as described herein.

**3. BASIS OF PRESENTATION AND MEASUREMENT**

*Basis of consolidation*

These statements consolidate the accounts of the Company and its wholly owned subsidiary. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, are exposed to, or have rights to, variable returns from the Company’s involvement with the entity and have the ability to affect those returns through the power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. Significant intercompany accounts and transactions have been eliminated on consolidation.

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

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The Company has the following subsidiary:

<b>Name of Entity</b>	<b>% Ownership*</b>	<b>Country of incorporation</b>
Borealis Mining Company, LLC	100	United States

These consolidated financial statements have been prepared under the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

*Functional and Presentation Currency*

BMCL’s functional currency is the Canadian dollar and that of its wholly owned subsidiary, as determined by management, is the United States (“U.S.”) dollar. For financial reporting purposes, the consolidated financial statements of the Company have been presented in the U.S. dollars, the presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency of the entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of loss.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

**Cash**

Cash include cash deposits with financial institutions.

**Trade and other receivables**

Trade and other receivables are measured at amortized cost, net of expected credit losses (“ECLs”). The Company applies a simplified approach in calculating ECLs which is determined based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Trade and other receivables are written off when there is no reasonable expectation of recovering the asset or a portion thereof.

**Property, Plant and Equipment**

Property, plant and equipment (“PPE”) are stated at cost less any accumulated depreciation and impairment losses, if any. Expenditures that materially increase the life of the assets are capitalized. Ordinary repairs and maintenance are expensed as incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the depreciable asset using the following terms and methods:

Building	5 to 20 years
Plant & equipment	3 to 20 years
Furniture and fixtures	3 Years
Computers	3 Years
Vehicles	5 Years

An asset’s residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

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Depreciation begins from the date when the asset is available for use. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate. The asset is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the statement of loss in the year the asset is derecognized.

### **Exploration and evaluation properties**

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral property rights and exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible and the decision to proceed with development has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

### **Inventory**

Inventories of broken ore, and refined and converted products are measured at the lower of cost and net realizable value. Net realizable value is the relevant market price less estimated cost of selling the product. Cost is determined by the weighted average method and comprises raw material, direct labour, repairs and maintenance, utilities, depreciation and mine-site overhead expenses.

Supplies and consumables, used during different stages of the production, are carried at the lower of cost and net realizable value. Provisions are recorded to reduce materials and supplies to net realizable value, which is generally calculated by reference to its salvage or scrap value, when it is determined that the material or supplies are obsolete. Provisions are reversed to reflect subsequent recoveries in net realizable value where the inventory is still on hand. Refer to note 6.

### **Revenue Recognition**

Revenues and expenses are recognized on an accrual basis regardless of when the resulting monetary or financial flow arises.

Revenues are measured at the fair value of the consideration received or receivable and represent the amounts receivable for goods delivered and services rendered in the ordinary course of business.

Sales of gold and silver are recognized when all significant risks and rewards of ownership of the goods have been transferred to the buyer.

### **Financial Instruments**

#### ***Financial Assets***

##### ***Recognition and Initial Measurement***

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

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at fair value through profit or loss are expensed in the Consolidated statement of loss when incurred.

Classification and Subsequent Measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in the Consolidated statement of loss. Financial assets measured at amortized cost would comprise of accounts receivable, cash and restricted cash.
- FVTOCI - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at FVTOCI. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. The Company does not hold any financial assets measured at FVTOCI.
- FVTPL - Assets that do not meet the criteria to be measured at amortized cost, or FVTOCI, are measured at fair value through profit or loss. All interest income and changes in the financial assets’ carrying amount are recognized in profit or loss. The Company does not hold and financial assets measured at FVTPL.

Impairment

An expected credit loss (“ECL”) model applies to financial assets measured at amortized cost. The Company’s financial assets measured at amortized cost and subject to the ECL model consist primarily of trade receivables. In determining the ECLs management makes estimates related to the probability-weighted amount of ECLs based on a range of outcomes, the discount rate that reflects the effective interest rate of the asset and other information available as of the reporting date relating to past events, current conditions and forecasts regarding future economic conditions.

The Company applies simplified approach in calculating ECLs. Under the simplified approach, the Company does not track credit risk, but instead recognize a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition of Financial Assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

**Financial Liabilities**

Recognition and Initial Measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

---

measured at FVTPL for which transaction costs are immediately recorded in the consolidated statement of loss and comprehensive loss. Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in the consolidated statement of loss and comprehensive loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

**Classification of Financial Instruments**

The Company has classified its financial instruments as follows:

Cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and other payables	Amortized cost
Contingent consideration	Amortized cost

**Provisions**

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

**Restoration, rehabilitation, and environmental obligations**

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, evaluation, development, or ongoing production of a mineral property interest. Such costs arising from the decommissioning of a plant and other site preparation work are discounted to their net present value, are provided for, and charged to Consolidated statement of loss as soon as the obligation to incur such costs arises. The discount rate used is based on a pre-tax rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted each period for the unwinding of the discount rate, and if required, for changes to the current market-based discount rate, amount and timing of the underlying cash flows needed to settle the obligation. Refer note 10.

**Foreign Currency**

Monetary assets and liabilities denominated in currencies other than functional currencies are translated into functional currencies at the rate of exchange in effect at the consolidated statements of financial position date. Non- monetary assets and liabilities are translated at the historical rates. Revenues and expenses are

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

---

translated at the average exchange rate over a given period. Foreign currency gains and losses resulting from translation are reflected in the Consolidated statement of loss and comprehensive loss for the period. On consolidation, the assets and liabilities of foreign operations are translated into U.S. dollars at the rate of exchange prevailing at the reporting date and their Consolidated statement of loss are translated at average exchange rates during the period. The exchange differences arising on translation for consolidation are recognized in accumulated other comprehensive loss.

### **Impairment of Non-Financial Assets**

Non-financial assets, including Property, plant and equipment are reviewed for impairment if there is any indication that the carrying amount may not be recoverable or if there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the asset group to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment charge is recognized in the Consolidated statement of loss and comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized in the Consolidated statement of loss in the period it occurred.

### **Income Taxes**

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

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements unless such differences arise from goodwill or the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the taxable profit nor the accounting profit or loss.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that enactment occurs.

Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

---

foreseeable future.

Deferred income tax assets and liabilities are presented as non-current. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### **Share Capital**

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

### **Loss per Share**

Basic loss per share is calculated by dividing the net loss for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period.

In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive.

### **Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Significant judgments, estimates, and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

(i) *Estimated useful lives of property, plant and equipment*

Depreciation of property, plant and equipment are dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

(ii) *Impairment of non-financial assets*

Property, plant and equipment are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction is recognized immediately as an impairment loss. When an impairment subsequently reverses, the carrying amount is increased to the

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

---

revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. The previously recognized impairment loss is reversed during the period in the Consolidated statement of loss.

The estimate of recoverable amounts with respect to non-financial assets is based on numerous assumptions and may differ significantly from actual recoverable amounts. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The recoverable amount estimates may differ from actual recoverable amounts, and these differences may be significant and could have a material impact on the Company's financial position and results of operations. The cash-generating unit is reviewed for an indication of impairment at each statement of financial position date or when a triggering event is identified. This determination requires significant judgment.

(iii) *Estimated reclamation and closure costs*

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. Cost estimates are updated annually to reflect known developments and are subject to review at regular intervals.

(iv) *Going concern risk assessment*

The Company's management has made an assessment of the Company's ability to continue as a going concern. See Note 1.

(v) *Income, value added, withholding and other taxes*

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the consolidated financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(vi) *Recoverability of potential deferred tax assets*

In assessing the probability of realizing deferred income tax assets, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

---

affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

(vii) *Asset Acquisition*

The determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require management to make certain judgments as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 - Business Combinations. The Company determined that the assets and liabilities acquired through Borealis Mining Company, LLC did not meet the definition of a business based on the criteria outlined by IFRS 3. As such, the Company determined that the acquisition of Borealis Mining Company, LLC was not a business combination and accordingly this acquisition was accounted for as an asset acquisition. See Note 5.

(viii) *Provisions and contingencies*

The amounts recorded for provisions are based on a number of factors, including the expected timing of cash flows, anticipated inflation rates and pre-tax risk-free interest rates on which the estimated cash flows have been discounted. Actual results could differ from these estimates. The estimates require considerable judgment about the nature, cost and timing of the cash flows and may change with future changes to costs, environmental laws and regulations and remediation practices. See Note 9.

**New and amended IFRS standards not yet effective**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2023 or later periods. Many are not applicable to, or do not have a significant impact on the Company and have therefore been excluded. The following has not been adopted and is being evaluated to determine the impact on the Company's consolidated financial statements:

**IAS 1 – Presentation of Financial Statements (“IAS 1”)** was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on January 1, 2023.

**IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”)** were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

**IAS 8 – Accounting policies, changes in accounting estimates and errors (“IAS-8”)** - In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

**IAS 12 – Income taxes (“IAS 12”)** - In May 2021, the IASB issued 'Deferred Tax Related to Assets and

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023.

**5. 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, from an arm's length party. The Company determined that it obtained control over Borealis Mining Company, 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
<b>Total consideration</b>	<b>5,113,307</b>
Identifiable assets acquired and liabilities assumed:	
Cash	5,489
Restricted cash	25,630
Prepaid expenses	194,417
Property, plant and equipment	509,234
Accounts payable and accrued liabilities	(286,801)
Decommissioning obligation	(10,357,983)
<b>Mineral property interests acquired</b>	<b>15,023,321</b>

The Company recognized the value of mineral property interests 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. 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.

As at July 31, 2023, the Company has accrued this contingent consideration in the amount of \$5,000,000.

- 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 July 31, 2023, the Company has provided for the contingencies noted in (ii) to (iv) above in the

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

amount of \$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. As at July 31, 2023, the Company had not recorded a provision for this contingency.

## 6. INVENTORY

During the period, the Company recorded an inventory impairment of \$196,997 as part of cost of sales. The carrying amount of inventory carried at fair value less costs to sell was \$316,569 and consists entirely of finished goods inventory, and is recorded at fair value less cost to sell.

## 7. PROPERTY, PLANT AND EQUIPMENT

As at July 31, 2023, property, plant and equipment consisted of:

	Buildings \$	Plant & equipment \$	Furniture & fixtures \$	Computers \$	Vehicles \$	Total \$
<b>Cost</b>						
Balance, November 17, 2022	-	-	-	-	-	-
Asset acquisition (note 5)	16,700	374,107	2,221	26,481	89,725	509,234
Additions	-	6,423	-	-	23,275	29,698
<b>Balance, July 31, 2023</b>	<b>16,700</b>	<b>380,530</b>	<b>2,221</b>	<b>26,481</b>	<b>113,000</b>	<b>538,932</b>
<b>Accumulated depreciation</b>						
Balance, November 17, 2022	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Depreciation	2,435	54,557	648	7,724	26,817	92,181
<b>Balance, July 31, 2023</b>	<b>2,435</b>	<b>54,557</b>	<b>648</b>	<b>7,724</b>	<b>26,817</b>	<b>92,181</b>
<b>Net book value</b>						
At November 17, 2022	-	-	-	-	-	-
At July 31, 2023	14,265	325,973	1,573	18,757	86,183	446,751

During the period, depreciation of \$60,200 was allocated to the cost of inventory.

## 8. SHAREHOLDERS' EQUITY

### Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

### Outstanding share capital as at July 31, 2023

	Number of shares	Share capital \$
Balance, November 17, 2022	-	-
Issuance of shares for cash	(a) 33,921,700	1,858,291
Share issuance costs	(a) -	(10,067)
<b>Balance, July 31, 2023</b>	<b>33,921,700</b>	<b>1,848,224</b>

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

---

*Period ended July 31, 2023*

- a) During the period, the Company issued 33,921,700 common shares for gross proceeds of CAD\$2,457,760 (\$1,858,291), of which 7,500,000 were issued to directors and officers of the Company. The Company incurred share issuance costs of \$10,067 in the form of legal fees.

## **9. COMMITMENTS AND CONTINGENCIES**

The Company has reclamation and closure cost obligations related to the operations of the Borealis project in Mineral and Nye County, Nevada. The accrual represents the Company's best estimate of the present value of the total future reclamation cost based on assumptions as to levels of treatment which will be required in the future. The Company has issued a surety bond to the United States Forest Service for \$9,067,134 and the Bureau of Land Management for \$25,630.

The Company has a mining lease which requires a monthly payment of \$13,437 for advance royalty payments which is adjusted each year for inflation. Once in production, the agreement attracts a net smelter royalty of 5%, which can be offset by the advance royalty payments made previously.

### *Title*

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, these procedures do not guarantee the Company'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, environmental and social requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

### *Environmental*

The Company's exploration and evaluation activities and projects are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

## **10. DECOMMISSIONING OBLIGATION**

The Company has reclamation and closure cost obligations related to the operations of the Borealis Project in Hawthorne, Nevada. The accrual represents the Company's best estimate of the present value of the total future reclamation cost based on assumptions as to levels of treatment, which will be required in the future, discounted at a risk-free rate of 3.97% with an inflation rate of 3.26%. As at July 31, 2023, the undiscounted amount of estimated future reclamation costs is \$12,187,890. During the period ended July 31, 2023, the Company incurred accretion expense related to its decommissioning obligation of \$468,592, of which \$424,475 was due to a change in estimate.

## **11. 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:

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

**For the period from  
November 17, 2022  
(incorporation) to  
July 31, 2023  
\$**

Short-term compensation	101,359
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As at July 31, 2023, \$55,733 related to unpaid management salaries and were recorded in accounts payable and accrued liabilities. The amounts owing to related parties are unsecured, non-interest bearing and due on demand.

**12. LOSS PER SHARE**

The following table shows the components used in the calculation of basic and diluted loss per share for loss attributable to common shareholders.

**Period from  
November 17, 2022  
(date of  
incorporation) to  
July 31, 2023**

Weighted-average number of shares outstanding - basic (#)	16,428,586
Weighted-average number of shares outstanding - diluted (#)	16,428,586
Net loss attributable to common shares (\$)	16,344,645
Basic loss per share	\$0.99
Diluted loss per share	\$0.99

The Company did not have any dilutive securities issued and outstanding in the period. Therefore, the weighted-average number of common share outstanding used to calculate both basic and diluted net loss per share attributable to common shareholders is the same.

**13. INCOME TAXES**

The reconciliation of the combined Canadian Federal and Provincial statutory income tax rate of 26.5% to the effective tax rate is as follows:

**For the period from  
incorporation  
(November 17,  
2022) to July 31,  
2023  
\$**

Net loss before recovery of income taxes	(16,344,645)
Expected income tax recovery	(4,331,331)
Difference in foreign tax rate and other adjustments	885,906
Other non-deductible expenses	211
Change in tax benefits not recognized	3,445,214
<b>Income tax expense/ (recovery)</b>	<b>—</b>

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

Deferred income tax assets and liabilities are recognized for temporary differences between the carrying value of the consolidated financial position and their corresponding tax values. Deferred tax assets have not been recognized in respect of the following net deductible temporary differences:

	<b>July 31, 2023</b>
	<b>\$</b>
Non-capital losses carried forward - Canada	237,261

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom. The Company also expects it has non-capital losses in the United States which have not been recognized as the availability of future taxable income in that country is uncertain. Tax losses consisting of Canadian non-capital loss carry forwards in the amount of approximately \$237,000 are expected to expire in 2043.

**14. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company is reasonable.

**15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

**Financial Instruments**

*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 July 31, 2023, as well as their gross carrying values, are shown in the table below:

<b>Item</b>	<b>Classification</b>	<b>Measurement (\$)</b>
Cash	Amortized cost	1,029,363
Restricted cash	Amortized cost	25,630
<b>Total financial assets</b>		<b>1,054,993</b>
Accounts payable and accrued liabilities	Amortized cost	804,485
Contingent consideration	Amortized cost	5,013,307
<b>Total financial liabilities</b>		<b>5,817,792</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;

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

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 period ended July 31, 2023.

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 July 31, 2023, there were no financial assets or liabilities measured and recognized in the consolidated statements of financial position at fair value.

**Financial Risk Management**

The Company is exposed in varying degrees to a variety of financial instrument related risks. Management mitigate these risks by assessing, monitoring and approving the Company’s risk management processes:

**a. 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 July 31, 2023 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.

**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.

**c. 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 1 year \$	2 to 3 years \$	4 to 5 years \$	Greater than 5 years \$	Total \$
Accounts payable and other payables	804,485	-	-	-	804,485
Contingent consideration	5,000,000	-	-	-	5,000,000
Decommissioning obligations	-	12,007,878	68,560	111,452	12,187,890
<b>July 31, 2023</b>	<b>5,804,485</b>	<b>12,007,878</b>	<b>68,560</b>	<b>111,452</b>	<b>17,992,375</b>

**d. 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 July 31, 2023, the Company held CAD\$1,293,263 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	(89,223)
10% decrease	109,051

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023**  
(Expressed in United States dollars, except indicated otherwise)

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**e. 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 July 31, 2023, the Company did not have any outstanding loans and borrowings that are subject to variable interest rates.

**13. SUBSEQUENT EVENTS**

On September 14, 2023, the Company completed a brokered financing, raising gross proceeds of \$5,919,349 (CAD\$8,000,000) through the issuance of 16,000,000 units at a price of \$0.37 (CAD\$0.50) per unit. The units consist of one common share and one half warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.55 (CAD\$0.75) for a period of 2 years. The Company incurred cash share issuance costs of CAD\$545,169 in the form of agents' expenses, legal expenses and filing fees. Pursuant to the financing, the Company issued 907,290 agent's options with an exercise price of \$0.55 (CAD\$0.50) for a period of 2 years. Certain officers of the Company participated in the financing and purchased 350,000 units on aggregate.

Subsequent to the period ended July 31, 2023, the Company issued 2,166,800 whole units at a price of CAD\$0.50 per unit. Each unit consists of one common share and one half warrant. Each whole warrant entitles the holder to purchase one common share at a price of CAD\$0.75, expiring September 14, 2025. The Company incurred cash share issuance costs of CAD\$44,304 in the form of finder's fees, legal expenses and filing fees. Certain officers of the Company participated in the financing and purchased 350,000 units on aggregate.

**SCHEDULE “D”  
FINANCIAL STATEMENTS OF BOREALIS FOR THE INTERIM PERIOD ENDED APRIL 30, 2024  
(UNAUDITED)**

*[See attached]*



**Borealis Mining Company Limited**

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

*(Expressed in United States Dollars)*

**BOREALIS MINING COMPANY LIMITED**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT**

(Expressed in United States dollars, except as indicated otherwise)  
(unaudited)

	Note	April 30, 2024 \$	July 31, 2023 \$
<b>Assets</b>			
Current assets			
Cash		2,990,053	1,029,363
Accounts receivable		-	-
Prepaid expenses		828,605	308,301
Inventory		861,557	316,569
<b>Total current assets</b>		<b>4,680,215</b>	<b>1,654,233</b>
Non-current assets			
Restricted cash		-	25,630
Deposits	9	2,284,169	-
Property, plant and equipment	7	315,366	446,751
<b>Total assets</b>		<b>7,279,750</b>	<b>2,126,614</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities			
Current portion of contingent consideration	5	5,000,000	5,000,000
<b>Total current liabilities</b>		<b>5,816,800</b>	<b>5,804,485</b>
Non-current liabilities			
Decommissioning obligation	10	10,741,117	10,826,575
Contingent consideration	5	13,307	13,307
<b>Total liabilities</b>		<b>16,571,224</b>	<b>16,644,367</b>
<b>Shareholders' deficiency</b>			
Share capital	8	9,902,053	1,848,224
Equity reserves	8	1,221,405	-
Accumulated deficit		(20,266,488)	(16,344,645)
Accumulated other comprehensive loss		(148,444)	(21,332)
<b>Total shareholders' deficiency</b>		<b>(9,291,474)</b>	<b>(14,517,753)</b>
<b>Total liabilities and shareholders' deficiency</b>		<b>7,279,750</b>	<b>2,126,614</b>

Nature of operations and going concern (Note 1)  
Acquisition of Borealis Mining Company, LLC (Note 5)  
Commitments and contingencies (Note 9)  
Subsequent events (Note 17)

Approved and authorized for issue by the Board on June 26, 2024:

"Kelly Malcolm"  
Signed: Director

"Richard Patricio"  
Signed: Director

**BOREALIS MINING COMPANY LIMITED**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2024**  
(Expressed in United States dollars, except as indicated otherwise)  
(Unaudited)

	Note	For the three months ended April 30, 2024 \$	For the nine months ended April 30, 2024 \$	For the three months ended April 30, 2023 \$	For the period from incorporation (November 17, 2022) to April 30, 2023 \$
Revenue		-	865,494	-	-
Cost of sales	6	-	(736,573)	-	-
Gross profit		-	128,921	-	-
Project acquisition expense		-	-	15,023,321	15,023,321
Exploration and evaluation costs		1,153,650	2,040,226	-	-
Operating expenses		179,079	572,675	117,230	117,230
Consulting and professional fees	11	153,833	503,563	16,921	16,921
General and administrative		261,852	792,862	2,918	2,918
<b>Loss before other items</b>		<b>(1,748,414)</b>	<b>(3,780,405)</b>	<b>(15,160,390)</b>	<b>(15,160,390)</b>
<b>Other items:</b>					
Finance income (expense)	10	(136,956)	(141,438)	(11,605)	(11,605)
Transaction cost		-	-	(64,010)	(64,010)
Other income		-	-	2,540	2,540
<b>Net loss</b>		<b>(1,885,370)</b>	<b>(3,921,843)</b>	<b>(15,233,465)</b>	<b>(15,233,465)</b>
<b>Other comprehensive loss</b>					
Foreign exchange translation adjustment		(33,846)	(127,112)	(3,257)	(3,257)
<b>Comprehensive loss</b>		<b>(1,919,216)</b>	<b>(4,048,955)</b>	<b>(15,236,722)</b>	<b>(15,236,722)</b>
<b>Weighted-average number of shares outstanding - basic and diluted (#)</b>	12	55,987,974	49,122,234	18,636,364	10,914,634
<b>Basic loss per share</b>	12	<b>(\$0.03)</b>	<b>(\$0.08)</b>	<b>(\$0.82)</b>	<b>(\$1.40)</b>
<b>Diluted loss per share</b>	12	<b>(\$0.03)</b>	<b>(\$0.08)</b>	<b>(\$0.82)</b>	<b>(\$1.40)</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**BOREALIS MINING COMPANY LIMITED**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except as indicated otherwise)

(Unaudited)

	Note	Share capital		Equity reserves	Accumulated deficit	Accumulated comprehensive loss	Total
		Common shares	Share capital				
		#	\$				
<b>Balance, July 31, 2023</b>		33,921,700	1,848,224	-	(16,344,645)	(21,332)	(14,517,753)
Net loss for the period		-	-	-	(3,921,843)	-	(3,921,843)
Other comprehensive loss for the period		-	-	-	-	(127,112)	(127,112)
Issuance of shares and warrants	8	26,577,800	8,680,193	1,301,259	-	-	9,981,452
Issuance costs	8	-	(626,364)	(79,854)	-	-	(706,218)
<b>Balance, April 30, 2024</b>		<b>60,499,500</b>	<b>9,902,053</b>	<b>1,221,405</b>	<b>(20,266,488)</b>	<b>(148,444)</b>	<b>(9,291,474)</b>

	Note	Share capital		Equity reserves	Accumulated deficit	Accumulated comprehensive loss	Total
		Common shares	Share capital				
		#	\$				
<b>Balance, November 17, 2022</b>		-	-	-	-	-	-
Net loss for the period		-	-	-	(15,233,465)	-	(15,233,465)
Other comprehensive loss for the period		-	-	-	-	(3,257)	(3,257)
Issuance of shares and warrants	8	20,000,000	299,045	-	-	-	299,045
<b>Balance, April 30, 2023</b>		<b>20,000,000</b>	<b>299,045</b>	<b>-</b>	<b>(15,233,465)</b>	<b>(3,257)</b>	<b>(14,937,677)</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**BOREALIS MINING COMPANY LIMITED**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except indicated otherwise)  
(Unaudited)

	Note	For the nine months ended April 30, 2024 \$	For the period from incorporation (November 17, 2022) to April 30, 2023 \$
<b>Cash flow from operating activities</b>			
Net loss		(3,921,843)	(15,233,465)
Items not affecting cash:			
Depreciation of property, plant and equipment	7	270,641	41,125
Recovery on decommissioning obligation	10	(85,458)	-
Project acquisition expense recognized on acquisition of BMC LLC		-	15,023,321
Changes in non-cash working capital items:			
Increase in subscriptions receivable		-	(25,777)
(Increase) decrease in prepaid expenses		(520,304)	25,310
Increase in inventory		(544,988)	-
Decrease in accounts payable and accrued liabilities		12,315	463,284
<b>Cash flow used in operating activities</b>		<b>(4,789,637)</b>	<b>293,798</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	7	(139,256)	-
Deposits made	9	(2,258,539)	-
Cash paid for the acquisition of BMC LLC		-	(100,000)
Cash acquired from BMC LLC		-	5,489
<b>Cash flow used in investing activities</b>		<b>(2,397,795)</b>	<b>(94,511)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Gross proceeds from issuance of shares and warrants	8	9,678,615	299,045
Share issuance costs	8	(403,381)	-
<b>Cash flow from financing activities</b>		<b>9,275,234</b>	<b>299,045</b>
Effect of exchange rate changes on cash		(127,112)	(3,257)
Increase in cash		2,087,802	498,332
Cash, beginning of period		1,029,363	-
<b>Cash, end of period</b>		<b>2,990,053</b>	<b>495,075</b>
<b>Supplemental information</b>			
Non-cash share issuance costs paid	8	148,260	-

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except as indicated otherwise)  
(Unaudited)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Borealis Mining Company Limited (“Borealis”, “BMCL”, or the “Company”) was incorporated under the *Ontario Business Corporations Act* on November 17, 2022. The head office of the Company is located at 401-217 Queen Street West, Toronto, Ontario, Canada M5V 0R2. The Company’s principal project is the Borealis Heap Leach Project (“Borealis Project”) via its wholly owned subsidiary, Borealis Mining Company, LLC. The Borealis Project is a fully permitted silver-gold mine and absorption, desorption, and refining plant, located near Hawthorne, Nevada. 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. The Borealis Project is an exploration and development asset that is permitted for production and maintains permits and infrastructure for possible future development. The Company is currently focused on exploring its exploration and evaluation properties and other than the leaching from the historical leach pad, it is has not carrying out any mining activities during the period.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will, in the foreseeable future realize on its assets and discharge its liabilities in the normal course of business as they come due. Accordingly, the unaudited condensed consolidated interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in these unaudited condensed consolidated interim financial statements. Such adjustments could be material. As at April 30 2024, the Company had working capital deficit of \$1,136,585 (July 31, 2023: deficit of \$4,150,252). Net loss for the nine months ended April 30, 2024 was \$3,921,843 (For the period from incorporation November 17, 2022 to April 30, 2023: loss of \$15,233,465). The accumulated deficit as at April 30, 2024 was \$20,266,488 (July 31, 2023: \$16,344,645). These condition indicate material uncertainties exist that cast significant doubt as to the Company's ability to continue as a going concern. These unaudited condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material.

**2. STATEMENT OF COMPLIANCE**

The unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended April 30, 2024 have been prepared in accordance *IAS 34 - Interim Financial Reporting* and do not include all disclosures required for annual financial statements. These interim condensed consolidated financial statements should be read in conjunction with the Company's annual financial statements for the period ended July 31, 2023. These unaudited condensed consolidated interim financial statements for the three and nine months ended April 30, 2024 were approved and authorized for issue by the Board of Directors of the Company on June 26, 2024. These unaudited condensed consolidated interim financial statements have been prepared on the going concern basis, under the historical cost convention, except for certain financial instruments that are measured at fair value as described herein.

**3. BASIS OF PRESENTATION AND MEASUREMENT**

*Basis of consolidation*

These financial statements consolidate the accounts of the Company and its wholly owned subsidiary. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, are exposed to, or have rights to, variable returns from the Company’s involvement with the entity and have the ability to affect those returns through the power over the

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except as indicated otherwise)  
(Unaudited)

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entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. Significant intercompany accounts and transactions have been eliminated on consolidation.

The Company has the following subsidiary:

<b>Name of Entity</b>	<b>% Ownership*</b>	<b>Country of incorporation</b>
Borealis Mining Company, LLC	100	United States

*Functional and Presentation Currency*

BMCL's functional currency is the Canadian dollar and that of its wholly owned subsidiary, as determined by management, is the United States ("U.S.") dollar. For financial reporting purposes, the consolidated financial statements of the Company have been presented in U.S. dollars, the presentation currency.

*Use of estimates and judgments*

The preparation of these unaudited condensed consolidated interim financial statements under IFRS requires management to make certain estimates, judgments and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include are the same as those described in the Company's most recent annual financial statements in addition to the following:

a) Fair value of share-based payments

Management uses the Black-Scholes option-pricing model to calculate the fair value of stock options and warrants. Use of this method requires management to make assumptions and estimates about the expected life of options, the risk free rate, and the expected volatility of the Company's share price. In making these assumptions and estimates, management relies on historical market data, including that of comparable entities.

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements unless otherwise noted below. Accordingly, they should be read in conjunction with the Company's most recent annual consolidated financial statements as at and for the period from November 17, 2022 (date of incorporation) to July 31, 2023. In addition, the Company has used the following accounting policies in the preparation of these financial statements:

a) Share-based payments

For equity-settled share-based payment transactions, the Company measures the goods and services received, and the corresponding increase in equity, directly, at the fair value of goods and services received, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, it measures their value by reference to the fair value of the equity instrument granted. Transactions measured by reference to the fair value of the equity instrument granted have their fair values re-measured each vesting and reporting date until fully vested.

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except as indicated otherwise)  
(Unaudited)

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The Company estimates the fair value of stock options granted using the Black-Scholes valuation model. This model requires the Company to make estimates and assumptions including, among other things, estimates regarding the length of time a holder will retain vested options before exercising them, the estimated volatility of the Company's common share price and the number of options that will be forfeited prior to vesting. Changes in these estimates and assumptions can materially affect the determination of the fair value of share-based payments.

Effective August 1, 2023, the Company adopted the following amended accounting standards. There was no impact on the Company's financial statements resulting from the adoption of these amendments:

**IAS 1 – Presentation of Financial Statements (“IAS 1”)** was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.

**IAS 8 – Accounting policies, changes in accounting estimates and errors (“IAS-8”)** - In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates.

**IAS 12 – Income taxes (“IAS 12”)** - In May 2021, the IASB issued 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations.

**New and amended IFRS standards not yet effective**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after August 1, 2024 or later periods. Many are not applicable to, or do not have a significant impact on the Company and have therefore been excluded. The following has not been adopted and is being evaluated to determine the impact on the Company's consolidated financial statements:

**IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”)** were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

**5. 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.

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except as indicated otherwise)  
(Unaudited)

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.

As at April 30, 2024, the Company has accrued this contingent consideration in the amount of \$5,000,000.

- ii) \$5,000,000 payable in cash upon publishing an NI 43-101 resource report for the sulphide portion of the 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 property;

As at April 30, 2024, the Company has provided for the contingencies noted in (ii) to (iv) above in the amount of \$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 the period, the parties amended the agreement and the RTO Deadline was extended to April 15, 2024. During the period ended April 30, 2024, the contingency noted in (i) above was transferred by the seller to a third party, and this contingency was waived.

## 6. INVENTORY

During three and nine months ended April 30, 2024, the value of inventory recognized as a part of expense was \$nil and \$736,573 (2023: \$nil and \$nil), respectively. For the three and nine months ended April 30, 2024, the Company recorded inventory impairment of \$nil and \$406,751 (2023 - \$nil and \$nil) as part of cost of sales.

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except as indicated otherwise)  
(Unaudited)

**7. PROPERTY, PLANT AND EQUIPMENT**

As at April 30, 2024, property, plant and equipment consisted of:

	Buildings \$	Plant & equipment \$	Furniture & fixtures \$	Computers \$	Vehicles \$	Total \$
<b>Cost</b>						
Balance, November 17, 2022	-	-	-	-	-	-
Additions	16,700	380,530	2,221	26,481	113,000	538,932
Balance, July 31, 2023	16,700	380,530	2,221	26,481	113,000	538,932
Additions	6,026	34,720	-	-	98,510	139,256
<b>Balance, April 30, 2024</b>	<b>22,726</b>	<b>415,250</b>	<b>2,221</b>	<b>26,481</b>	<b>211,510</b>	<b>678,188</b>
<b>Accumulated depreciation</b>						
Balance, November 17, 2022	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Depreciation	2,435	54,557	648	7,724	26,817	92,181
Balance, July 31, 2023	2,435	54,557	648	7,724	26,817	92,181
Depreciation	7,166	155,393	1,573	18,757	87,752	270,641
<b>Balance, April 30, 2024</b>	<b>9,601</b>	<b>209,950</b>	<b>2,221</b>	<b>26,481</b>	<b>114,569</b>	<b>362,822</b>
<b>Net book value</b>						
At July 31, 2023	14,265	325,973	1,573	18,757	86,183	446,751
<b>At April 30, 2024</b>	<b>13,125</b>	<b>205,300</b>	<b>-</b>	<b>-</b>	<b>96,941</b>	<b>315,366</b>

**8. SHARE CAPITAL, WARRANTS AND OPTIONS**

Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

Outstanding share capital as at April 30, 2024

	Number of shares	Share capital \$
Balance, November 17, 2022	-	-
Issuance of shares for cash	(a) 33,921,700	1,858,291
Share issuance costs	(a) -	(10,067)
<b>Balance, July 31, 2023</b>	<b>33,921,700</b>	<b>1,848,224</b>
Issuance of shares for cash	(b, c, d) 26,577,800	8,680,193
Share issuance costs	(b, c, d) -	(626,364)
<b>Balance, April 30, 2024</b>	<b>60,499,500</b>	<b>9,902,053</b>

*Period ended July 31, 2023*

- a) During the period, the Company issued 33,921,700 common shares for gross proceeds of CAD\$2,457,760 (\$1,858,291). The Company incurred share issuance costs of \$10,067 in the form of legal fees.

*Period ended April 30, 2024*

- b) On September 14, 2023, the Company completed a brokered financing, raising gross proceeds of \$5,919,349 (CAD\$8,000,000) through the issuance of 16,000,000 units at a price of \$0.37 (CAD\$0.50) per unit. Each unit consists of one common share and one half warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.55 (CAD\$0.75) for a period of 2 years. The Company incurred cash issuance costs of \$508,955 in the form of agents' expenses, legal expenses and filing fees. Pursuant to the financing, the Company issued 902,568 agent's options with an exercise

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except as indicated otherwise)  
(Unaudited)

price of \$0.37 (CAD\$0.50) for a period of 2 years. Certain officers of the Company participated in the financing and purchased 350,000 units on aggregate.

- c) On January 3, 2024, the Company issued an additional 2,166,800 units a price of \$0.37 (CAD\$0.50) per unit. Each unit consists of one common share and one half warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.56 (CAD\$0.75), expiring September 14, 2025. The Company incurred cash issuance costs of \$41,577 in the form of agents' expenses, legal expenses and filing fees. Pursuant to the financing, the Company issued 88,608 agent's options with an exercise price of \$0.37 (CAD\$0.50), expiring September 14, 2025. An officer participated in the financing and purchased 100,000 units on aggregate.
- d) On April 4, 2024, the Company issued an additional 8,411,000 units a price of \$0.37 (CAD\$0.50) per unit. Each unit consists of one common share and one half warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.56 (CAD\$0.75), expiring September 14, 2025. The Company incurred cash issuance costs of \$72,881 in the form of agents' expenses, legal expenses and filing fees. Pursuant to the financing, the Company issued 131,960 agent's options with an exercise price of \$0.37 (CAD\$0.50), expiring September 14, 2025.

Warrants

The following table summarizes the Company's warrant activity for the period indicated:

	Number of Options	Weighted Average Exercise Price	Expiry Date
<b>Balance, July 31, 2023</b>	-	-	
Granted (b, c, d)	13,288,900	CAD\$ 0.75	September 14, 2025
<b>Balance, April 30, 2024</b>	<b>13,288,900</b>	<b>CAD\$ 0.75</b>	

The fair value of warrants granted during the period ended April 30, 2024 was \$1,164,589, and was estimated using the Black-Scholes option pricing model using the weighted average assumptions of an expected forfeiture rate of 0%, risk-free interest rates of 3.96% to 4.69%, an expected dividend yield of 0%, an expected stock price volatility of 74.2% to 96.5%, share price of \$0.32 to \$0.33, and an expected life of 1.5 to two years. The Company incurred \$80,334 of issuance costs that were allocated to these warrants.

Agent's options

	Number of Options	Weighted Average Exercise Price	Expiry Date
<b>Balance, July 31, 2023</b>	-	-	
Granted (b, c, d)	1,123,136	CAD\$ 0.50	September 14, 2025
<b>Balance, April 30, 2024</b>	<b>1,123,136</b>	<b>CAD\$ 0.50</b>	

The fair value of agent's options issued during the period ended April 30, 2024 was \$142,790, and was estimated using the Black-Scholes option pricing model using the weighted average assumptions of an expected forfeiture rate of 0%, risk-free interest rates of 3.96% to 4.69%, an expected dividend yield of 0%, an expected stock price volatility of 74.2% to 96.5%, share price of \$0.32 to \$0.33, and an expected life of 1.5 to two years.

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except as indicated otherwise)  
(Unaudited)

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**9. COMMITMENTS AND CONTINGENCIES**

The Company has reclamation and closure cost obligations related to the historical operations of the Borealis project in Mineral and Nye County, Nevada. The accrual represents the Company's best estimate of the present value of the total future reclamation cost based on assumptions as to levels of treatment which will be required in the future.

During the nine months ended April 30, 2024, the Company provided \$2,258,539 of cash collateral to an insurance company that provides the Company insurance coverage for its reclamation obligations with the USDA Forest Service and the US Department of the Interior, Bureau of Land Management. The collateral is held by the insurance company until their obligation to pay claims on the reclamation bonds have been extinguished. These funds are stored in non-interest bearing accounts.

The Company has a mining lease which requires a monthly payment of \$13,854 for advance royalty payments which is adjusted each year for inflation. Once in production, the agreement attracts a net smelter royalty of 5%, which can be offset by the advance royalty payments made previously.

The Company has committed to certain contingent payments pursuant to its acquisition of BMC LLC. See note 5 for details.

*Title*

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, these procedures do not guarantee the Company'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, environmental and social requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

*Environmental*

The Company's exploration and evaluation activities and projects are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

**10. DECOMMISSIONING OBLIGATION**

The Company has reclamation and closure cost obligations related to the operations of the Borealis Project in Hawthorne, Nevada. The accrual represents the Company's best estimate of the present value of the total future reclamation cost based on assumptions as to levels of treatment, which will be required in the future, discounted at a risk-free rate of 4.49% (July 31, 2023: 3.97%) with an inflation rate of 2.39% (July 31, 2023: 3.26%). As at April 30, 2024, the undiscounted amount of estimated future reclamation costs is \$11,877,938 (July 31, 2023: \$12,187,890). During the three and nine months ended April 30, 2024, the Company had an expense of \$22,246 and recovery of \$85,458 related to its decommissioning obligation due to a change in estimate.

**11. 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 condensed consolidated interim financial

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except as indicated otherwise)  
(Unaudited)

statements, related party transactions and balances are as follows:

	Three months ended April 30, 2024	Nine months ended April 30, 2024	Three months ended April 30, 2023	Nine months ended April 30, 2023
	\$	\$	\$	\$
Short-term compensation	103,428	310,668	-	-

As at April 30, 2024, \$58,199 related to unpaid management salaries and were recorded in accounts payable and accrued liabilities. The amounts owing to related parties are unsecured, non-interest bearing and due on demand.

Management of the Company participated in the September 14, 2023 and January 3, 2024 financings (see note 8) and purchased 350,000 units and 100,000 units on aggregate, respectively.

## 12. LOSS PER SHARE

The following table shows the components used in the calculation of basic and diluted loss per share for loss attributable to common shareholders.

	For the three months ended April 30, 2024	For the nine months ended April 30, 2024	For the three months ended April 30, 2023	For the period from incorporation (November 17, 2022) to April 30, 2023
Weighted-average number of shares outstanding - basic (#)	55,987,974	49,122,234	18,636,364	10,914,634
Weighted-average number of shares outstanding - diluted (#)	55,987,974	49,122,234	18,636,364	10,914,634
Net loss attributable to common shares (\$)	(1,885,370)	(3,921,843)	(15,233,465)	(15,233,465)
Basic earnings per share	(\$0.03)	(\$0.08)	(\$0.82)	(\$1.40)
Diluted earnings per share	(\$0.03)	(\$0.08)	(\$0.82)	(\$1.40)

All outstanding options and warrants have been excluded from the calculation of diluted loss per share, as they are anti-dilutive.

## 13. EXPLORATION AND EVALUATION COSTS

For the period ended April 30, 2024, exploration and evaluation costs consisted of:

	For the three months ended April 30, 2024	For the nine months ended April 30, 2024	For the three months ended April 30, 2023	For the period from incorporation (November 17, 2022) to April 30, 2023
	\$	\$	\$	\$
Drilling	960,193	1,578,339	-	-
Personnel	174,474	408,542	-	-
Travel	11,656	33,847	-	-
Permits, licenses and subscriptions	8	6,006	-	-
Other	7,319	13,492	-	-
	1,153,650	2,040,226	-	-

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except as indicated otherwise)  
(Unaudited)

**14. OPERATING EXPENSES**

For the period ended April 30, 2024, operating expenses consisted of:

	For the three months ended April 30, 2024	For the nine months ended April 30, 2024	For the three months ended April 30, 2023	For the period from incorporation (November 17, 2022) to April 30, 2023
	\$	\$	\$	\$
Personnel	28,344	74,501	38,053	38,053
Transportation	34,551	78,450	1,430	1,430
Utilities	33,511	97,564	22,302	22,302
Repairs, consumables and rent	4,847	11,224	2,056	2,056
Property and business taxes	8,204	54,634	27	27
Permitting	38,223	107,037	12,094	12,094
Royalties	-	42,068	-	-
Depreciation	16,582	60,433	41,125	41,125
Other	14,817	46,764	143	143
<b>Total</b>	<b>179,079</b>	<b>572,675</b>	<b>117,230</b>	<b>117,230</b>

**15. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company is reasonable.

**16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

**Financial Instruments**

*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 April 30, 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	2,990,053
Deposits	Amortized cost	2,284,169
<b>Total financial assets</b>		<b>5,274,222</b>
<b>Financial liabilities at amortized cost</b>		
Accounts payable and accrued liabilities	Amortized cost	816,800
Contingent consideration	FVTPL level 3	5,013,307
<b>Total financial liabilities</b>		<b>5,830,107</b>

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except as indicated otherwise)  
(Unaudited)

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 April 30, 2024.

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

**Financial Risk Management**

The Company is exposed in varying degrees to a variety of financial instrument related risks. Management mitigate these risks by assessing, monitoring and approving the Company's risk management processes:

**a. 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 April 30, 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.

**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.

**c. 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 1 year \$	2 to 3 years \$	4 to 5 years \$	Greater than 5 years \$	Total \$
Accounts payable and other payables	816,800	-	-	-	816,800
Decommissioning obligations	-	11,706,917	32,608	138,413	11,877,938
Contingent consideration	5,000,000	-	-	-	5,000,000
<b>Balance as at April 30, 2024</b>	<b>5,816,800</b>	<b>11,706,917</b>	<b>32,608</b>	<b>138,413</b>	<b>17,694,738</b>

**d. 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 April 30, 2024, the Company held CAD\$4,023,412 in Canadian currency. A 10% change in the USDCAD foreign exchange rate would have following impact (in US\$) on the balance held in CAD\$:

**BOREALIS MINING COMPANY LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED APRIL 30, 2024**

(Expressed in United States dollars, except as indicated otherwise)  
(Unaudited)

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	<b>\$ Impact</b>
10% increase	(266,088)
10% decrease	325,219

**e. 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 April 30, 2024, the Company did not have any outstanding loans and borrowings.

**17. SUBSEQUENT EVENTS**

**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 the Borealis Mining Company Limited (formerly, 1329300 B.C. Ltd.) ("Issuer"), 1000693081 Ontario Ltd. ("Subco"), a wholly-owned subsidiary of the Issuer and the Company.

The closing of the Arrangement resulted in the Issuer acquiring all of the issued and outstanding common shares in the capital of the Company (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.

In addition, the 13,288,900 common share purchase warrants of the Company (each, a "Target Warrant") and 1,123,136 compensation options of the Company (each, a "Target Compensation Option") have been cancelled, and the former holders of the Target Warrants and the Target Compensation Options will receive 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 the Company; and (ii) 1,737,745 Issuer Shares (approximately 2.23%) held by existing Issuer shareholders.

In connection with the closing of the Arrangement, the Company and Subco amalgamated pursuant to the provisions of the Business Corporations Act (Ontario) and the resulting entity has become a wholly-owned subsidiary of the Company, carrying on the business of the Target. In addition, the Issuer changed its name from 1329300 B.C. Ltd. to Borealis Mining Company Limited.

The Arrangement is expected to be accounted for as the acquisition of the Issuer by the Company.

**Subsequent Financing**

Subsequent to the period ended April 30, 2024 the Company issued 5,425,000 whole units at a price of CAD\$0.50 per unit. Each unit consists of one common share and one half warrant. Each whole warrant entitles the holder to purchase one common share at a price of CAD\$0.75, expiring September 14, 2025. Pursuant to the financing, the Company issued 51,200 agent's options with an exercise price of CAD\$0.50, expiring September 14, 2025.

**SCHEDULE "E"**  
**FINANCIAL STATEMENTS OF BOREALIS LLC FOR THE YEARS ENDED DECEMBER 31, 2022 and**  
**DECEMBER 31, 2021 (AUDITED)**

*[See attached]*



Financial Statements  
Borealis Mining Company, LLC

For the Years Ended December 31, 2022 and 2021

## **Independent Auditor's Report**

To the Directors of Borealis Mining Company, LLC

### **Opinion**

We have audited the financial statements of Borealis Mining Company, LLC (the "Company"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of loss and comprehensive loss, statements of changes in member's equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### **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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. 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.

### **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
February 16, 2024

# STATEMENTS OF FINANCIAL POSITION

## Borealis Mining Company, LLC

As at December 31

(expressed in thousands of United States dollars)

	Notes	2022	2021
		\$	\$
<b>ASSETS</b>			
Cash		850	1,448
Accounts receivable	4	520	90
Deposits and prepaid expenses	5	172	584
Inventory	6	2,614	2,353
<b>Total current assets</b>		<b>4,156</b>	<b>4,475</b>
Restricted cash	8	26	4,812
Property, plant and equipment	9	3,123	11,590
Mineral properties	10	8,890	12,732
<b>Total assets</b>		<b>16,195</b>	<b>33,609</b>
<b>LIABILITIES AND MEMBER'S EQUITY</b>			
Accounts payable and accrued liabilities	11,12	605	3,375
<b>Total current liabilities</b>		<b>605</b>	<b>3,375</b>
Reclamation and closure cost obligations	13	10,072	10,022
<b>Total liabilities</b>		<b>10,677</b>	<b>13,397</b>
Member's capital	14	55,027	63,207
Deficit		(49,509)	(42,995)
<b>Total member's equity</b>		<b>5,518</b>	<b>20,212</b>
<b>Total liabilities and member's equity</b>		<b>16,195</b>	<b>33,609</b>

Going Concern - Note 2(a)

Reclamation and Closure Cost Obligations – Note 13

Commitments and Contingencies – Note 19

Subsequent Event - Note 20

Approved by the sole manager and authorized on February 16, 2024.

“Kelly Malcolm”  
Signed: Manager

The accompanying notes are an integral part of these financial statements.

# STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

## Borealis Mining Company, LLC

For the years ended December 31

(expressed in thousands of United States dollars)

	Notes	2022	2021
		\$	\$
Revenue	16	21,292	6,089
Cost of sales	6	(26,682)	(19,890)
Gross loss		(5,390)	(13,801)
Operating expenses		1,534	2,408
Administration expenses		411	395
Depreciation, amortization and accretion		464	627
<b>Loss before other items</b>		<b>(7,799)</b>	<b>(17,231)</b>
Gain on sale of assets	7	1,385	11,665
Finance cost	15	(100)	(140)
<b>Net loss and comprehensive loss</b>		<b>(6,514)</b>	<b>(5,706)</b>

The accompanying notes are an integral part of these financial statements.

## STATEMENTS OF CHANGES IN MEMBER'S EQUITY

### Borealis Mining Company, LLC

For the years ended

(expressed in thousands of United States dollars)

	Member's capital	Deficit	Total member's equity
<b>Balance at January 1, 2021</b>	61,496	(37,289)	<b>24,207</b>
Net member's contributions	1,711	-	<b>1,711</b>
Net loss and comprehensive loss	-	(5,706)	<b>(5,706)</b>
<b>Balance at December 31, 2021</b>	63,207	(42,995)	<b>20,212</b>
Net member's distributions	(8,180)	-	<b>(8,180)</b>
Net loss and comprehensive loss	-	(6,514)	<b>(6,514)</b>
<b>Balance at December 31, 2022</b>	55,027	(49,509)	<b>5,518</b>

The accompanying notes are an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

## Borealis Mining Company, LLC

For the years ended December 31

(expressed in thousands of United States dollars)

For the years ended December 31,	Notes	2022 \$	2021 \$
<b>OPERATING ACTIVITIES</b>			
Net loss for the year		(6,514)	(5,706)
Items not affecting cash:			
Depreciation, amortization and accretion	9, 10	6,757	4,676
Gain on sale of assets	7	(1,385)	(11,665)
Net changes in operating components of working capital:			
(Increase) in accounts receivable	4	70	(70)
Decrease in deposits and prepaid expenses	5	412	232
Decrease (increase) in inventory	6	(528)	(2,353)
(Decrease) increase in accounts payable and accrued liabilities	11	(2,770)	2,790
<b>Net cash from operating activities</b>		<b>(3,958)</b>	<b>(12,096)</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		7,241	98
Purchase of property, plant and equipment	9	(334)	(3,172)
Proceeds from sale of mineral properties	7	-	1,000
Investment in mineral properties	9	(153)	(227)
<b>Net cash from investing activities</b>		<b>6,754</b>	<b>(2,301)</b>
<b>FINANCING ACTIVITIES</b>			
Return of performance bond collateral	8	4,786	-
(Distributions to) contributions from member	7	(8,180)	15,000
<b>Net cash from financing activities</b>		<b>(3,394)</b>	<b>15,000</b>
Change in cash		(598)	603
Cash, beginning of year		1,448	845
Cash, end of year		850	1,448
<b>Supplemental information</b>			
Non-cash distributions to member	7	-	(13,289)

The accompanying notes are an integral part of these financial statements.

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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#### 1. NATURE OF OPERATIONS

Borealis Mining Company, LLC (the “Company”) was formed as a Nevada corporation in 2003 and converted to a Nevada limited liability company in 2014. The address of the Company is PO Box 11340, Reno, NV 89510. The Company is focused on the Borealis Heap Leach Project on the Walker Lane Trend. The Company’s principal project is:

**Borealis Heap Leach Project** (“Borealis Project”), a fully permitted silver-gold mine and absorption, desorption, and refining plant, located near Hawthorne, Nevada. The Borealis Project has been mined by previous owners intermittently since the year 1981 and contains certain unpatented mining claims.

The following asset was sold on May 17, 2021:

**Gabbs copper-gold development project** (“Gabbs”), an exploration property located near Hawthorne, Nevada, consisting of certain unpatented and patented lode claims.

The Company is a wholly owned subsidiary of Waterton Nevada Splitter, LLC (“Waterton Nevada”), itself a subsidiary of Waterton Precious Metals Fund II Cayman, LP (“Waterton”).

These financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profitable levels of operations. Changes in future conditions could require material write downs of the carrying values. The business of mining involves a high degree of risk and there can be no assurance that the programs will result in profitable operations.

Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, environmental and social licensing requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

#### 2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

##### a) Basis of preparation and going concern

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to a going concern, which contemplates the realization of assets and settlement

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company raises funds through its member to conduct its business activities. The Company has incurred losses in the current and prior years, with a net loss of \$6,514 for the year ended December 31, 2022 (2021 - \$5,706), and an accumulated deficit of \$49,509 as at December 31, 2022 (2021 - \$42,995). The Company's cash balance at December 31, 2022, was \$850 (2021 - \$1,448), and working capital was \$3,551 (2021 - \$1,100).

The recoverability of the carrying value of mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its property interests on an advantageous basis. Management cannot provide assurance that it will be successful in future financing activities or be able to execute its business strategy.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material.

#### b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

#### *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"), being United States dollars. The financial statements are presented in United States dollars.

#### *Foreign currency translation of transactions*

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in the statements of loss within foreign exchange gain (loss).

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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#### c) Revenue recognition

The Company records revenue when evidence exists that all of the following criteria are met:

- the significant risks and rewards of ownership of the product have been transferred to the buyer;
- neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the sale will flow to the Company; and
- the costs incurred or to be incurred in respect of the sale can be reliably measured.

During the years ended December 31, 2022, and 2021 the Company's sole source of revenue was from leaching activities at the Borealis Project.

#### d) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset, and the net amount is reported in the statements of financial position, when there is an unconditional and legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

##### *Financial assets*

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Company classifies its financial assets in the following measurement categories:

- measured subsequently at amortized cost; or
- measured subsequently at fair value (either through other comprehensive income (loss), or through net income (loss)).

##### *i) Financial assets measured at amortized cost*

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### ii) *Financial assets measured at fair value*

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Financial liabilities*

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

The Company has classified its financial instruments as follows:

Cash	Amortized cost
Restricted cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

#### *Fair value*

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. Fair values of financial instruments traded in active markets are determined based on quoted market prices, where available. For financial instruments not traded in an active market, fair values are determined based on appropriate valuation techniques. Such techniques may include discounted cash flow analysis, using recent arm's-length market transactions, reference to the current fair value of another instrument that is substantially the same, and other valuation models. The Company applies a hierarchy to classify valuation methods used to measure financial instruments carried at fair value.

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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Levels 1 to 3 are defined based on the degree to which fair value inputs are observable and have a significant effect on the recorded fair value, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques use significant observable inputs, directly or indirectly, or valuations are based on quoted prices for similar instruments; and

Level 3: Valuation techniques use significant inputs that are not based on observable market data (unobservable inputs).

#### *Impairment of financial assets*

The Company applies the simplified approach permitted by IFRS 9 for trade and other receivables, which requires lifetime expected credit losses to be recognized from initial recognition of the receivables.

e) Cash

Cash comprises of cash at bank and on hand.

f) Property, plant and equipment (“PPE”)

PPE is carried at cost, less accumulated depreciation, and accumulated impairment losses.

The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to the statements of loss and comprehensive loss during the period in which they are incurred. Depreciation is recognized based on the cost of an item of PPE, less its estimated residual value, over its estimated useful life at the following rates:

<b>Detail</b>	<b>Years</b>	<b>Method</b>
Buildings	5-20	Straight-line
Plant and Equipment	3-20	Straight-line
Computer Equipment	3	Straight-line
Vehicles	5	Straight-line

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset,

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statements of loss and comprehensive loss.

Where an item of PPE consists of major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

As described in the table above, depreciation is also provided for using the straight-line method. The depreciation expense remains capitalized for mining assets not in commercial production and will be recognized in the statement of comprehensive loss gradually as the mining properties are put into commercial production.

#### g) Mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing historical characteristic of many properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, title to all its properties is in good standing.

Costs relating to the acquisition of acquired mineral rights and acquired exploration rights are capitalized. Exploration expenditures are expensed as incurred, and evaluation expenditures are capitalized. These expenses include further evaluation expenditures such as mining method selection and optimization, metallurgical sampling test work and costs to further delineate the ore body to a higher confidence level. Once commercial and technical viability has been established for a property, the property is classified as a development stage mineral property and all further development costs are capitalized to the asset. Further development costs include costs related to constructing a mine, such as shaft sinking and access, lateral development, drift development, engineering studies and environmental permitting, infrastructure development and the costs of maintaining the site until commercial production. Such capital costs represent the net expenditures incurred and capitalized as at the statement of financial position date and do not necessarily reflect present or future values.

#### h) Impairment of non-financial assets

PPE and mineral property interests are reviewed for impairment if there is any indication that the carrying amount may not be recoverable or if there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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assets, the Company estimates the recoverable amount of the asset group to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment charge is recognized in the statements of loss and comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized in the statements of loss and comprehensive loss in the period it occurred.

The recoverability of amounts shown for mineral property interests is dependent upon several factors including, but not limited to, completion of the acquisition of the mineral property interests, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, obtaining the necessary development permits, and the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write-downs of the carrying values of mineral property interests and PPE.

#### i) Restoration, rehabilitation, and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, evaluation, development, or ongoing production of a mineral property interest. Such costs arising from the decommissioning of a plant and other site preparation work, discounted to their net present value, are provided for, and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. The discount rate used is based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, excluding the risks for which future cash flow estimates have already been adjusted. The related liability is adjusted each period for the unwinding of the discount rate, and if required, for changes to the current market-based discount rate, amount and timing of the underlying cash flows needed to settle the obligation. The Company also records a corresponding asset amount which is amortized over the remaining service life of the asset.

#### j) Provisions

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### k) Income taxes

The Company is a disregarded entity for United States income tax purposes. As such all components of taxable income and loss are allocated to Waterton Nevada. Therefore, there is no provision for current or deferred taxes within these financial statements.

#### l) Accounting standards effective for future periods

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2023 or later periods. Many are not applicable to, or do not have a significant impact on the Company and have therefore been excluded. The following has not been adopted and is being evaluated to determine the impact on the Company's financial statements:

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. In February 2021, the IASB issued ‘Disclosure of Accounting Policies’ with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on January 1, 2023.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

IAS 8 – Accounting policies, changes in accounting estimates and errors (“IAS-8”) - In February 2021, the IASB issued ‘Definition of Accounting Estimates’ to help entities distinguish between accounting

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 12 – Income taxes (“IAS 12”) - In May 2021, the IASB issued ‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’ that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023.

### 3. CRITICAL JUDGMENTS, ESTIMATES, ASSUMPTIONS AND RISKS

Many of the amounts included in the financial statements require management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on management’s experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Areas of significant judgment and estimates affecting the amounts recognized in the financial statements include:

(i) Going concern

The assessment of the Company’s ability to execute its strategy by funding future working capital and exploration, evaluation and development activities involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(ii) Impairment of non-financial assets

The recoverability of amounts shown for PPE and mineral property interests is dependent upon several factors including, but not limited to, completion of the acquisition of the mineral property interests, the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, obtaining the necessary development permits, and the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of PPE and mineral property interests.

PPE and mineral property interests are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. The Company has determined that it has one cash-generating unit to which the assets belong. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction is recognized immediately as an impairment loss. When an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. The previously recognized impairment loss is reversed during the period in profit or loss.

The estimate of recoverable amounts with respect to non-financial assets is based on numerous assumptions and may differ significantly from actual recoverable amounts. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The recoverable amount estimates may differ from actual recoverable amounts, and these differences may be significant and could have a material impact on the Company's financial position and results of operations. The cash-generating unit is reviewed for an indication of impairment at each statement of financial position date or when a triggering event is identified. This determination requires significant judgment. In particular, for assets in the exploration and evaluation stage, factors which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or in the near future, and which is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area are neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale; significant negative industry or economic trends; interruptions in exploration and evaluation activities; and a significant drop in current or forecasted gold prices.

**BOREALIS MINING COMPANY, LLC****Notes to the Financial Statements**

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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(iii) Estimated reclamation and closure costs

The Company's provision for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs directly attributable to remediating the liability, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company. To the extent the carrying value of the related mining property is not increased above its recoverable amount, changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of mining properties.

**4. ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

<u>As at December 31,</u>	<u>2022</u>	<u>2021</u>
	\$	\$
Trade receivables	520	20
Due from related party	-	70
<b>Total</b>	<b>520</b>	<b>90</b>

As at December 31, 2022, \$520 of trade receivables is a result from the sale of assets (see note 7). The due from related party balance as of December 31, 2021 was owing from Origin Mining Company, LLC an entity under common control. The balance is due in less than 30 days and was collected subsequent to the year end.

**5. DEPOSITS AND PREPAID EXPENSES**

Deposits and prepaid expenses consist of the following:

<u>As at December 31,</u>	<u>2022</u>	<u>2021</u>
	\$	\$
Advance royalty	-	262
Insurance	67	199
Other	105	123
<b>Total</b>	<b>172</b>	<b>584</b>

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

Pursuant to the Company's leased mining claims (see note 19), the Company is required to make advance royalty payments monthly in the amount of \$12, which is adjusted annually for inflation. Once in production, the agreement attracts a net smelter royalty of 5%, which can be offset by the advance royalty payments made previously.

#### 6. INVENTORY

Inventory consist of the following:

<u>As at December 31,</u>	<u>2022</u>	<u>2021</u>
	\$	\$
Stockpile ore	1,223	-
Heap leach ore	322	1,087
Dore	1,069	678
Consumable supplies	-	588
<b>Total</b>	<b>2,614</b>	<b>2,353</b>

During the year ended December 31, 2022, inventory expensed through cost of sales was \$26,584 (2021 - \$21,232). The Company recorded an inventory impairment of \$1,292 (2021 - \$7,011) during the year ended December 31, 2022 as part of cost of sales. The carrying amount of inventory as at December 31, 2022 carried at fair value less costs to sell was \$2,614 (2021 - \$2,353).

#### 7. GAIN ON SALE OF ASSETS

In the second half of 2022, the Borealis mine transitioned to care and maintenance, and all redundant property, plant and equipment and right of use assets were disposed or sold. The sales resulted in a gain of \$1,385 being recognized in the year ended December 31, 2022.

On May 17, 2021 the Company sold Gabbs to P2 Gold Inc. for \$1,000 in cash; 15 million shares of P2 Gold Inc.; \$4,000 to be received on May 17, 2022; \$5,000 to be received on the earlier of the announcement of the results of a Preliminary Economic Assessment and May 17, 2023; and a 2% net smelter returns royalty on production from Gabbs, of which 1% may be repurchased at any time by P2 Gold Inc. for \$1,500 and the remaining 1% of which may be repurchased for \$5,000. The proceeds of disposition of \$14,289 were distributed to the Company's parent and recorded as a distribution to member, of which \$13,289 was non-cash consideration.

The gain on sale was calculated as follows:

\$

**BOREALIS MINING COMPANY, LLC****Notes to the Financial Statements**

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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Proceeds	14,289
Assets held for sale	(2,545)
Liabilities held for sale	29
Closing costs	(65)
<b>Gain of sale of asset</b>	<b>11,708</b>

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**8. RESTRICTED CASH**

As at December 31, 2022 and 2021, the Company had certain restricted cash deposited to collateralize a portion of its reclamation obligations (note 13). During the year ended December 31, 2022, \$4,812 of cash collateral was returned to the Company, however the Company continues to guarantee the full reclamation obligations.

**9. PROPERTY PLANT AND EQUIPMENT**

The following tables reflect the continuity of the Company's property, plant, and equipment:

<b>Cost</b>	<b>Buildings</b>	<b>Plant and Equipment</b>	<b>Vehicles</b>	<b>Computer Equipment</b>	<b>Total</b>
As at January 1, 2021	\$4,439	\$26,642	\$137	\$35	<b>\$31,253</b>
Additions	493	2,284	324	71	<b>3,172</b>
Disposals	-	(121)	(50)	(4)	<b>(175)</b>
As at December 31, 2021	4,932	28,805	411	102	<b>34,250</b>
Additions	89	177	68	-	<b>334</b>
Disposals	-	(15,353)	(98)	(35)	<b>(15,486)</b>
As at December 31, 2022	5,021	13,629	381	67	<b>19,098</b>
<b>Accumulated Depreciation</b>					
As at January 1, 2021	\$1,875	\$18,712	\$137	\$35	<b>\$20,759</b>
Depreciation	620	1,213	56	12	<b>1,901</b>
As at December 31, 2021	2,495	19,925	193	47	<b>22,660</b>
Depreciation	885	1,655	150	22	<b>2,712</b>
Disposals	-	(9,309)	(53)	(35)	<b>(9,397)</b>
As at December 31, 2022	3,380	12,271	290	34	<b>15,975</b>
<b>Net book value:</b>					
As at December 31, 2021	\$2,437	\$8,880	\$218	\$55	<b>\$11,590</b>
As at December 31, 2022	1,641	1,358	91	33	<b>3,123</b>

**10. MINERAL PROPERTIES**

The following tables reflect the continuity of the Company's mineral properties:

**BOREALIS MINING COMPANY, LLC****Notes to the Financial Statements**

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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<b>As at December 31,</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Opening balance	12,732	17,342
Additions	153	227
Disposals	-	(2,545)
Amortization	(3,995)	(2,292)
<b>Ending balance</b>	<b>8,890</b>	<b>12,732</b>

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**11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The following tables reflect the composition of the Company's accounts payable and accrued liabilities:

<b>As at December 31,</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Accounts payable	180	2,663
Due to related party	145	553
Accruals	280	159
	<b>605</b>	<b>3,375</b>

**12. RELATED PARTY BALANCES AND TRANSACTIONS**

By virtue of common control, Elko Mining Group and EMG Mining Canada are related to the Company. Elko Mining Group and EMG Mining Canada provide certain technical services to the Company, for which they receive a service fee. For the year ended December 31, 2022, the Company incurred administration expenses charged by related parties of \$816 (2021: \$1,932), of which \$145 (2021: \$553) was outstanding at year-end. The amount due is non-interest bearing and due on demand. Also see note 4.

**13. RECLAMATION AND CLOSURE COST OBLIGATIONS**

The Company has reclamation and closure cost obligations related to the operations of the Borealis Project in Hawthorne, Nevada. The accrual represents the Company's best estimate of the present value of the total future reclamation cost based on assumptions as to levels of treatment, which will be required in the future, discounted at a risk-free rate of 3.88% (2021: 1.52%) with an inflation rate of 3.70% (2021: 2.25%). As at December 31, 2022, the undiscounted amount of estimated future reclamation costs is \$11,750 (2021: \$10,815). A surety bond of \$9,284 (see note 15) and a cash bond of \$26 in financial assurance has been provided to the various environmental agencies against these obligations. These agencies include United States Forest Service and the Department of the Interior, Bureau of Land Management. During the years ended December 31, 2022 and 2021, the reclamation

**BOREALIS MINING COMPANY, LLC****Notes to the Financial Statements**

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

and closure cost obligations were as follows:

<u>Year ended December 31,</u>	<u>2022</u>	<u>2021</u>
	\$	\$
Opening balance	10,022	9,539
Change in estimates	(29)	401
Accretion	79	82
<b>Closing balance</b>	<b>10,072</b>	<b>10,022</b>

The timing of reclamation is uncertain as a result of several factors, including, but not limited to, the timing of cessation of operations and the potential changes to any laws and regulations. Management currently estimates that reclamation will begin in the year 2026.

**14. MEMBER'S CAPITAL**

Authorized

An unlimited number of member units have been authorized. In the year ended December 31, 2022, the Company distributed \$8,180 to its member (2021: net contribution of \$1,711).

**15. FINANCE COST**

Finance cost consists of \$139 (2021: \$140) in interest expense on bonding arrangements offset by \$39 (2021: \$nil) in interest income. The interest expense is associated with bonding surety arrangements to secure the following bond amounts:

<u>Agency</u>	<u>Amount</u>	<u>Interest Rate</u>
	\$	%
Lexon Insurance Company	217	1.50
Lexon Insurance Company	9,067	1.50
<b>Total</b>	<b>9,284</b>	

**16. REVENUE**

The Company recognized the following revenues during the years ended December 31:

<u>2022</u>	<u>2021</u>
\$	\$

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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Ore sales	21,279	6,084
Other revenue	13	5
<b>Total</b>	<b>21,292</b>	<b>6,089</b>

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## 17. CAPITAL MANAGEMENT

The capital of the Company consists of member's equity of \$5,775 as at December 31, 2022 (2021: \$21,029). The Company's objectives are to manage the ability to continue as a going concern and to provide an adequate long-term return to its member. The Company has working capital of \$3,808 (2021 - \$1,917) on December 31, 2022.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital within current economic conditions and manages its capital with the following objectives of:

- (i) minimizing discretionary disbursements;
- (ii) limiting exploration and evaluation expenditures to those of strategic value; and
- (iii) exploring alternate sources of liquidity with an objective to minimize cost of capital.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. The Company is not subject to externally imposed capital requirements. Changes in capital are described in the statement of changes in member's equity. There were no changes to the Company's approach to capital management during the years ended December 31, 2022, and 2021.

## 18. FINANCIAL RISK FACTORS

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 loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable. The Company reduces its credit risk on its cash by deposits and investments with major U.S. banks rated "A" or higher. Accounts receivable relate primarily to gold and silver dore bars sold but for which the funds were not collected prior to the period end. Amounts in accounts receivable are expected to be collectible in full due to the nature of the counterparties and previous history of collectability. Management believes that the credit risk associated with these assets is minimal.

### *Liquidity Risk*

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations associated with financial liabilities as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital or other alternative forms of financing is hindered, whether as a result of an economic downturn or related to matters specific to the Company. Most of the Company's financial liabilities are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

The following table summarizes the expected maturity of the Company's significant financial liabilities based on the remaining period from the balance sheet date to the contractual maturity date.

As at December 31, 2022	Payments by period				Total
	Less than 1 Year	1-3 Years	4-5 Years	Greater than 5 Years	
Accounts payable and accrued liabilities	\$604	\$-	\$-	\$-	\$604
Reclamation and closure cost obligations	-	-	11,750	-	11,750
<b>Total</b>	<b>604</b>	<b>-</b>	<b>11,750</b>	<b>-</b>	<b>12,354</b>

As at December 31, 2021	Payments by period				Total
	Less than 1 Year	1-3 Years	4-5 Years	Greater than 5 Years	
Accounts payable and accrued liabilities	\$3,375	\$-	\$-	\$-	\$3,375
Reclamation and closure cost obligations	-	-	10,815	-	10,815
<b>Total</b>	<b>3,375</b>	<b>-</b>	<b>10,815</b>	<b>-</b>	<b>14,190</b>

#### *Commodity Price Risk*

The Company is exposed to fluctuations in commodity prices as the value of its mineral properties and its ability to fund the Borealis Project is impacted by the price of gold.

#### *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 December 31, 2022, the currency risk impacting the Company is minimal as the majority of assets are denominated in its functional currency (U.S. dollars).

#### *Fair Value of Financial Instruments*

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities which are measured at amortized cost, approximate their fair values due to their relatively short periods to maturity.

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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#### *Fair value hierarchy*

During the years ended December 31, 2022, and 2021, the Company did not have any financial instruments measured at fair value and that require classification within the fair value hierarchy.

## 19. COMMITMENTS AND CONTINGENCIES

The Company has reclamation and closure cost obligations related to the operations of the Borealis project in Mineral and Nye County, Nevada. The accrual represents the Company's best estimate of the present value of the total future reclamation cost based on assumptions as to levels of treatment which will be required in the future. The Company has issued a surety bond to the United States Forest Service for \$9,284 and the Bureau of Land Management for \$26.

The Company has a mining lease which requires a monthly payment of \$12 for advance royalty payments which is adjusted each year for inflation. Once in production, the agreement attracts a net smelter royalty of 5%, which can be offset by the advance royalty payments made previously.

#### *Environmental*

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

## 20. SUBSEQUENT EVENT

On April 17, 2023, all of the Company's outstanding membership interests were acquired by an arm's length party. Pursuant to the transaction, the purchaser paid cash of \$100 and has committed to the following contingency payments, payable to the seller:

- i) Upon the completion of a future reverse takeover transaction ("RTO") between the purchaser and an RTO target, the resulting issuer shall issue common shares to the seller of the Company 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, based on the value of the resulting issuer's common stock at the closing of the RTO.
- ii) \$5,000 payable in cash upon publishing an NI 43-101 resource report for the sulphide portion of the Property describing a resource of 2,800,000 or more ounces of gold equivalents;
- iii) \$2,500 payable in cash upon passing environmental assessment, permitting and approval for underground mining site;

**BOREALIS MINING COMPANY, LLC**

**Notes to the Financial Statements**

For the Years Ended December 31, 2022 and 2021

(expressed in thousands of United States dollars)

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- iv) \$7,500 payable in cash upon commercial production of sulphide ore at the property;
- v) \$500 payable in cash if such an RTO transaction is not completed by October 17, 2023. Subsequent to the acquisition, the parties amended the agreement and the RTO Deadline was extended to April 15, 2024.

**SCHEDULE "F"**  
**FINANCIAL STATEMENTS OF BOREALIS LLC FOR THE PERIOD FROM JANUARY 1, 2023 TO**  
**APRIL 17, 2023 (AUDITED)**

*[See attached]*



Financial Statements  
Borealis Mining Company, LLC

For the periods from January 1 to April 17, 2023 and 2022

*Audit. Tax. Advisory.*

## **Independent Auditor's Report**

To the Directors of Borealis Mining Company, LLC

### **Opinion**

We have audited the financial statements of Borealis Mining Company, LLC (the "Company"), which comprise the statements of financial position as at April 17, 2023, and the statement of loss and comprehensive loss, statement of changes in member's equity and statement of cash flows for the period from January 1, to April 17, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 17, 2023 and its financial performance and its cash flows for the period from January 1, to April 17, 2023 in accordance with International Financial Reporting Standards ("IFRS").

### **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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. 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.

### **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Other matter**

The financial statements of the Company as at April 17, 2022 and for the period from January 1 to April 17, 2022 are unaudited.

## **Responsibilities of management and those charged with governance for the financial statements**

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

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

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

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**  
Toronto, Ontario  
July 29, 2024

# STATEMENTS OF FINANCIAL POSITION

## Borealis Mining Company, LLC

As at

(expressed in thousands of United States dollars)

	Notes	April 17, 2023	April 17, 2022 (Unaudited)
<b>ASSETS</b>			
Cash		5	2,591
Accounts receivable	4	-	116
Deposits and prepaid expenses	5	194	343
Inventory	6	-	3,967
<b>Total current assets</b>		<b>199</b>	<b>7,017</b>
Restricted cash	7	26	4,812
Property, plant and equipment	8	509	10,504
Mineral properties	9	-	11,045
<b>Total assets</b>		<b>734</b>	<b>33,378</b>
<b>LIABILITIES AND MEMBER'S EQUITY</b>			
Accounts payable and accrued liabilities	10,11	285	2,718
<b>Total current liabilities</b>		<b>285</b>	<b>2,718</b>
Reclamation and closure cost obligations	12	10,358	9,546
<b>Total liabilities</b>		<b>10,643</b>	<b>12,264</b>
Member's capital	13	52,630	69,207
Deficit		(62,539)	(48,093)
<b>Total member's equity</b>		<b>(9,909)</b>	<b>21,114</b>
<b>Total liabilities and member's equity</b>		<b>734</b>	<b>33,378</b>

Going Concern - Note 2(a)

Reclamation and Closure Cost Obligations – Note 12

Commitments and Contingencies – Note 18

Subsequent Event - Note 19

Approved by the sole manager and authorized on July 22, 2024.

“Kelly Malcolm”  
Signed: Manager

The accompanying notes are an integral part of these financial statements.

# STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

## Borealis Mining Company, LLC

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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	Notes	April 17, 2023	April 17, 2022 (Unaudited)
		\$	\$
Revenue	14	2,292	5,208
Cost of sales	6	(1,183)	(9,777)
Gross loss		1,109	(4,569)
Operating expenses		308	544
Administration expenses		77	83
Depreciation, amortization and accretion		281	(123)
<b>Loss before other items</b>		443	(5,073)
Gain on sale of assets		-	9
Finance cost		(35)	(34)
Asset impairment		(13,438)	-
<b>Net loss and comprehensive loss</b>		(13,030)	(5,098)

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The accompanying notes are an integral part of these financial statements.

## STATEMENTS OF CHANGES IN MEMBER'S EQUITY

### Borealis Mining Company, LLC

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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	<b>Member's capital</b>	<b>Deficit</b>	<b>Total member's (deficit) equity</b>
<b>Balance at January 1, 2023</b>	55,027	(49,509)	5,518
Net member's contributions	(2,397)	-	(2,397)
Net loss and comprehensive loss	-	(13,030)	(13,030)
<b>Balance at April 17, 2023</b>	52,630	(62,539)	(9,909)
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Balance at January 1, 2022</b>	63,207	(42,995)	20,212
Net member's contributions	6,000	-	6,000
Net loss and comprehensive loss	-	(5,098)	(5,098)
<b>Balance at April 17, 2022</b>	69,207	(48,093)	21,114

The accompanying notes are an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

## Borealis Mining Company, LLC

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

	Notes	April 17, 2023 \$	April 17, 2022 \$ (Unaudited)
<b>OPERATING ACTIVITIES</b>			
Net loss for the period		(13,030)	(5,098)
Items not affecting cash:			
Depreciation, amortization and accretion	8,9	386	2,470
Impairment loss		13,438	4,123
Net changes in operating components of working capital:			
Decrease (Increase) in accounts receivable	4	520	(26)
(Increase) decrease in deposits and prepaid expenses	5	(22)	241
Decrease (increase) in inventory	6	580	(5,737)
Decrease in accounts payable and accrued liabilities	10,11	(320)	(657)
<b>Net cash from operating activities</b>		<b>1,552</b>	<b>(4,684)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	8	-	(118)
Investment in mineral properties	9	-	(55)
<b>Net cash from investing activities</b>		<b>-</b>	<b>(173)</b>
<b>FINANCING ACTIVITIES</b>			
(Distributions to) contributions from member	13	(2,397)	6,000
<b>Net cash from financing activities</b>		<b>(2,397)</b>	<b>6,000</b>
<b>Change in cash</b>		<b>(845)</b>	<b>1,143</b>
<b>Cash, beginning of period</b>		<b>850</b>	<b>1,448</b>
<b>Cash, end of period</b>		<b>5</b>	<b>2,591</b>
<b>Supplemental information</b>			
Non-cash distributions to member	13	(147)	-

The accompanying notes are an integral part of these financial statements.

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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#### 1. NATURE OF OPERATIONS

Borealis Mining Company, LLC (the “Company”) was formed as a Nevada corporation in 2003 and converted to a Nevada limited liability company in 2014. The address of the Company is PO Box 11340, Reno, NV 89510. The Company is focused on the Borealis Heap Leach Project on the Walker Lane Trend. The Company’s principal project is:

**Borealis Heap Leach Project** (“Borealis Project”), a fully permitted silver-gold mine and absorption, desorption, and refining plant, located near Hawthorne, Nevada. The Borealis Project has been mined by previous owners intermittently since the year 1981 and contains certain unpatented mining claims.

The Company is a wholly owned subsidiary of Waterton Nevada Splitter, LLC (“Waterton Nevada”), itself a subsidiary of Waterton Precious Metals Fund II Cayman, LP (“Waterton”).

These financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profitable levels of operations. Changes in future conditions could require material write downs of the carrying values. The business of mining involves a high degree of risk and there can be no assurance that the programs will result in profitable operations.

Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, environmental and social licensing requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

#### 2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

##### a) Basis of preparation and going concern

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company raises funds through its member to conduct its business activities. The Company has

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022  
(expressed in thousands of United States dollars)

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incurred losses in the current and prior period, with a net loss of \$13,030 for the period ended April 17, 2023 (April 17, 2022 - \$5,098), and an accumulated deficit of \$62,539 as at April 17, 2023 (April 17, 2022 - \$48,093). The Company's cash balance at April 17, 2023, was \$5 (April 17, 2022 - \$2,591), and working capital deficit was \$(86) (April 17, 2022 – surplus of \$4,299).

The recoverability of the carrying value of mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its property interests on an advantageous basis. Management cannot provide assurance that it will be successful in future financing activities or be able to execute its business strategy.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material.

Subsequent to April 17, 2023, the Company was acquired. See note 19.

#### b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

#### *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"), being United States dollars. The financial statements are presented in United States dollars.

#### *Foreign currency translation of transactions*

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in the statements of loss within foreign exchange gain (loss).

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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#### c) Revenue recognition

The Company records revenue when evidence exists that all of the following criteria are met:

- the significant risks and rewards of ownership of the product have been transferred to the buyer;
- neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the sale will flow to the Company; and
- the costs incurred or to be incurred in respect of the sale can be reliably measured.

During the periods ended April 17, 2023 and 2022, the Company's sole source of revenue was from leaching activities at the Borealis Project.

#### d) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset, and the net amount is reported in the statements of financial position, when there is an unconditional and legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

##### *Financial assets*

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Company classifies its financial assets in the following measurement categories:

- measured subsequently at amortized cost; or
- measured subsequently at fair value (either through other comprehensive income (loss), or through net income (loss)).

##### *i) Financial assets measured at amortized cost*

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### ii) *Financial assets measured at fair value*

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Financial liabilities*

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

The Company has classified its financial instruments as follows:

Cash	Amortized cost
Restricted cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

#### *Fair value*

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. Fair values of financial instruments traded in active markets are determined based on quoted market prices, where available. For financial instruments not traded in an active market, fair values are determined based on appropriate valuation techniques. Such techniques may include discounted cash flow analysis, using recent arm's-length market transactions, reference to the current fair value of another instrument that is substantially the same, and other valuation models. The Company applies a hierarchy to classify valuation methods used to measure financial instruments carried at fair value.

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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Levels 1 to 3 are defined based on the degree to which fair value inputs are observable and have a significant effect on the recorded fair value, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques use significant observable inputs, directly or indirectly, or valuations are based on quoted prices for similar instruments; and

Level 3: Valuation techniques use significant inputs that are not based on observable market data (unobservable inputs).

#### *Impairment of financial assets*

The Company applies the simplified approach permitted by IFRS 9 for trade and other receivables, which requires lifetime expected credit losses to be recognized from initial recognition of the receivables.

#### e) Cash

Cash comprises of cash at bank and on hand.

#### f) Property, plant and equipment (“PPE”)

PPE is carried at cost, less accumulated depreciation, and accumulated impairment losses.

The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to the statements of loss and comprehensive loss during the period in which they are incurred. Depreciation is recognized based on the cost of an item of PPE, less its estimated residual value, over its estimated useful life at the following rates:

<b>Detail</b>	<b>Years</b>	<b>Method</b>
Buildings	5-20	Straight-line
Plant and Equipment	3-20	Straight-line
Computer Equipment	3	Straight-line
Vehicles	5	Straight-line

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset,

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statements of loss and comprehensive loss.

Where an item of PPE consists of major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

As described in the table above, depreciation is also provided for using the straight-line method. The depreciation expense remains capitalized for mining assets not in commercial production and will be recognized in the statement of comprehensive loss gradually as the mining properties are put into commercial production.

#### g) Mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing historical characteristic of many properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, title to all its properties is in good standing.

Costs relating to the acquisition of acquired mineral rights and acquired exploration rights are capitalized. Exploration expenditures are expensed as incurred, and evaluation expenditures are capitalized. These expenses include further evaluation expenditures such as mining method selection and optimization, metallurgical sampling test work and costs to further delineate the ore body to a higher confidence level. Once commercial and technical viability has been established for a property, the property is classified as a development stage mineral property and all further development costs are capitalized to the asset. Further development costs include costs related to constructing a mine, such as shaft sinking and access, lateral development, drift development, engineering studies and environmental permitting, infrastructure development and the costs of maintaining the site until commercial production. Such capital costs represent the net expenditures incurred and capitalized as at the statement of financial position date and do not necessarily reflect present or future values.

#### h) Impairment of non-financial assets

PPE and mineral property interests are reviewed for impairment if there is any indication that the carrying amount may not be recoverable or if there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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assets, the Company estimates the recoverable amount of the asset group to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment charge is recognized in the statements of loss and comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized in the statements of loss and comprehensive loss in the period it occurred.

The recoverability of amounts shown for mineral property interests is dependent upon several factors including, but not limited to, completion of the acquisition of the mineral property interests, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, obtaining the necessary development permits, and the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write-downs of the carrying values of mineral property interests and PPE.

#### i) Restoration, rehabilitation, and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, evaluation, development, or ongoing production of a mineral property interest. Such costs arising from the decommissioning of a plant and other site preparation work, discounted to their net present value, are provided for, and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. The discount rate used is based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, excluding the risks for which future cash flow estimates have already been adjusted. The related liability is adjusted each period for the unwinding of the discount rate, and if required, for changes to the current market-based discount rate, amount and timing of the underlying cash flows needed to settle the obligation. The Company also records a corresponding asset amount which is amortized over the remaining service life of the asset.

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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#### j) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### k) Income taxes

The Company is a disregarded entity for United States income tax purposes. As such all components of taxable income and loss are allocated to Waterton Nevada. Therefore, there is no provision for current or deferred taxes within these financial statements.

#### l) New and amended accounting standards adopted in the current period

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. In February 2021, the IASB issued ‘Disclosure of Accounting Policies’ with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The adoption of these amendments did not have a material impact on these financial statements.

IAS 8 – Accounting policies, changes in accounting estimates and errors (“IAS-8”) - In February 2021, the IASB issued ‘Definition of Accounting Estimates’ to help entities distinguish between accounting policies and accounting estimates. The adoption of these amendments did not have a material impact on these financial statements.

IAS 12 – Income taxes (“IAS 12”) - In May 2021, the IASB issued ‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’ that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The adoption of these amendments did not have a material impact on these financial statements.

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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#### m) Accounting standards effective for future periods

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2024 or later periods. Many are not applicable to, or do not have a significant impact on the Company and have therefore been excluded. The following has not been adopted and is being evaluated to determine the impact on the Company's financial statements: IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

### 3. CRITICAL JUDGMENTS, ESTIMATES, ASSUMPTIONS AND RISKS

Many of the amounts included in the financial statements require management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Areas of significant judgment and estimates affecting the amounts recognized in the financial statements include:

#### (i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital and exploration, evaluation and development activities involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (ii) Impairment of non-financial assets

The recoverability of amounts shown for PPE and mineral property interests is dependent upon several factors including, but not limited to, completion of the acquisition of the mineral property interests, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, obtaining the necessary development permits, and the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit.

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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Changes in future conditions could require material write downs of the carrying values of PPE and mineral property interests.

PPE and mineral property interests are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. The Company has determined that it has one cash-generating unit to which the assets belong. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction is recognized immediately as an impairment loss. When an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. The previously recognized impairment loss is reversed during the period in profit or loss.

The estimate of recoverable amounts with respect to non-financial assets is based on numerous assumptions and may differ significantly from actual recoverable amounts. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The recoverable amount estimates may differ from actual recoverable amounts, and these differences may be significant and could have a material impact on the Company's financial position and results of operations. The cash-generating unit is reviewed for an indication of impairment at each statement of financial position date or when a triggering event is identified. This determination requires significant judgment. In particular, for assets in the exploration and evaluation stage, factors which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or in the near future, and which is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area are neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; sufficient data exists to indicate that, although a

**BOREALIS MINING COMPANY, LLC****Notes to the Financial Statements**

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

development in a specific area is likely to proceed, the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale; significant negative industry or economic trends; interruptions in exploration and evaluation activities; and a significant drop in current or forecasted gold prices.

(iii) Estimated reclamation and closure costs

The Company's provision for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs directly attributable to remediating the liability, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company. To the extent the carrying value of the related mining property is not increased above its recoverable amount, changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of mining properties.

**4. ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

<u>As at</u>	<u>April 17, 2023</u>	<u>April 17, 2022</u>
	\$	\$
		(Unaudited)
Trade receivables	-	116
<b>Total</b>	<b>-</b>	<b>116</b>

**5. DEPOSITS AND PREPAID EXPENSES**

Deposits and prepaid expenses consist of the following:

<u>As at</u>	<u>April 17, 2023</u>	<u>April 17, 2022</u>
	\$	\$
		(Unaudited)
Advance royalty	-	38
Insurance	19	121
Other	175	184
<b>Total</b>	<b>194</b>	<b>343</b>

**BOREALIS MINING COMPANY, LLC****Notes to the Financial Statements**

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

Pursuant to the Company's leased mining claims, the Company is required to make advance royalty payments monthly in the amount of \$13, which is adjusted annually for inflation. Once in production, the agreement attracts a net smelter royalty of 5%, which can be offset by the advance royalty payments made previously.

**6. INVENTORY**

Inventory consist of the following:

As at	April 17, 2023	April 17, 2022
	\$	\$
		(Unaudited)
Carbon columns	-	669
Heap leach ore	-	1,466
Dore	-	993
Consumable supplies	-	839
<b>Total</b>	<b>-</b>	<b>3,967</b>

During the period ended April 17, 2023, inventory expensed through cost of sales was \$1,183 (April 17, 2022 - \$9,777). The Company recorded an inventory impairment of \$2,034 (April 17, 2022 - \$4,123) during the period ended April 17, 2023 as part of cost of sales. The carrying amount of inventory as at April 17, 2023 carried at fair value less costs to sell was \$Nil (April 17, 2022 - \$3,967).

**7. RESTRICTED CASH**

As at April 17, 2023 and 2022, the Company had certain restricted cash deposited to collateralize a portion of its reclamation obligations (note 12). During the year ended December 31, 2022, \$4,812 of cash collateral was returned to the Company, however the Company continues to guarantee the full reclamation obligations.

**8. PROPERTY PLANT AND EQUIPMENT**

The following tables reflect the continuity of the Company's property, plant, and equipment:

Cost	Buildings	Plant and Equipment	Vehicles	Computer Equipment	Total
	\$	\$	\$	\$	\$
As at January 1, 2023	5,021	13,706	381	66	19,174
Disposals	-	(26)	-	-	(26)
Impairment	(5,004)	(13,304)	(291)	(40)	(18,639)
As at April 17, 2023	17	376	90	26	509

**BOREALIS MINING COMPANY, LLC**

**Notes to the Financial Statements**

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>As at January 1, 2022</b>	<b>4,932</b>	<b>28,882</b>	<b>411</b>	<b>101</b>	<b>34,326</b>
Additions	71	47	-	-	<b>118</b>
As at April 17, 2022	5,003	28,929	411	101	<b>34,444</b>

**Accumulated Amortization**

<b>As at January 1, 2023</b>	<b>3,380</b>	<b>12,347</b>	<b>291</b>	<b>34</b>	<b>16,052</b>
Disposals	-	(26)	-	-	<b>(26)</b>
Depreciation	83	37	20	7	<b>147</b>
Impairment	(3,463)	(12,358)	(311)	(41)	<b>(16,173)</b>
As at April 17, 2023	-	-	-	-	-

(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>As at January 1, 2022</b>	<b>2,495</b>	<b>20,001</b>	<b>193</b>	<b>47</b>	<b>22,736</b>
Depreciation	431	739	27	7	<b>1,204</b>
As at April 17, 2022	2,926	20,740	220	54	<b>23,940</b>

**Net book value:**

As at April 17, 2023	17	376	90	26	<b>509</b>
As at April 17, 2022 (unaudited)	2,077	8,189	191	47	<b>10,504</b>

**9. MINERAL PROPERTIES**

The following tables reflect the continuity of the Company's mineral properties:

<u>As at</u>	<u>April 17, 2023</u>	<u>April 17, 2022</u>
	\$	\$
		(Unaudited)
Opening balance	8,890	12,732
Additions	-	55
Amortization	-	(1,742)
Impairment	(8,890)	
<b>Ending balance</b>	<b>-</b>	<b>11,045</b>

**BOREALIS MINING COMPANY, LLC****Notes to the Financial Statements**

For the periods from January 1 to April 17, 2023 and 2022  
(expressed in thousands of United States dollars)

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**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The following tables reflect the composition of the Company's accounts payable and accrued liabilities:

<b>As at</b>	<b>April 17, 2023</b>	<b>April 17, 2022</b>
	\$	\$
		<b>(Unaudited)</b>
Accounts payable	16	2,125
Due to related party	-	387
Accruals	269	206
	<b>285</b>	<b>2,718</b>

**11. RELATED PARTY BALANCES AND TRANSACTIONS**

By virtue of common control, Elko Mining Group and EMG Mining Canada are related to the Company. Elko Mining Group and EMG Mining Canada provide certain technical services to the Company, for which they receive a service fee. For the period from January 1 to April 17, 2023, the Company incurred administration expenses charged by related parties of \$48 (period from January 1 to April 17, 2022: \$243), of which \$nil (April 17, 2022: \$nil) was outstanding at April 17, 2023. The amount due is non-interest bearing and due on demand. Also see note 4.

**12. RECLAMATION AND CLOSURE COST OBLIGATIONS**

The Company has reclamation and closure cost obligations related to the operations of the Borealis Project in Hawthorne, Nevada. The accrual represents the Company's best estimate of the present value of the total future reclamation cost based on assumptions as to levels of treatment, which will be required in the future, discounted at a risk-free rate of 3.60% (April 17, 2022: 2.83%) with an inflation rate of 3.44% (April 17, 2022: 2.45%). As at April 17, 2023, the undiscounted amount of estimated future reclamation costs is \$11,661 (April 17, 2022: \$10,901). A surety bond of \$9,284 and a cash bond of \$26 in financial assurance has been provided to the various environmental agencies against these obligations. These agencies include United States Forest Service and the Department of the Interior, Bureau of Land Management. During the periods ended April 17, 2023 and 2022, the reclamation and closure cost obligations were as follows:

**BOREALIS MINING COMPANY, LLC****Notes to the Financial Statements**

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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<b>As at</b>	<b>April 17, 2023</b>	<b>April 17, 2022</b>
	\$	\$
		(Unaudited)
Opening balance	10,072	10,022
Change in estimates	232	(499)
Accretion	54	23
<b>Closing balance</b>	<b>10,358</b>	<b>9,546</b>

The timing of reclamation is uncertain as a result of several factors, including, but not limited to, the timing of cessation of operations and the potential changes to any laws and regulations. Management currently estimates that reclamation will begin in the year 2026.

**13. MEMBER'S CAPITAL**

Authorized

An unlimited number of member units have been authorized. During the period from January 1, 2023 to April 17, 2023, the Company distributed \$2,397 to its member (period from January 1, 2022 to April 17, 2022: received contribution of \$6,000).

**14. REVENUE**

The Company recognized the following revenues during the periods ended April 17:

	<b>2023</b>	<b>2022</b>
	\$	\$
		(Unaudited)
Ore sales	2,292	5,201
Other revenue	-	7
<b>Total</b>	<b>2,292</b>	<b>5,208</b>

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

#### 15. OPERATING EXPENSES

	April 17, 2023	April 17, 2022
	\$	\$
		(Unaudited)
Contractors and consulting fees	71	254
Consumables and supplies	7	10
Professional fees	1	0
Property and business taxes	146	199
Permits and claim staking	39	37
Insurance	7	10
Other	37	34
<b>Total</b>	<b>308</b>	<b>544</b>

#### 16. CAPITAL MANAGEMENT

The capital of the Company consists of member's deficit of \$(9,909) as at April 17, 2023 (April 17, 2022 - member's capital of \$21,114). The Company's objectives are to manage the ability to continue as a going concern and to provide an adequate long-term return to its member. The Company has a working capital deficit of \$(86) (April 17, 2022 – surplus of \$4,299) on April 17, 2023.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital within current economic conditions and manages its capital with the following objectives of:

- (i) minimizing discretionary disbursements;
- (ii) limiting exploration and evaluation expenditures to those of strategic value; and
- (iii) exploring alternate sources of liquidity with an objective to minimize cost of capital.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. The Company is not subject to externally imposed capital requirements. Changes in capital are described in the statement of changes in member's equity. There were no changes to the Company's approach to capital management during the periods ended April 17, 2023 and 2022.

#### 17. FINANCIAL RISK FACTORS

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

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022  
(expressed in thousands of United States dollars)

policies are as follows:

#### *Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable. The Company reduces its credit risk on its cash by deposits and investments with major U.S. banks rated "A" or higher. Accounts receivable relate primarily to gold and silver dore bars sold but for which the funds were not collected prior to the period end. Amounts in accounts receivable are expected to be collectible in full due to the nature of the counterparties and previous history of collectability. Management believes that the credit risk associated with these assets is minimal.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations associated with financial liabilities as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital or other alternative forms of financing is hindered, whether as a result of an economic downturn or related to matters specific to the Company. Most of the Company's financial liabilities are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

The following table summarizes the expected maturity of the Company's significant financial liabilities based on the remaining period from the balance sheet date to the contractual maturity date.

As at April 17, 2023	Payments by period					Total
	Less than 1 Year	1-3 Years	4-5 Years	Greater than 5 Years		
Accounts payable and accrued liabilities	285	-	-	-	285	
Reclamation and closure cost obligations	-	-	-	11,661	11,661	
<b>Total</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>11,661</b>	<b>11,946</b>	

As at April 17, 2022 (Unaudited)	Payments by period					Total
	Less than 1 Year	1-3 Years	4-5 Years	Greater than 5 Years		
Accounts payable and accrued liabilities	2,718	-	-	-	2,718	
Reclamation and closure cost obligations	-	-	-	10,901	10,901	
<b>Total</b>	<b>2,718</b>	<b>-</b>	<b>-</b>	<b>10,901</b>	<b>13,619</b>	

#### *Commodity Price Risk*

The Company is exposed to fluctuations in commodity prices as the value of its mineral properties and its ability to fund the Borealis Project is impacted by the price of gold.

#### *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

## BOREALIS MINING COMPANY, LLC

### Notes to the Financial Statements

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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gains and losses would impact profit or loss. At April 17, 2023, the currency risk impacting the Company is minimal as the majority of assets are denominated in its functional currency (U.S. dollars).

#### *Fair Value of Financial Instruments*

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities which are measured at amortized cost, approximate their fair values due to their relatively short periods to maturity.

#### *Fair value hierarchy*

During the periods ended April 17, 2023, and 2022, the Company did not have any financial instruments measured at fair value and that require classification within the fair value hierarchy.

## 18. COMMITMENTS AND CONTINGENCIES

The Company has reclamation and closure cost obligations related to the operations of the Borealis project in Mineral and Nye County, Nevada. The accrual represents the Company's best estimate of the present value of the total future reclamation cost based on assumptions as to levels of treatment which will be required in the future. The Company has issued a surety bond to the United States Forest Service for \$9,284 and the Bureau of Land Management for \$26.

The Company has a mining lease which requires a monthly payment of \$13 for advance royalty payments which is adjusted each year for inflation. Once in production, the agreement attracts a net smelter royalty of 5%, which can be offset by the advance royalty payments made previously.

#### *Environmental*

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

## 19. SUBSEQUENT EVENT

On April 17, 2023, all of the Company's outstanding membership interests were acquired by an arm's length party. Pursuant to the transaction, the purchaser paid cash of \$100 and has committed to the following contingency payments, payable to the seller:

i) Upon the completion of a future reverse takeover transaction ("RTO") between the purchaser and an RTO target, the resulting issuer shall issue common shares to the seller of the Company 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

**BOREALIS MINING COMPANY, LLC**

**Notes to the Financial Statements**

For the periods from January 1 to April 17, 2023 and 2022

(expressed in thousands of United States dollars)

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closing of the RTO; and

- b. That number of common shares having value equal to \$5,000, based on the value of the resulting issuer's common stock at the closing of the RTO.
- ii) \$5,000 payable in cash upon publishing an NI 43-101 resource report for the sulphide portion of the Property describing a resource of 2,800,000 or more ounces of gold equivalents;
- iii) \$2,500 payable in cash upon passing environmental assessment, permitting and approval for underground mining site;
- iv) \$7,500 payable in cash upon commercial production of sulphide ore at the property;
- v) \$500 payable in cash if such an RTO transaction is not completed by October 17, 2023 ("Late Penalty"). Subsequent to the acquisition, the contingencies were acquired from the seller by another third party, and Late Penalty was waived.

**SCHEDULE "G"**  
***PRO FORMA* FINANCIAL STATEMENTS OF THE RESULTING ISSUER (UNAUDITED)**

*[See attached]*

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

Unaudited pro forma consolidated statement of financial position  
(Expressed in US Dollars)

	Borealis Mining Company Limited (formerly, 1329300 B.C. Ltd.)	Borealis Mining Company Limited (formerly, 1329300 B.C. Ltd.)	Borealis Holdings Inc. (formerly, Borealis Mining Company Limited)	Note 5	Adjustments	Total
	March 31, 2024	March 31, 2024	April 30, 2024			
	\$ CAD	\$	\$		\$	\$
<b>Assets</b>						
Current assets						
Cash and equivalents	1	1	2,990,053	(e)	1,954,677	4,944,731
Accounts receivable	5,769	4,197	-			4,197
Deposits and prepaid expenses	6,073	4,418	828,605			833,023
Inventory	-	-	861,557			861,557
Total current assets	11,843	8,616	4,680,215		1,954,677	6,643,508
Non-current assets						
Deposit	-	-	2,284,169			2,284,169
Property and equipment	-	-	315,366			315,366
Total assets	11,843	8,616	7,279,750		1,954,677	9,243,043
<b>Liabilities</b>						
Current liabilities						
Accounts payable and accrued liabilities	214,750	156,227	816,800			973,027
Current portion of contingent consideration	-	-	5,000,000	(d)	(5,000,000)	-
Total current liabilities	214,750	156,227	5,816,800		(5,000,000)	973,027
Non-current liabilities						
Decommissioning obligation	-	-	10,741,117			10,741,117
Contingent consideration	-	-	13,307			13,307
Total liabilities	214,750	156,227	16,571,224		(5,000,000)	11,727,451
<b>Shareholders' Equity</b>						
Share capital	1	1	9,902,053	(a)	(1)	
				(c)	625,588	
				(d)	5,000,000	
				(e)	1,682,498	17,210,139
Share-based payment reserve		-	1,221,405	(e)	272,179	1,493,584
Accumulated other comprehensive loss			(148,444)			(148,444)
Deficit	(202,908)	(147,612)	(20,266,488)	(b)	147,612	
				(c)	(773,199)	(21,039,687)
Total shareholders' equity	(202,907)	(147,611)	(9,291,474)		6,954,677	(2,484,408)
Total liabilities and shareholders' equity	11,843	8,616	7,279,750		1,954,677	9,243,043

See accompanying notes to the unaudited pro forma financial statements

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

## Notes to the unaudited pro forma statement of financial position

### 1. Basis of presentation

The unaudited pro forma consolidated statement of financial position of Borealis Mining Company Limited (formerly, 1329300 B.C. Ltd.) (the "Company") as at April 30, 2024 (the "Pro Forma Financial Statements"), have been prepared by management based on historical financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), for illustrative purposes only, after giving effect to the proposed transaction between the Company and Borealis Holdings Inc. (formerly, Borealis Mining Company Limited) ("Borealis" or the "Target") on the basis of the assumptions and adjustments described in notes 2, 3, 4 and 5.

The unaudited Pro Forma Financial Statements have been derived from:

- (a) the unaudited financial statements of the Company for the three months ended March 31, 2024;
- (b) the unaudited financial statements of Borealis for the three and nine months ended April 30, 2024; and
- (c) unless otherwise noted, the unaudited pro forma consolidated statements of financial position and its accompanying notes are presented in US Dollars.

It is management's opinion that the unaudited Pro Forma Financial Statements, include all adjustments necessary for the fair presentation, in all material respects, of the transactions described in notes 3 and 4 in accordance with IFRS, applied on a basis consistent with Borealis' accounting policies, except as otherwise noted. The unaudited Pro Forma Financial Statements are not necessarily indicative of the financial position that would have resulted if the combination had actually occurred on April 30, 2024.

The unaudited Pro Forma Financial Statements should be read in conjunction with the historical financial statements and notes thereto of the Company and Borealis, included elsewhere in this Filing Statement.

### 2. Significant accounting policies

The unaudited Pro Forma Financial Statements have been compiled using the significant accounting policies, as set out in the audited consolidated financial statements of Borealis for the period ended July 31, 2023. Management has determined that no material pro forma adjustments are necessary to conform the Company's accounting policies to the accounting policies used by Borealis in the preparation of its audited financial statements.

### 3. The transaction

- a) On May 9, 2024, the Company and Borealis completed a transaction by way of a plan of arrangement under Division 5 of Part 9 of the *Business Corporations Act (British Columbia)* (the "Arrangement"). The closing of the Arrangement resulted in the Company acquiring all of the issued and outstanding common shares in the capital of the Target (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 Company (each, a "Company Share"), resulting in the Company issuing an aggregate of 76,057,838 Company Shares. The Arrangement was carried out pursuant to an arrangement agreement dated February 6, 2024, between the Company (formerly, 1329300 B.C. Ltd.), 1000693081 Ontario Ltd. ("Subco"), a wholly-owned subsidiary of the Company and Borealis Mining Company Limited (the "Target").

The closing of the Arrangement resulted in the Company acquiring all of the issued and outstanding common shares in the capital of the Target (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 Company (each, a "Company Share"), resulting in the Company issuing an aggregate of 76,057,838 Company Shares.

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

In connection with the closing of the Arrangement, the Target and Subco amalgamated pursuant to the provisions of the *Business Corporations Act (Ontario)* and the resulting entity has become a wholly-owned subsidiary of the Company, carrying on the business of the Target. In addition, the Company changed its name from 1329300 B.C. Ltd. to Borealis Mining Company Limited.

- b) The Company consolidated its shares capital on the basis of 13 to 1. Following completion of the share consolidation, the Company had 1,737,745 common shares issued and outstanding.
- c) Upon completion of the transaction, the former shareholders of Borealis will become the controlling shareholders of the Company. This type of share exchange, referred to as a reverse acquisition ("RTO"), deems Borealis to be the acquirer for accounting purposes.

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

## Notes to the unaudited pro forma statement of financial position

### 4. Accounting for RTO

The Transaction has been accounted for in accordance with IFRS 2, *Share-Based Payments*, which results in the following:

- o Borealis is deemed to be the acquirer and the Company is deemed to be the acquiree for accounting purposes;
- o accordingly, Borealis' balances are accounted for at cost and the Company is accounted for at fair value;
- o since the Company's operations do not constitute a business, the transaction has been accounted for as a reverse acquisition that is not a business combination;
- o therefore, the Company's share capital and deficit will be eliminated, the consideration transferred by the Company will be allocated to share capital and transaction costs will be expensed;
- o the capital structure recognized in the consolidated financial statements will be that of the Company, but the dollar amount of the issued share capital in the unaudited pro forma consolidated statement of financial position immediately prior to acquisition will be that of the Target, plus any shares issued by the Company prior to or as part of the transaction.

### 5. Pro forma assumptions and adjustments

The unaudited pro forma consolidated statement of financial position reflects the following assumptions and adjustments:

- (a) A reduction in share capital of \$1 to eliminate the Company's historical share capital.
- (b) An adjustment of \$147,612 to eliminate the Company's historical deficit.
- (c) Since the Company's operations do not constitute a business, the consideration transferred by the Company will be allocated to share capital and transaction costs will be expensed. An increase in share capital of \$625,588 and an increase in deficit of \$773,199 has been allocated based on the following:

Consideration transferred (1,737,745 shares at a price of \$0.36, or CAD\$0.50 per share)	\$ 625,588
Cash	\$ 1
Accounts receivable	\$ 4,197
Deposits and prepaid expenses	\$ 4,418
Accounts payable and accrued liabilities	\$ (156,227)
Transaction costs	773,199
	<u>\$ 625,588</u>

- (d) An increase in share capital of \$5,000,000, as a result of the issuance of the RTO Issuer Payment Shares upon completion of the transaction.
- (e) An increase in cash of \$1,973,301, less cash transaction costs of \$18,624 as a result of Borealis completing a non-brokered private placement consisting of an issuance of 5,425,000 units at a price of CAD\$0.50 per unit. Each unit consists of one Borealis share and one-half of one Borealis Warrant. \$1,682,498 of the net proceeds were allocated to share capital. As part of the financing, Borealis issued 2,712,500 warrants valued at \$265,841. The warrants were valued using the Black-Scholes Option Pricing Model with a volatility of 100%, risk free rate of 4.27%, expected life of 2 years and dividend yield of nil%. Pursuant to the private placement, the Company also issued 51,200 agent's options at an exercise price of CAD\$0.50. The agent's options were valued using the Black-Scholes Option Pricing Model with a volatility of 100%, risk free rate of 4.27%, expected life of 2 years and dividend yield of nil%.

### 6. Pro forma share capital

	<u>Number</u>	<u>Amount</u>
Common shares issued and outstanding to Borealis shareholders	60,499,500	9,902,053
Consideration transferred to shareholders of the Company (note 5(c))	1,737,745	625,588
Issuance of shares as described in note 5(d)	15,558,338	5,000,000
Issuance of shares as described in note 5(e)	5,425,000	1,682,498
Pro forma share capital	<u>83,220,583</u>	<u>\$ 17,210,139</u>

### 7. Pro forma share-based payment reserve

	<u>Amount</u>
The Company's share-based payment reserve	\$ -
The Target's share-based payment reserve	1,221,405
Issuance of warrants as described in note 5(e)	265,841
Issuance of agent's options as described in note 5(e)	6,338
Pro forma share-based payment reserve	<u>\$ 1,493,584</u>

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

## Notes to the unaudited pro forma statement of financial position

### 8. Pro forma deficit

	<u>Amount</u>
The Company's deficit	\$ 147,612
The Target's deficit	20,266,488
Elimination of the Company's deficit (note 5(b))	(147,612)
Additional transaction costs in note 5(c)	773,199
Pro forma accumulated deficit	<u>\$ 21,039,687</u>

### 9. Pro forma income taxes

The Company expects to have a pro forma income tax rate of 26.5%.

### 10. Foreign exchange rates

The Company applied a foreign exchange rate of 1.3746 to convert the balances of 1329300 B.C. Ltd. to US dollars as at April 30, 2024.

**SCHEDULE “H”  
MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE ISSUER FOR THE YEAR ENDED  
DECEMBER 31, 2023**

*[See attached]*

1329300 B.C. LTD.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**DECEMBER 31, 2023**

*Management's discussion and analysis (MD&A) is current to March 15, 2024 and is management's assessment of the operations and the financial results together with future prospects of 1329300 B.C. Ltd. ("1329300" or the "Company"). This MD&A should be read in conjunction with our audited financial statements for the years ended December 31, 2023 and 2022 and notes thereto, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to 1329300's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. Additional information relevant to 1329300's activities, including 1329300's Press Releases can be found on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).*

**OVERVIEW OF THE BUSINESS**

1329300 B.C. Ltd. (the "Company"), was incorporated on October 20, 2021 under the *Business Corporations Act* (British Columbia). Its principal business is to effect mergers, arrangements, reverse takeover transactions and other corporate transactions with other entities with a view to providing liquidity in connection with "go public" transactions. The Company's head office is located at 890 Pender Street, Suite 600, Vancouver, British Columbia V6C 1J9.

The Company was a wholly-owned subsidiary of Veta Resources Inc. ("Veta") until a plan of arrangement was completed on February 18, 2022 under which the Company's common shares were distributed to shareholders of Veta on a pro-rata basis. The Company issued 22,590,750 common shares. On the same day, the Company became a reporting issuer.

**PROPOSED TRANSACTION**

On March 1, 2024, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Borealis Mining Company Limited ("Borealis") and 1000693081 Ontario Ltd. ("Subco"), a wholly-owned subsidiary of the Company, in connection with proposed business combination by way of a plan of arrangement (the "Arrangement") dated February 6, 2024. In order to facilitate the Arrangement, Borealis and Subco will amalgamate upon the terms and conditions of the Amalgamation Agreement.

The Arrangement will result in the Company acquiring all of the issued and outstanding common shares of Borealis (each, a "Borealis Share") on the effective date of the Arrangement. Borealis and Subco will amalgamate, the resulting entity will be a wholly-owned subsidiary of the Company carrying on the business of Borealis.

On March 15, 2024, the Company consolidated its common shares (each, a "Company Share") on the basis of one (1) post-consolidation Company Share for every thirteen (13) pre-consolidation Company Shares (the "Consolidation"), resulting in 1,737,745 Company Shares being outstanding post-Consolidation.

In connection with the Arrangement, the Company will issue 52,088,500 Company Shares to acquire all of the issued and outstanding Borealis Shares (this does not include up to 8,000,000 Borealis Shares comprising part of the units issuable in connection with the proposed Current Financing (as defined below)). Additionally, there are 9,083,400 common share purchase warrants (each, a "Borealis Warrant") to acquire Borealis Shares (this does not include up to 4,000,000 Borealis Warrants comprising part of the units issuable in connection with the proposed Current Financing) and 991,176 compensation options (each, a "Borealis Compensation Option") to acquire Borealis Shares.

In connection with the closing of the Arrangement, it is expected that, among other things:

- Borealis and Subco will be amalgamated under the provisions of the Business Corporations Act (Ontario) and the resulting entity will become a wholly-owned subsidiary of the Company.
- Each Borealis Share outstanding immediately prior to the completion of the Arrangement will be cancelled, and the former holders of the Borealis Shares will receive one (1) Company Share.

**1329300 B.C. Ltd.**  
**Management’s Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the year ended December 31, 2023**

- The Borealis Warrants and Borealis Compensation Options will be cancelled, and the former holders of such securities will receive economically equivalent securities of the Company.

Upon completion of the Arrangement, the non-diluted Company Shares shall be held as follows: 52,088,500 Company Shares (96.8%) held by former Borealis shareholders; and 1,737,750 Company Shares (3.2%) held by existing Company shareholders (assuming completion of the Consolidation), subject to change as a result of the Concurrent Financing and other issuances of securities of Borealis prior to closing of the Arrangement.

It is anticipated that all Company Shares issued in exchange for the Borealis Shares on closing of the Arrangement will be freely tradable pursuant to applicable securities laws in Canada. In connection with the Arrangement, the Company will change its name to “Borealis Mining Company Limited”, or such other similar name as the parties may agree (the “Name Change”).

The completion of the Arrangement is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) receipt of all necessary regulatory approvals, court or governmental approvals, authorizations and consents; (ii) the completion of the Consolidation; (iii) the approval of not less than 66 2/3% of the votes cast by shareholders of the Company at the Meeting; and (iv) Borealis having received appropriate approvals from its shareholders. There can be no assurance that the Arrangement will be completed on the terms proposed above or at all.

Borealis intends to complete a private placement (the “Concurrent Financing”) of up to 8,000,000 units at a price of \$0.50 per unit for total proceeds of up to \$4,000,000. Each unit shall consist of one Borealis Share and one-half of one Borealis Warrant. Each Borealis Warrant shall entitle the holder thereof to purchase one Borealis Share at a price of CDN\$0.75 per Borealis Share until September 14, 2025.

**OPERATIONAL DISCUSSION**

The following is management’s discussion and analysis of the results of operations and liquidity and financial condition of the Company for the years ended December 31, 2023 and 2022. The MD&A should be read in conjunction with the audited financial statements and related notes for the years ended December 31, 2023 and 2022.

The following MD&A provides a summary of the financial information of the Company contained elsewhere herein. This discussion contains forward looking statements that involve certain risks and uncertainties. See “*Forward Looking Information*”.

**Results of Operations and Selected Annual Information**

Statements of Loss	Year ended December 31, 2023	Year ended December 31, 2022
<b>Expenses</b>		
Consulting fees	\$ 40,000	\$ 40,000
Professional fees	25,582	18,142
Shareholder information	5,585	5,819
<b>Net Loss</b>	<b>\$ (71,167)</b>	<b>\$ (63,961)</b>
Basic and diluted loss per share – total	\$ (0.04)	\$ (0.04)

**Twelve months ended December 31, 2023 vs December 31, 2022**

1329300 incurred a net loss of \$71,167 or \$0.04 per share for the twelve months ended December 31, 2023 compared to \$63,961 or \$0.04 per share for the twelve months ended December 31, 2022 – consulting fees in the amount \$40,000 (2022 - \$40,000); professional fees of \$25,582 (2022 - \$18,142); and shareholder information of \$5,585 (2022 - \$5,819).

**1329300 B.C. Ltd.**  
**Management's Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the year ended December 31, 2023**

**Three months ended December 31, 2023 vs December 31, 2022**

1329300 incurred a net loss of \$34,735 or \$0.02 per share for the three months ended December 31, 2023 compared to \$17,616 or \$0.01 per share for the three months ended December 31, 2022 – consulting fees in the amount \$10,000 (2022 - \$10,000); professional fees of \$20,307 (2022 - \$6,634); and shareholder information of \$4,428 (2022 - \$982).

**Results for the eight most recent three-month periods ended**

	<b>December 31, 2023 \$</b>	<b>September 30, 2023 \$</b>	<b>June 30, 2023 \$</b>	<b>March 31, 2023 \$</b>
<b>Expenses</b>				
Consulting fees	10,000	10,000	10,000	10,000
Professional fees	20,307	1,850	1,925	1,500
Shareholder information	4,428	621	621	(85)
Net loss	(34,735)	(12,471)	(12,546)	(11,415)
Loss per share	(0.02)	(0.01)	(0.01)	(0.00)

	<b>December 31, 2022 \$</b>	<b>September 30, 2022 \$</b>	<b>June 30, 2022 \$</b>	<b>March 31, 2022 \$</b>
<b>Expenses</b>				
Consulting fees	10,000	10,000	10,000	10,000
Professional fees	6,634	500	7,000	4,008
Shareholder information	982	221	3,148	1,468
Net loss	(17,616)	(10,721)	(20,148)	(15,476)
Loss per share	(0.01)	(0.01)	(0.01)	(0.01)

**RELATED PARTY DISCLOSURES**

**i) Key management personnel compensation**

The company did not pay employment-based remuneration to directors, officers or other members of key management for the year ended December 31, 2023. However, the Company did pay contract-based remuneration to directors, officers and other members of key management as disclosed below.

**ii) Other related party transactions**

Included in the audited financial statements are the following related party transactions, which have been determined by negotiation amongst the related parties. These transactions are in the normal course of operations and are measured at the same value as if the transactions had occurred with non-related parties.

<b>Twelve months ended December 31,</b>	<b>2023</b>	<b>2022</b>
Consulting expenses	\$ 40,000	\$ 40,000
Professional fees	13,352	6,562
Shareholder information	1,600	2,900
	<b>\$ 54,952</b>	<b>\$ 49,462</b>

**Related party balances**

Included in trade and other payables at December 31, 2023 is \$113,676 (2022 – \$58,995) due to related parties. Such amounts are due on demand, non-interest bearing and are unsecured.

**1329300 B.C. Ltd.**  
**Management's Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the year ended December 31, 2023**

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## **LIQUIDITY AND CAPITAL RESOURCES**

The Company had a working capital deficit of \$135,944 as at December 31, 2023 (2022 - \$64,777). The Company does not have revenues from operations and relies on outside funding for its continuing financial liquidity. The Company will need additional financing in order to continue operations. A related party undertakes to finance the Company until self-sustainability is achieved.

Management cautions that the Company's ability to raise additional funding is not certain. Additional funds will be required in order to pursue the Company's current business plans. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern.

### **Share Capital Transactions**

On October 20, 2021, the company issued 1 common share upon incorporation for proceeds of \$1.

On February 18, 2022, under a statutory plan of arrangement, the Company cancelled the 1 outstanding common share issued upon incorporation and issued 22,590,750 new common shares from treasury for no additional consideration. Those shares have been consolidated effective March 15, 2024 to 1,737,745.

## **OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS**

The Company has no off-statement of financial position arrangements.

## **DIVIDEND INFORMATION**

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

## **OUTSTANDING SHARE DATA**

As at the date of this MD&A, there were 1,737,745 common shares outstanding.

## **CRITICAL ACCOUNTING ESTIMATES**

### **Use of management estimates, judgments and measurement uncertainty**

The preparation of these financial statements using accounting policies in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

### ***Income, value added, withholding and other taxes***

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of

**1329300 B.C. Ltd.**  
**Management's Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the year ended December 31, 2023**

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these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

***Functional currency***

The Company's management is required to make judgments as to the currency of the primary economic environment in which an entity operates to determine the functional currency of the entity. The Company has determined the functional currency of the parent company to be the Canadian dollar.

**FINANCIAL RISK FACTORS**

**Fair value hierarchy and fair value**

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

*Level 1* - valuation based on quoted prices (unadjusted) in active markets for identical assets or 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. derived from prices);

*Level 3* - valuation techniques using inputs for the asset or liability that are not based on observable market data.

As at December 31, 2023, the Company did not have any financial instruments measured at fair value and that classification within the fair value hierarchy. As at December 31, 2023, the carrying and fair value amounts of the Company's other financial instruments are approximately equivalent due to the relatively short periods to maturity of these investments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

**i) Credit risk**

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

- a. **Cash and cash equivalents** – Cash is held in trust with the lawyer. The risk of loss is minimal.

The Company's maximum exposure to credit risk as at December 31, 2023 is the carrying value of cash.

**ii) Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At December 31, 2023, the Company had a working capital deficiency of \$135,944 (2022 - \$64,777). Working capital deficiency as at December 31, 2023 consisted of: cash of \$1,525 (2022 - \$1), accounts receivable of \$3,676 (2022 - \$1,524), prepaid expenses of \$4,537 (2022 - \$nil), and trade payables and other liabilities company of \$145,682 (2022 - \$66,302). The Company had not yet achieved profitable operations, has accumulated losses of \$135,945 and expects to incur further losses in the development of its business.

**1329300 B.C. Ltd.**  
**Management's Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the year ended December 31, 2023**

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**iii) Interest rate risk**

The Company is not exposed to significant interest rate risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

**OTHER RISK FACTORS**

There are a number of risks and uncertainties that may have a material and adverse impact on the future operating and financial performance of 1329300 and could cause 1329300's proposed plans, prospects, strategies, events, operating and financial performance and results to differ materially from the estimates described in forward-looking statements and forward-looking information in this MD&A related to 1329300. These include widespread risks associated with any form of business and specific risks associated with 1329300's business. An investment in 1329300 Shares, as well as 1329300's prospects, is highly speculative due to the high-risk nature of its business, as well as due to the limited assets and cash resources of 1329300. Shareholders of 1329300 may lose their entire investment. The risks described below are not the only ones facing 1329300. Additional risks not currently known to 1329300, or that 1329300 currently deems immaterial, may also impair 1329300's proposed plans, prospects, strategies, events, business, operations, financial performance and results. If any of the following risks actually occur, 1329300's plans, strategies, events, business, financial performance and condition, results and prospects could be adversely affected.

**Absence of Public Trading Market**

Currently there is no public market for the Common Shares, and there can be no assurance that an active market for the Common Shares will develop or be sustained. If an active public market for the Common Shares does not develop, the liquidity of an investor's investment may be limited and the share price may decline below an investor's initial purchase price.

**Internal Controls**

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

**DISCLOSURE AND INTERNAL CONTROLS**

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (Form 52-109FV2), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

**1329300 B.C. Ltd.**  
**Management's Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the year ended December 31, 2023**

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- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's controls are based on the Committee of Sponsoring Organizations ("COSO") 2013 framework. The Company's CEO and the CFO have evaluated the design and effectiveness of the Company's DC&P as of December 31, 2023 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company. The CEO and CFO have also evaluated the design and effectiveness of the Company's ICFR as of December 31, 2023 and concluded that these controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

During the current period, there have been no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**Cautionary Note Regarding Forward-Looking Information**

Except for statements of historical fact relating to 1329300, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of precious and/or base metals; success of exploration activities; cost and timing of future exploration and development; requirements for additional capital and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company's expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; the uncertainty of conducting activities within a joint venture structure; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in mineral exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of 1329300 has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from

**1329300 B.C. Ltd.**  
**Management's Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the year ended December 31, 2023**

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those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

**Management's Responsibility for Financial Information**

Management is responsible for all information contained in this report. The audited financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited financial statements with management. The Board of Directors has approved the audited financial statements on the recommendation of the Audit Committee.

**SCHEDULE "I"**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE ISSUER FOR THE INTERIM PERIOD**  
**ENDED MARCH 31, 2024**

## **Borealis Mining Company Limited**

(formerly 1329300 B.C. LTD.)

### **MANAGEMENT'S DISCUSSION AND ANALYSIS** **OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS** **MARCH 31, 2024**

*Management's discussion and analysis (MD&A) is current to May 27, 2024 and is management's assessment of the operations and the financial results together with future prospects of Borealis Mining Company Limited (formerly 1329300 B.C. Ltd.) (the "Company"). This MD&A should be read in conjunction with our unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 and 2023 and notes thereto, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to the Company's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. Additional information relevant to the Company's activities, including the Company's Press Releases can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).*

#### **OVERVIEW OF THE BUSINESS**

Borealis Mining Company Limited (formerly 1329300 B.C. Ltd.) (the "Company"), was incorporated on October 20, 2021 under the *Business Corporations Act* (British Columbia). Its principal business is to effect mergers, arrangements, reverse takeover transactions and other corporate transactions with other entities with a view to providing liquidity in connection with "go public" transactions. The Company's head office is located at 890 Pender Street, Suite 600, Vancouver, British Columbia V6C 1J9.

The Company was a wholly-owned subsidiary of Veta Resources Inc. ("Veta") until a plan of arrangement was completed on February 18, 2022 under which the Company's common shares were distributed to shareholders of Veta on a pro-rata basis. The Company issued 22,590,750 common shares. On the same day, the Company became a reporting issuer.

#### **PLAN OF ARRANGEMENT**

On May 9, 2024, the Company closed its business combination 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 the Company (formerly, 1329300 B.C. Ltd.), 1000693081 Ontario Ltd. ("Subco"), a wholly-owned subsidiary of the Company and Borealis Mining Company Limited (the "Target"). The Target owns a 100% interest in the Borealis mine property.

#### **Borealis Mine**

The Borealis mine property, located close to the town of Hawthorne, NV, is fully permitted and equipped for present mine operations and future expansion, with existing open pits, heap leach pads, modern infrastructure, and a functional ADR facility which produces doré bars. The project has historically produced over 600,000 ounces of gold from an open pit heap leach operation. It is an under-explored property and has not been drilled since 2011. The property possesses high grade expansion potential with excellent historical drilling results, along with a number of untested regional targets.

#### **The Arrangement**

The closing of the Arrangement resulted in the Company acquiring all of the issued and outstanding common shares in the capital of the Target (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 Company (each, a "Company Share"), resulting in the Company issuing an aggregate of 76,057,838 Company Shares.

The Arrangement resulted in the non-diluted Company Shares being held as follows: (i) 76,057,838 Company Shares (approximately 97.77%) held by former Target shareholders; and (ii) 1,737,745 Company Shares (approximately 2.23%) held by existing Company shareholders.

**Borealis Mining Company Limited**  
**(formerly 1329300 B.C. Ltd.)**  
**Management's Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the period ended March 31, 2024**

**Name Change and Amalgamation**

In connection with the closing of the Arrangement, the Target and Subco amalgamated pursuant to the provisions of the *Business Corporations Act* (Ontario) and the resulting entity has become a wholly-owned subsidiary of the Company, carrying on the business of the Target. In addition, the Company changed its name from 1329300 B.C. Ltd. to Borealis Mining Company Limited.

**OPERATIONAL DISCUSSION**

The following is management's discussion and analysis of the results of operations and liquidity and financial condition of the Company for the three months ended March 31, 2024 and 2023. The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 2024 and 2023.

The following MD&A provides a summary of the financial information of the Company contained elsewhere herein. This discussion contains forward looking statements that involve certain risks and uncertainties. See "*Forward Looking Information*".

**Results of Operations and Selected Annual Information**

Statements of Loss	Three months ended March 31, 2024	Year ended December 31, 2023
<b>Expenses</b>		
Consulting fees	\$ 10,000	\$ 40,000
Professional fees	28,654	25,582
Shareholder information	28,309	5,585
<b>Net Loss</b>	<b>\$ (66,963)</b>	<b>\$ (71,167)</b>
Basic and diluted loss per share – total	\$ (0.04)	\$ (0.04)

**Three months ended March 31, 2024 vs March 31, 2023**

The Company incurred a net loss of \$66,963 or \$0.04 per share for the three months ended March 31, 2024 compared to \$11,415 or \$0.01 per share for the three months ended March 31, 2023 – consulting fees in the amount \$10,000 (2023 - \$10,000); professional fees of \$28,654 (2023 - \$1,500); and shareholder information of \$28,309 (2023 - \$(85)).

**Results for the eight most recent three-month periods ended**

	March 31, 2024 \$	December 31, 2023 \$	September 30, 2023 \$	June 30, 2023 \$
<b>Expenses</b>				
Consulting fees	10,000	10,000	10,000	10,000
Professional fees	28,654	20,307	1,850	1,925
Shareholder information	28,309	4,428	621	621
Net loss	(66,963)	(34,735)	(12,471)	(12,546)
Loss per share	(0.04)	(0.02)	(0.01)	(0.01)

	March 31, 2023 \$	December 31, 2022 \$	September 30, 2022 \$	June 30, 2022 \$
<b>Expenses</b>				
Consulting fees	10,000	10,000	10,000	10,000
Professional fees	1,500	6,634	500	7,000

**Borealis Mining Company Limited**  
**(formerly 1329300 B.C. Ltd.)**  
**Management's Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the period ended March 31, 2024**

Shareholder information	(85)	982	221	3,148
Net loss	(11,415)	(17,616)	(10,721)	(20,148)
Loss per share	(0.00)	(0.01)	(0.01)	(0.01)

## RELATED PARTY DISCLOSURES

### i) Key management personnel compensation

The company did not pay employment-based remuneration to directors, officers or other members of key management for the period ended March 31, 2024. However, the Company did pay contract-based remuneration to directors, officers and other members of key management as disclosed below.

### ii) Other related party transactions

Included in the unaudited condensed interim consolidated financial statements are the following related party transactions, which have been determined by negotiation amongst the related parties. These transactions are in the normal course of operations and are measured at the same value as if the transactions had occurred with non-related parties.

<i>Three months ended March 31,</i>	<b>2024</b>	<b>2022</b>
Consulting expenses	\$ 10,000	\$ 10,000
Professional fees	22,504	-
	<b>\$ 32,504</b>	<b>\$ 10,000</b>

### Related party balances

Included in trade and other payables at March 31, 2024 is \$129,721 (December 31, 2023 – \$113,676) due to related parties. Such amounts are due on demand, non-interest bearing and are unsecured.

## LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital deficit of \$202,907 as at March 31, 2024 (December 31, 2023 - \$135,944). The Company does not have revenues from operations and relies on outside funding for its continuing financial liquidity. The Company will need additional financing in order to continue operations. A related party undertakes to finance the Company until self-sustainability is achieved.

Management cautions that the Company's ability to raise additional funding is not certain. Additional funds will be required in order to pursue the Company's current business plans. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern.

### Share Capital Transactions

On October 20, 2021, the company issued 1 common share upon incorporation for proceeds of \$1.

On February 18, 2022, under a statutory plan of arrangement, the Company cancelled the 1 outstanding common share issued upon incorporation and issued 22,590,750 new common shares from treasury for no additional consideration. Those shares have been consolidated effective March 15, 2024 to 1,737,745.

On May 9, 2024, the Company issued an aggregate of 76,057,838 shares pursuant to the Plan Of Arrangement.

## OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

The Company has no off-statement of financial position arrangements.

**Borealis Mining Company Limited**  
**(formerly 1329300 B.C. Ltd.)**  
**Management's Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the period ended March 31, 2024**

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## **DIVIDEND INFORMATION**

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

## **OUTSTANDING SHARE DATA**

As at the date of this MD&A, there were 77,795,583 common shares outstanding.

## **CRITICAL ACCOUNTING ESTIMATES**

### **Use of management estimates, judgments and measurement uncertainty**

The preparation of these financial statements using accounting policies in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

### ***Income, value added, withholding and other taxes***

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

### ***Functional currency***

The Company's management is required to make judgments as to the currency of the primary economic environment in which an entity operates to determine the functional currency of the entity. The Company has determined the functional currency of the parent company to be the Canadian dollar.

## **FINANCIAL RISK FACTORS**

### **Fair value hierarchy and fair value**

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

*Level 1* - valuation based on quoted prices (unadjusted) in active markets for identical assets or 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. derived from prices);

**Borealis Mining Company Limited**  
**(formerly 1329300 B.C. Ltd.)**  
**Management's Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the period ended March 31, 2024**

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*Level 3* - valuation techniques using inputs for the asset or liability that are not based on observable market data.

As at March 31, 2024, the Company did not have any financial instruments measured at fair value and that classification within the fair value hierarchy. As at March 31, 2024, the carrying and fair value amounts of the Company's other financial instruments are approximately equivalent due to the relatively short periods to maturity of these investments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

**i) Credit risk**

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

- a. **Cash and cash equivalents** – Cash is held in trust with the lawyer. The risk of loss is minimal.

The Company's maximum exposure to credit risk as at March 31, 2024 is the carrying value of cash.

**ii) Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At March 31, 2024, the Company had a working capital deficiency of \$202,908 (December 31, 2023 - \$135,944). Working capital deficiency as at March 31, 2024 consisted of: cash of \$1 (December 31, 2023 - \$1,525), accounts receivables of \$5,769 (December 31, 2023 - \$3,676), prepaid expenses of \$6,073 (December 31, 2023 - \$4,537), and trade and other payables of \$214,750 (December 31, 2023 - \$145,682). The Company had not yet achieved profitable operations, has accumulated losses of \$202,908 (December 31, 2023 - \$135,945) and expects to incur further losses in the development of its business.

**iii) Interest rate risk**

The Company is not exposed to significant interest rate risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

**OTHER RISK FACTORS**

There are a number of risks and uncertainties that may have a material and adverse impact on the future operating and financial performance of the Company and could cause the Company's proposed plans, prospects, strategies, events, operating and financial performance and results to differ materially from the estimates described in forward-looking statements and forward-looking information in this MD&A related to the Company. These include widespread risks associated with any form of business and specific risks associated with the Company's business. An investment in the Company Shares, as well as the Company's prospects, is highly speculative due to the high-risk nature of its business, as well as due to the limited assets and cash resources of the Company. Shareholders of the Company may lose their entire investment. The risks described below are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's proposed plans, prospects, strategies, events, business, operations, financial performance and results. If any of the following risks actually occur, the Company's plans, strategies, events, business, financial performance and condition, results and prospects could be adversely affected.

**Borealis Mining Company Limited**  
**(formerly 1329300 B.C. Ltd.)**  
**Management's Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the period ended March 31, 2024**

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**Absence of Public Trading Market**

Currently there is no public market for the Common Shares, and there can be no assurance that an active market for the Common Shares will develop or be sustained. If an active public market for the Common Shares does not develop, the liquidity of an investor's investment may be limited and the share price may decline below an investor's initial purchase price.

**Internal Controls**

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

**DISCLOSURE AND INTERNAL CONTROLS**

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (Form 52-109FV2), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's controls are based on the Committee of Sponsoring Organizations ("COSO") 2013 framework. The Company's CEO and the CFO have evaluated the design and effectiveness of the Company's DC&P as of March 31, 2024 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company. The CEO and CFO have also evaluated the design and effectiveness of the Company's ICFR as of March 31, 2024 and concluded that these controls and procedures are effective in providing

**Borealis Mining Company Limited**  
**(formerly 1329300 B.C. Ltd.)**  
**Management's Discussion and Analysis**  
**of Financial Condition and Results of Operation**  
**For the period ended March 31, 2024**

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reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

During the current period, there have been no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**Cautionary Note Regarding Forward-Looking Information**

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of precious and/or base metals; success of exploration activities; cost and timing of future exploration and development; requirements for additional capital and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company's expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; the uncertainty of conducting activities within a joint venture structure; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in mineral exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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 information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

**Management's Responsibility for Financial Information**

Management is responsible for all information contained in this report. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the unaudited condensed interim consolidated financial statements with management. The Board of Directors has approved the unaudited condensed interim consolidated financial statements on the recommendation of the Audit Committee.

**SCHEDULE "J"**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF BOREALIS FOR THE PERIOD FROM**  
**INCORPORATION ON NOVEMBER 17, 2022 AND ENDED JULY 31, 2023**

*[See Attached]*



## BOREALIS MINING COMPANY LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD FROM  
NOVEMBER 17, 2022 (DATE OF INCORPORATION) TO JULY 31, 2023

*The following management's discussion and analysis of the results of operations and financial condition ("MD&A") for Borealis Mining Company Limited (the "Company" or "Borealis"), is prepared as of July 31, 2023, and should be read in conjunction with the audited consolidated financial statements and related notes thereto for the period from November 17, 2022 (date of incorporation) to July 31, 2023 (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"). 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.

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## **BUSINESS DESCRIPTION**

Borealis Mining Company Limited ("BMCL" or the "Company") was incorporated under the Ontario Business Corporations Act on November 17, 2022. The head office of the Company is located at 401-217 Queen Street West, Toronto, Ontario, Canada M5V 0R2. The Company's principal project is the Borealis Heap Leach Project ("Borealis Project") via its wholly owned subsidiary, Borealis Mining Company, LLC. The Borealis Project is a fully permitted silver-gold mine and absorption, desorption, and refining plant, located near Hawthorne, Nevada. The Borealis Project has been mined by previous owners intermittently since 1981.

Borealis is an exploration and development stage mining company engaged in the business of acquiring and exploring mineral properties. The principal property interest

of Borealis is the Borealis Project.

Currently, the business objective of Borealis is to identify a mineral resource at the Borealis Project. 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.

## **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 September 15, 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 751 unpatented mining claims of approximately 20 acres each totaling about 15,020 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 a number of 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

Some of the most significant achievements of the Company during the period ended July 31, 2023 are as follows:

- During the period, the Company issued 33,921,700 common shares for gross proceeds of CAD\$ \$2,457,760 (US\$ \$1,858,291).
- 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, from an arm’s length party. The Company determined that it obtained control over Borealis Mining Company, 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
Contingencies		5,013,307
<hr/>		
Total consideration		5,113,307
Identifiable assets acquired and liabilities assumed:		
Cash		5,489
Restricted cash		25,630
Prepaid expenses		194,417
Property, plant 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 property interests 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. 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:

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- 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.

As at July 31, 2023, the Company has accrued this contingent consideration in the amount of \$5,000,000.

- 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 July 31, 2023, the Company has provided for the contingencies noted in (ii) to (iv) above in the amount of \$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. As at July 31, 2023, the Company had not recorded a provision for this contingency.

## SELECTED FINANCIAL INFORMATION

	<b>Period from November 17, 2022 (incorporation) to July 31, 2023</b>
	<b>\$</b>
Revenue	Nil
Net loss	16,344,645
Comprehensive loss	16,365,977
Net loss per share (basic and diluted)	(\$0.99)

	<b>Period from November 17, 2022 (incorporation) to July 31, 2023</b>
	<b>\$</b>
Total assets	2,126,614
Working capital	(4,150,252)
Total non-current liabilities	10,839,882
Cash dividends declared	\$-

Since inception, the Company has incurred losses while advancing its business plan. The comprehensive loss for the period from November 17, 2022 (date of incorporation) to July 31, 2023 was \$16,365,977. The loss was primarily due to the recognition of the value of mineral property interests acquired as project acquisition expense of \$15,023,321 upon the purchase of BMC LLC, as well as non-recurring legal fees related to the acquisition of \$86,656.

At July 31, 2023, 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

	<b>Period from November 17, 2022 (incorporation) to July 31, 2023</b>
	<b>(\$)</b>
Project acquisition expense	15,109,977
Operating expenses	243,209
Consulting and professional fees	177,862
General and administrative	67,425
Depreciation and amortization	31,981
Exploration and evaluation expenses	6,464

The transaction costs of \$15,109,977 incurred related to the acquisition of BMC LLC, as discussed above. Operating expenses primarily include claim staking and permitting costs of \$134,849 and utility costs of \$67,863. Consulting and professional fees primarily related to officer salaries of \$101,359, external engineering contractors of \$42,500, and legal costs of \$14,688. General and administrative expenses are provided in additional detail below:

	<b>Period from November 17, 2022 (incorporation) to July 31, 2023 (\$)</b>
PR and marketing	56,387
Insurance	2,617
Office	2,587
Travel	6,958
Foreign exchange	(1,124)

The largest component of the general and administrative expenses related to certain PR and marketing costs incurred during the period.

### LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2023, the Company had cash of \$1,029,363 and a working deficit of (\$4,150,252). 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. The 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.

### SUBSEQUENT EVENTS

On September 14, 2023, the Company completed a brokered financing, raising gross proceeds of \$5,919,349 (CAD\$8,000,000) through the issuance of 16,000,000 units at a price of \$0.37 (CAD\$0.50) per unit. The units consist of one common share and one half warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.55 (CAD\$0.75) for a period of 2 years. The Company incurred cash share issuance costs of CAD\$545,169 in the form of agents' expenses, legal expenses and filing fees. Pursuant to the financing, the Company issued 907,290 agent's options with an exercise price of \$0.55 (CAD\$0.50) for a period of 2 years.

Subsequent to the period ended July 31, 2023, the Company issued 2,166,800 whole units at a price of CAD\$0.50 per unit. Each unit consists of one common share and one half warrant. Each whole warrant entitles the holder to purchase one common share at a price of CAD\$0.75, expiring September 14, 2025. The Company incurred cash share issuance costs of CAD\$44,304 in the form of finder's fees, legal expenses and filing fees. Certain officers of the Company participated in the financing and purchased 350,000 units on aggregate.

### RELATED PARTY TRANSACTIONS

Related parties are defined as management and members 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>Period from November 17, 2022 (incorporation) to July 31, 2023 (\$)</b>
Short-term compensation	101,359

As at July 31, 2023, \$55,733 related to unpaid management salaries and were recorded in accounts payable and accrued liabilities. The amounts owing to related parties are unsecured, non-interest bearing and due on demand.

### 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 July 31, 2023 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:

	<b>Less than 1 year \$</b>	<b>2 to 3 years \$</b>	<b>4 to 5 years \$</b>	<b>Greater than 5 years \$</b>	<b>Total \$</b>
Accounts payable and other payables	804,485	-	-	-	<b>804,485</b>
Contingent consideration	5,000,000	-	-	-	<b>5,000,000</b>
Decommissioning obligations	-	12,007,878	68,560	111,452	<b>12,187,890</b>
<b>July 31, 2023</b>	<b>5,804,485</b>	<b>12,007,878</b>	<b>68,560</b>	<b>111,452</b>	<b>17,992,375</b>

#### *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 July 31, 2023, the Company held CAD\$1,293,263 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	(89,223)
10% decrease	109,051

### *Currency 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 July 31, 2023, the Company did not have any outstanding loans and borrowings that are subject to variable interest rates.

### *Fair Value of Financial Instruments*

The carrying values of cash, prepaid expenses and accounts payable and accrued liabilities approximate their fair values due to their relatively short periods to maturity.

### *Fair value hierarchy*

As at July 31, 2023, 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.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Significant judgments, estimates, and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

(i) *Estimated useful lives of property, plant and equipment*

Depreciation of property, plant and equipment are dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

(ii) *Impairment of non-financial assets*

Property, plant and equipment are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction is recognized immediately as an impairment loss. When an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. The previously recognized impairment loss is reversed during the period in the Consolidated statement of loss.

The estimate of recoverable amounts with respect to non-financial assets is based on numerous assumptions and may differ significantly from actual recoverable amounts. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The recoverable amount estimates may differ from actual recoverable amounts, and these differences may be significant and could have a material impact on the Company's financial position and results of operations. The cash-generating unit is reviewed for an indication of impairment at each statement of financial position date or when a triggering event is identified. This determination requires significant judgment.

(iii) *Estimated reclamation and closure costs*

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. Cost estimates are updated annually to reflect known developments and are subject to review at regular intervals.

(iv) *Going concern risk assessment*

The Company's management has made an assessment of the Company's ability to continue as a going concern.

(v) *Income, value added, withholding and other taxes*

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax

audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the consolidated financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(vi) *Recoverability of potential deferred tax assets*

In assessing the probability of realizing deferred income tax assets, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

(vii) *Asset Acquisition*

The determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require management to make certain judgments as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 - Business Combinations. The Company determined that the assets and liabilities acquired through Borealis Mining Company, LLC did not meet the definition of a business based on the criteria outlined by IFRS 3. As such, the Company determined that the acquisition of Borealis Mining Company, LLC was not a business combination and accordingly this acquisition was accounted for as an asset acquisition.

(viii) *Provisions and contingencies*

The amounts recorded for provisions are based on a number of factors, including the expected timing of cash flows, anticipated inflation rates and pre-tax risk-free interest rates on which the estimated cash flows have been discounted. Actual results could differ from these estimates. The estimates require considerable judgment about the nature, cost and timing of the cash flows and may change with future changes to costs, environmental laws and regulations and remediation practices.

## **New and amended IFRS standards not yet effective**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2023 or later periods. Many are not applicable to, or do not have a significant impact on the Company and have therefore been excluded. The following has not been adopted and is being evaluated to determine the impact on the Company's consolidated financial statements:

**IAS 1 – Presentation of Financial Statements (“IAS 1”)** was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on January 1, 2023.

**IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”)** were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

**IAS 8 – Accounting policies, changes in accounting estimates and errors (“IAS-8”)** - In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

**IAS 12 – Income taxes (“IAS 12”)** - In May 2021, the IASB issued 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023.

## **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 this management information circular.

**SCHEDULE “K”  
MANAGEMENT’S DISCUSSION AND ANALYSIS OF BOREALIS FOR THE INTERIM PERIOD  
ENDED APRIL 30, 2024**

*[See Attached]*



## BOREALIS MINING COMPANY LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED  
APRIL 30, 2024

*The following management's discussion and analysis of the results of operations and financial condition ("MD&A") for Borealis Mining Company Limited (the "Company" or "Borealis"), is prepared as of April 30, 2024, and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and accompanying notes for the three months and nine ended April 30, 2024 and the audited consolidated financial statements and related notes thereto for the period from November 17, 2022 (date of incorporation) to July 31, 2023 (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 June 26, 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**

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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.

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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 a number of 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 three months ended April 30, 2024, the operations team engaged a third-party consulting firm which designed conceptual pits for the project. Initial conceptual pits identified areas of improvement and added value for next phase of project. A seven ton bulk sample was taken of the 330kt ore stockpile to validate ore head grade and test crush size to recovery relationship and agglomeration requirements. This work is being done by an outside lab and will provide data to support future heap leaching operations. Seven tons of carbon fines were shipped offsite to Just Refiners, which will generate revenue for the project. Operations conducted plant improvements, including replacing outside barren safety screen box and EW cell anodes and cathodes, in preparation of leaching available un-leached material on the heap leach pad in Q3/4 2024.
- During the 3 months ended April 30, 2024, the geology department was mostly focused on the ongoing DDH program that targeted areas in the Graben deposit, for which assays are still pending. Key learnings from the DDH program include the appreciation of the amount and location of structure within the Graben/Freedom Flats ore zones and the challenges it poses to drilling. Ore zones are usually found within fault and hydrothermal breccias with sulfide content occasionally reaching greater than 80 percent. The lithologies of the ore zones are also often 100% replaced by silica and sulfide mineralization. The geology department also engaged outside consultants to compile the multitude of geophysical, spectral, assay and drill log data into a usable database. This compilation work should be completed by the end of September.
- On April 4, 2024, the Company issued an additional 8,411,000 units a price of \$0.37 (CAD\$0.50) per unit. Each unit consists of one common share and one half warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.56 (CAD\$0.75), expiring September 14, 2025. The Company incurred cash issuance costs of \$72,881 in the form of agents' expenses, legal expenses and filing fees. Pursuant to the financing, the Company issued 131,960 agent's options with an exercise price of \$0.37 (CAD\$0.50), expiring September 14, 2025.

## 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.

As at April 30, 2024, the Company has accrued this contingent consideration in the amount of \$5,000,000.

- ii) \$5,000,000 payable in cash upon publishing an NI 43-101 resource report for the sulphide portion of the 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 property;

As at April 30, 2024, the Company has provided for the contingencies noted in (ii) to (iv) above in the amount of \$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 the period, the parties amended the agreement and the RTO Deadline was extended to April 15, 2024. During the period ended April 30, 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 ended April 30, 2024	For the nine months ended April 30, 2024	For the three months ended April 30, 2023	For the period from incorporation (November 17, 2022) to April 30, 2023
	\$	\$	\$	\$
Revenue	-	865,494	-	-
Net loss	(1,885,370)	(3,921,843)	(15,233,465)	(15,233,465)
Comprehensive loss	(1,919,216)	(4,048,955)	(15,236,722)	(15,236,722)
Net loss per share (basic and diluted)	(\$0.03)	(\$0.08)	(\$0.82)	(\$1.40)

	As at April 30, 2024	As at July 31, 2023
	\$	\$
Total assets	7,279,750	2,126,614
Working capital	(1,136,585)	(4,150,252)
Total non-current liabilities	10,754,424	10,839,882
Cash dividends declared	\$-	\$-

Since inception, the Company has incurred losses while advancing its business plan. The comprehensive loss for the three months and nine ended April 30, 2024 was \$(1,919,216) and \$(4,048,955), respectively.

As of April 30, 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 ended April 30, 2024	For the nine months ended April 30, 2024	For the three months ended April 30, 2023	For the period from incorporation (November 17, 2022) to April 30, 2023
	\$	\$	\$	\$
Project acquisition expense	-	-	15,023,321	15,023,321
Exploration and evaluation costs	1,153,650	2,040,226	-	-
Operating expenses	179,079	572,675	117,230	117,230
Consulting and professional fees	153,833	503,563	16,921	16,921
General and administrative	261,852	792,862	2,918	2,918

Exploration and evaluation costs are provided in additional detail below:

	For the three months ended April 30, 2024	For the nine months ended April 30, 2024	For the three months ended April 30, 2023	For the period from incorporation (November 17, 2022) to April 30, 2023
Drilling	960,193	1,578,339	-	-
Personnel	174,474	408,542	-	-
Travel	11,656	33,847	-	-
Permits, licenses and subscriptions	8	6,006	-	-
Other	7,319	13,492	-	-
	1,153,650	2,040,226	-	-

The Company incurred \$1,153,650 and \$2,040,226 in exploration and evaluation costs for the three and nine months ended April 30, 2024, respectively, an increase of \$403,784 over the previous quarter. The Company continued to progress through its first drilling program on the project, which is focused on both the western JRCD area as well as the Freedom Flats and Graben areas, as well as continued compilation and review of existing geophysical and geological data to generate exploration targets. The program commenced in November 2023 and was paused between December 17, 2023 and January 6, 2024. In addition to the exploration work, engineering evaluation was conducted on the permitted footprint of the Project.

Operating expenses are provided in additional detail below:

	For the three months ended April 30, 2024	For the nine months ended April 30, 2024	For the three months ended April 30, 2023	For the period from incorporation (November 17, 2022) to April 30, 2023
Personnel	28,344	74,501	38,053	38,053
Transportation	34,551	78,450	1,430	1,430
Utilities	33,511	97,564	22,302	22,302
Repairs, consumables and rent	4,847	11,224	2,056	2,056
Property and business taxes	8,204	54,634	27	27
Permitting	38,223	107,037	12,094	12,094
Royalties	-	42,068	-	-
Depreciation	16,582	60,433	41,125	41,125
Other	14,817	46,764	143	143
<b>Total</b>	<b>179,079</b>	<b>572,675</b>	<b>117,230</b>	<b>117,230</b>

Operating expenses for the three months ended April 30, 2024 were \$179,079 (3 months ended April 30, 2023 - \$117,230) and \$572,675 (period ended April 30, 2023 - \$117,230). Operating expenses were higher over the same periods in the prior year due to additional personnel, higher levels of transportation, repairs and consumption of consumables, as well as depreciation.

Consulting and professional fees primarily for the three months ended April 30, 2024 was \$153,833, which was \$36,687 lower than the previous quarter, due to transferring certain personnel to payroll.

General and administrative expenses are provided in additional detail below:

	For the three months ended April 30, 2024	For the nine months ended April 30, 2024	For the three months ended April 30, 2023	For the period from incorporation (November 17, 2022) to April 30, 2023
	\$	\$	\$	\$
Advertising and marketing	180,239	672,079	-	-
Office and general	36,885	39,930	2,918	2,918
Travel	47,278	82,452	-	-
Foreign exchange	(2,550)	(1,599)	-	-

The largest component of the general and administrative expenses related to PR and marketing costs incurred during the period. Advertising and marketing costs during the quarter ended April 30, 2024 was \$180,239 compared to \$257,579 in the previous quarter, a decrease of \$77,340 or 30%, due to lower marketing activities around financing activity and the RTO transaction. Similarly, travel costs were also lower as a result. Office and general expenses were higher both sequentially and year over year, due to higher insurance and IT-related expenses.

## LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2024, the Company had cash of \$2,990,053 (July 31, 2023 - \$1,029,363) and a working capital deficit of \$1,136,585 (July 31, 2023 – deficit of \$4,150,252). 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 condensed consolidated interim financial statements, related party transactions and balances are as follows:

	Three months ended April 30, 2024 \$	Nine months ended April 30, 2024 \$	Three months ended April 30, 2023 \$	Nine months ended April 30, 2023 \$
Short-term compensation	103,428	310,668	-	-

As at April 30, 2024, \$58,199 related to unpaid management salaries and were recorded in accounts payable and accrued liabilities. The amounts owing to related parties are unsecured, non-interest bearing and due on demand.

Management of the Company participated in the September 14, 2023 and January 3, 2024 financings and purchased 350,000 units and 100,000 units on aggregate, respectively.

## SUBSEQUENT EVENTS

### *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 the Borealis Mining Company Limited (formerly, 1329300 B.C. Ltd.) ("Issuer"), 1000693081 Ontario Ltd. ("Subco"), a wholly-owned subsidiary of the Issuer and the Company.

The closing of the Arrangement resulted in the Issuer acquiring all of the issued and outstanding common shares in the capital of the Company (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.

In addition, the 13,288,900 common share purchase warrants of the Company (each, a "Target Warrant") and 1,123,136 compensation options of the Company (each, a "Target Compensation Option") have been cancelled, and the former holders of the Target Warrants and the Target Compensation Options will receive 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 the Company; and (ii) 1,737,745 Issuer Shares (approximately 2.23%) held by existing Issuer shareholders.

In connection with the closing of the Arrangement, the Company and Subco amalgamated pursuant to the provisions of the Business Corporations Act (Ontario) and the resulting entity has become a wholly-owned subsidiary of the Company, carrying on the business of the Target. In addition, the Issuer changed its name from 1329300 B.C. Ltd. to Borealis Mining Company Limited.

### *Subsequent Financing*

Subsequent to the period ended April 30, 2024 the Company issued 5,425,000 whole units at a price of CAD\$0.50 per unit. Each unit consists of one common share and one half warrant. Each whole warrant entitles the holder to purchase one common share at a price of CAD\$0.75, expiring September 14, 2025. Pursuant to the financing, the Company issued 51,200 agent's options with an exercise price of CAD\$0.50, expiring September 14, 2025.

### **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 April 30, 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 1 year \$	2 to 3 years \$	4 to 5 years \$	Greater than 5 years \$	Total \$
Accounts payable and other payables	816,800	-	-	-	816,800
Decommissioning obligations	-	11,706,917	32,608	138,413	11,877,938
Contingent consideration	5,000,000	-	-	-	5,000,000
<b>Balance as at April 30, 2024</b>	<b>5,816,800</b>	<b>11,706,917</b>	<b>32,608</b>	<b>138,413</b>	<b>17,694,738</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 April 30, 2024, the Company held CAD\$4,023,412 in Canadian currency. A 10% change in the USDCAD foreign exchange rate would have following impact (in US\$) on the balance held in CAD\$:

	<b>\$ Impact</b>
10% increase	(266,088)
10% decrease	325,219

### 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 April 30, 2024, as well as their gross carrying values, are shown in the table below:

	<b>Classification</b>	<b>Measurement (\$)</b>
<b>Financial assets at amortized cost</b>		
Cash	Amortized cost	2,990,053
Deposits	Amortized cost	2,284,169
<b>Total financial assets</b>		<b>5,274,222</b>
<b>Financial liabilities at amortized cost</b>		
Accounts payable and accrued liabilities	Amortized cost	816,800
Contingent consideration	FVTPL level 3	5,013,307
<b>Total financial liabilities</b>		<b>5,830,107</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 April 30, 2024.

Cash, trade receivables, other receivable, accounts payable and all other payables are all short-term in nature and, as such, their carrying values approximate 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 for period from November 17, 2022 (date of incorporation) to July 31, 2023 and the condensed consolidated interim financial statements for the nine months ended April 30, 2024 for more information.

### CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

See notes 3 and 4 of the Company's consolidated financial statements for the for period from November 17, 2022 (date of incorporation) to July 31, 2023 and the condensed consolidated interim financial statements for the nine months ended April 30, 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 this management information circular.

**SCHEDULE “L”  
MANAGEMENT’S DISCUSSION AND ANALYSIS OF BOREALIS LLC FOR THE YEAR ENDED  
DECEMBER 31, 2022**



Borealis Mining Company, LLC

Management's Discussion and Analysis for the Years Ended December 31, 2022 and  
2021

*The following management's discussion and analysis of the results of operations and financial condition ("MD&A") for Borealis Mining Company, LLC (the "Company" or "Borealis"), is prepared as of December 31, 2022, and should be read in conjunction with the audited financial statements and related notes thereto for years ended December 31, 2022 and 2021 (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"). All figures contained herein are expressed in thousands of 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, LLC (the "Company") was formed as a Nevada corporation in 2003 and converted to a Nevada limited liability company in 2014. The Company is focused on the Borealis Heap Leach Project on the Walker Lane Trend. The Company's principal project is:

Borealis Heap Leach Project ("Borealis Project"), a fully permitted silver-gold mine and absorption, desorption, and refining plant, located near Hawthorne, Nevada. The Borealis Project has been mined by previous owners intermittently since the year 1981

and contains certain unpatented mining claims.

The following asset was sold on May 17, 2021:

Gabbs copper-gold development project (“Gabbs”), an exploration property located near Hawthorne, Nevada, consisting of unpatented and patented lode claims.

As at December 31, 2022, the Company was a wholly-owned subsidiary of Waterton Nevada Splitter, LLC (“Waterton Nevada”), itself a subsidiary of Waterton Precious Metals Fund II Cayman, LP (“Waterton”). Subsequent to the year, the Company was acquired by an arm’s length third party and as of the date of this MD&A is a wholly-owned subsidiary of Borealis Mining Company Limited.

### **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 September 15, 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 751 unpatented mining claims of approximately 20 acres each totaling about 15,020 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 the 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 a number of 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

Some of the most significant achievements of the Company during the years ended December 31, 2022 and 2021 are as follows:

- During 2021, the Company successfully commenced open-pit mining at the Borealis Project and operations of the ADR plant.
- The Company produced 11,258 ounces of gold during 2022 (2021 – 4,867) from 1,212,097 ore tonnes processed (2021 - 789,890) with average grades of 0.38 g/t gold (2021 – 0.32).
- Borealis generated total revenue of \$21,292 (2021 - \$6,089) on 11,793 (2021 – 3,354) ounces of gold sold. The average realized price of gold per ounce sold was \$1,775 (2021 - \$ 1,784).
- Net loss for 2022 was \$6,514 (2021 – loss of \$5,706).
- The Company ceased ore mining operations in August 2022, facing headwinds from decrease in the price of gold and increases to key costs drivers as fuel and labour.
- Subsequent to the year ended December 31, 2022, the Company was acquired by Borealis Mining Company Limited, an arm's length third party.

## SELECTED FINANCIAL INFORMATION

	<b>Year ended December 31, 2022</b>	<b>Year ended December 31, 2021</b>
	<b>\$ 000's</b>	<b>\$ 000's</b>
Revenue	21,292	6,089
Net loss	(6,514)	(5,706)
Total assets	16,195	33,609
Total non-current financial liabilities	10,072	10,022

## RESULTS OF OPERATIONS AND OVERALL PERFORMANCE

	<b>Year ended December 31, 2022</b>	<b>Year ended December 31, 2021</b>	<b>Variance</b>	
(in \$ 000's)			<b>\$</b>	<b>%</b>
Revenue	21,292	6,089	15,203	250%
Cost of sales	(26,682)	(19,890)	(6,792)	34%
Operating expenses	1,534	2,408	(874)	(36%)
Administration expenses	411	395	16	4%
Gain on sale of assets	1,385	11,665	(10,280)	(88%)
Finance cost	(100)	(140)	40	(29%)
Net loss and comprehensive loss	(6,514)	(5,706)	(808)	14%

During the year ended December 31, 2022, the Company sold a total of 11,793 gold ounces and 19,813 silver ounces for total revenue of \$21,292. For the comparative period in 2021, the Company sold 3,354 ounces of gold and 4,745 ounces of silver for total revenue of \$6,089. Average realized gold per ounce sold during 2022 was \$1,775, compared to \$1,784 for 2021.

Cost of sales are comprised of production costs such as mining, processing, maintenance, site administration and site share-based compensation, net of inventory changes and include write-downs of inventories due to net realizable value impairments. Year over year in 2022, cost of sales increased from the prior year by 6,792, or 34%, while revenue increased by 15,203, or 250%, due to the Company improving efficiency by deploying third party contractors for drilling and crushing in 2022.

Operating expenses were lower for the year ended December 31, 2022 primarily due to lower consulting and outside contractor costs, of \$1,534 compared to \$2,408 in the prior year.

Administration expenses during the year ended December 31, 2022 were consistent over the prior year.

Included in the gain on sale of asset in 2021 was the gain recognized on the disposition of the Gabbs project, of \$11,708.

### LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2022, the Company had cash of \$850 (2021 - \$1,448) and a working capital of \$3,551 (2021 - \$1,100). 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.

### SUBSEQUENT EVENTS

- 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, from an arm’s length party. The Company determined that it obtained control over Borealis Mining Company, 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
Contingencies		5,013
<hr/>		
Total consideration		5,113
Identifiable assets acquired and liabilities assumed:		
Cash and cash equivalents		5
Restricted cash		25
Prepaid expenses		194
Property and equipment		509
Accounts payable and accrued liabilities		(287)
Decommissioning obligation		(10,358)
<hr/>		
<b>Excess of consideration over net assets acquired</b>		<b>15,023</b>

The Company recognized the excess of consideration over net assets acquired as project acquisition expense for the period. In conjunction with the acquisition, the Company incurred \$87 in legal fees that have been recorded as transaction costs in the period. 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, based on the value of the resulting issuer’s common stock at the closing of the RTO.
- ii) \$5,000 payable in cash upon publishing an NI 43-101 resource report for the sulphide portion of the Property describing a resource of 2,800,000 or more ounces of gold equivalents;
- iii) \$2,500 payable in cash upon passing environmental assessment, permitting and approval for underground mining site;
- iv) \$7,500 payable in cash upon commercial production of sulphide ore at the property;
- v) \$500 payable in cash if such an RTO transaction is not completed by October 17, 2023 (“RTO Deadline”). Subsequent to the period, the parties amended the agreement and the RTO Deadline was extended to April 15, 2024.

## RELATED PARTY TRANSACTIONS

By virtue of common control, Elko Mining Group and EMG Mining Canada is related to the Company. Elko Mining Group and EMG Mining Canada provide certain technical services to the Company, for which they receive a service fee. In the year ended December 31, 2022, the Company incurred fees of \$816 (2021: \$1,932), of which \$145 (2021: \$553) was outstanding at year-end. The amount due is non-interest bearing and due on demand.

## 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 loss associated with a counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to cash and accounts receivable. The Company reduces its credit risk on its cash by deposits and investments with major U.S banks rated “A” or higher. Accounts receivable relate primarily to gold and silver dore bars sold but for which the funds were not collected prior to the period end. Amounts in accounts receivable are expected to be collectible in full due to the nature of the counterparties and previous history of collectability. Management believes that the credit risk associated with these assets is minimal.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations associated with financial liabilities as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital or other alternative forms of financing is hindered, whether as a result of an economic downturn or related to matters specific to the Company. Most of the Company's financial liabilities are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

The following table summarizes the expected maturity of the Company's significant financial liabilities based on the remaining period from the balance sheet date to the contractual maturity date.

As at December 31, 2022	Payments by period				Total
	Less than 1 Year	1-3 Years	4-5 Years	Greater than 5 Years	
Accounts payable and accrued liabilities	604	-	-	-	604
Reclamation and closure cost obligations	-	-	-	11,750	11,750
<b>Total</b>	<b>604</b>	<b>-</b>	<b>-</b>	<b>11,750</b>	<b>12,354</b>

As at December 31, 2021	Payments by period				Total
	Less than 1 Year	1-3 Years	4-5 Years	Greater than 5 Years	
Accounts payable and accrued liabilities	\$3,375	\$-	\$-	\$-	\$3,375
Reclamation and closure cost obligations	-	-	10,815	-	10,815
<b>Total</b>	<b>3,375</b>	<b>-</b>	<b>10,815</b>	<b>-</b>	<b>14,190</b>

### *Commodity Price Risk*

The Company is exposed to fluctuations in commodity prices as the value of its mineral properties and its ability to fund the Borealis Project is impacted by the price of gold.

### *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 December 31, 2022, the currency risk impacting the Company is minimal as the majority of assets are denominated in its functional currency (U.S. dollars).

### *Fair Value of Financial Instruments*

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities which are measured at amortized cost, approximate their fair values due to their relatively short periods to maturity.

### *Fair value hierarchy*

During the years ended December 31, 2022, and 2021, the Company did not have any financial instruments measured at fair value and that require classification within the fair value hierarchy.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## CRITICAL ACCOUNTING ESTIMATES

Many of the amounts included in the financial statements require management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Areas of significant judgment and estimates affecting the amounts recognized in the financial statements include:

(i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital and exploration, evaluation and development activities involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(ii) Impairment of non-financial assets

The recoverability of amounts shown for PPE and mineral property interests is dependent upon several factors including, but not limited to, completion of the acquisition of the mineral property interests, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, obtaining the necessary development permits, and the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of PPE and mineral property interests.

PPE and mineral property interests are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. The Company has determined that it has one cash-generating unit to which the assets belong. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction is recognized immediately as an impairment loss. When an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. The previously recognized impairment loss is reversed during the period in profit or loss.

The estimate of recoverable amounts with respect to non-financial assets is based on

numerous assumptions and may differ significantly from actual recoverable amounts. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The recoverable amount estimates may differ from actual recoverable amounts, and these differences may be significant and could have a material impact on the Company's financial position and results of operations. The cash-generating unit is reviewed for an indication of impairment at each statement of financial position date or when a triggering event is identified. This determination requires significant judgment. In particular, for assets in the exploration and evaluation stage, factors which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or in the near future, and which is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area are neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale; significant negative industry or economic trends; interruptions in exploration and evaluation activities; and a significant drop in current or forecasted gold prices.

(iii) Estimated reclamation and closure costs

The Company's provision for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs directly attributable to remediating the liability, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company. To the extent the carrying value of the related mining property is not increased above its recoverable amount, changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of mining properties.

### ***Accounting standards effective for future periods***

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2023 or later periods. Many are not applicable to, or do not have a significant impact on the Company and have therefore been excluded. The following has not been adopted and is being evaluated to determine the impact on the Company's financial statements:

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the

exercise of a conversion option meeting the definition of an equity instrument. In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on January 1, 2023.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

IAS 8 – Accounting policies, changes in accounting estimates and errors ("IAS-8") - In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 12 – Income taxes ("IAS 12") - In May 2021, the IASB issued 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023.

## **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 this management information circular.

**SCHEDULE "M"**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF BOREALIS LLC THE PERIOD FROM JANUARY**  
**1, 2023 TO APRIL 17, 2023**



Borealis Mining Company, LLC

Management's Discussion and Analysis for the period ended April 17, 2023 and 2022

*The following management's discussion and analysis of the results of operations and financial condition ("MD&A") for Borealis Mining Company, LLC (the "Company" or "Borealis"), is prepared as of July 29, 2024, and should be read in conjunction with the audited financial statements and related notes thereto for period ended April 17, 2023 and 2022 (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"). All figures contained herein are expressed in thousands of 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, LLC (the "Company") was formed as a Nevada corporation in 2003 and converted to a Nevada limited liability company in 2014. The Company is focused on the Borealis Heap Leach Project on the Walker Lane Trend. The Company's principal project is:

Borealis Heap Leach Project ("Borealis Project"), a fully permitted silver-gold mine and absorption, desorption, and refining plant, located near Hawthorne, Nevada. The Borealis Project has been mined by previous owners intermittently since the year 1981 and contains certain unpatented mining claims.

The following asset was sold on May 17, 2021:

Gabbs copper-gold development project ("Gabbs"), an exploration property located near Hawthorne, Nevada, consisting of unpatented and patented lode claims.

On April 17, 2023, all of the Company's outstanding membership interests were acquired by an

arm's length party (see *Sale of Membership Interests*).

## **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 September 15, 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 751 unpatented mining claims of approximately 20 acres each totaling about 15,020 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 a number of 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

The Company ceased ore mining operations in August 2022, facing headwinds from decrease in the price of gold and increases to key costs drivers as fuel and labour. Some of the most significant developments of the Company during the period ended April 17, 2023 are as follows:

- Borealis generated total revenue of \$2,292 (2022 - \$5,208) on 1,214 (2022 – 2,696) ounces of gold sold. The average realized price of gold per ounce sold was \$1,888 (2022 - \$1,931).
- Net loss for period ended April 17, 2023 was \$13,030 (2022 – loss of \$5,098).
- On April 17, 2023, the Company was acquired by Borealis Mining Company Limited, an arm's length third party (see *Sale of Membership Interests*)

## SELECTED FINANCIAL INFORMATION

	Period ended April 17, 2023	Period ended April 17, 2022 (Unaudited)
	\$ 000's	\$ 000's
Revenue	2,292	5,208
Net loss	(13,030)	(5,098)
Total assets	734	33,378
Total non-current financial liabilities	10,358	9,546

## RESULTS OF OPERATIONS AND OVERALL PERFORMANCE

(in \$ 000's)	Period ended April 17, 2023	Period ended April 17, 2022 (Unaudited)	Variance	
			\$	%
Revenue	2,292	5,208	(2,916)	(56%)
Cost of sales	(1,183)	(9,777)	8,594	(88%)
Operating expenses	308	544	(236)	(43%)
Administration expenses	77	83	(6)	(7%)
Depreciation, amortization and accretion	281	(123)	404	(328%)
Gain on sale of assets	-	9	(9)	(100%)
Finance cost	(35)	(34)	(1)	3%
Asset impairment	(13,438)	-	(13,438)	nm
Net loss and comprehensive loss	(13,030)	(5,098)	(7,932)	156%

During the period ended April 17, 2023, the Company sold a total of 1,214 gold ounces and 2,756 silver ounces for total revenue of \$2,292. For the comparative period in 2022, the Company sold 2,696 ounces of gold and 7,537 ounces of silver for total revenue of \$5,208. Average realized gold per ounce sold during the period ended April 17, 2023 was \$1,888, compared to \$1,931 for the comparative period.

Cost of sales are comprised of production costs such as mining, processing, maintenance, site administration and site share-based compensation, net of inventory changes and include write-downs of inventories due to net realizable value impairments. Year over year in the period ended April 17, 2023, revenue and cost of sales decreased from the comparative period by 56% and 88%, respectively, due to significantly lower level of business activity as a result of the stoppage in mining operations in August 2022.

Operating expenses were also lower for the period ended April 17, 2023 primarily due to lower consulting and outside contractor costs, of \$71 compared to \$250 in the comparative period.

Administration expenses during the period ended April 17, 2023 were consistent year over year.

During the period ended April 17, 2023, the Company recognized asset impairment of \$13,438 related to impairment of inventory of \$2,034, property, plant and equipment of \$2,514 and mineral properties of \$8,890.

### **SALE OF MEMBERSHIP INTERESTS**

On April 17, 2023, all of the Company's outstanding membership interests were acquired by an arm's length party. Pursuant to the transaction, the purchaser paid cash of \$100 and has committed to the following contingency payments, payable to the seller:

- i) Upon the completion of a future reverse takeover transaction ("RTO") between the purchaser and an RTO target, the resulting issuer shall issue common shares to the seller of the Company 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, based on the value of the resulting issuer's common stock at the closing of the RTO.
- ii) \$5,000 payable in cash upon publishing an NI 43-101 resource report for the sulphide portion of the Property describing a resource of 2,800,000 or more ounces of gold equivalents;
- iii) \$2,500 payable in cash upon passing environmental assessment, permitting and approval for underground mining site;
- iv) \$7,500 payable in cash upon commercial production of sulphide ore at the property;
- v) \$500 payable in cash if such an RTO transaction is not completed by October 17, 2023 ("Late Penalty"). Subsequent to the acquisition, the contingencies were acquired from the seller by another third party, and Late Penalty was waived.

### **LIQUIDITY AND CAPITAL RESOURCES**

As of April 17, 2023, the Company had cash of \$5 (April 17, 2022 - \$2,591) and a working capital deficit of \$(86) (April 17, 2022 - \$4,299). 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**

By virtue of common control, Elko Mining Group and EMG Mining Canada are related to the Company. Elko Mining Group and EMG Mining Canada provide certain technical services to the Company, for which they receive a service fee. For the period from January 1 to April 17, 2023, the Company incurred administration expenses charged by related parties of \$48 (period from January 1 to April 17, 2022: \$243), of which \$nil (April 17, 2022: \$nil) was outstanding at April 17, 2023. The amount due is non-interest bearing and due on demand.

### **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 loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable. The Company reduces its credit risk on its cash by deposits and investments with major U.S banks rated "A" or higher. Accounts receivable relate primarily to gold and silver dore bars sold but for which the funds were not collected prior to the period end. Amounts in accounts receivable are expected to be collectible in full due to the nature of the counterparties and previous history of collectability. Management believes that the credit risk associated with these assets is minimal.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations associated with financial liabilities as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital or other alternative forms of financing is hindered, whether as a result of an economic downturn or related to matters specific to the Company. Most of the Company's financial liabilities are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

The following table summarizes the expected maturity of the Company's significant financial liabilities based on the remaining period from the balance sheet date to the contractual maturity date.

As at April 17, 2023	Payments by period				Total
	Less than 1 Year	1-3 Years	4-5 Years	Greater than 5 Years	
Accounts payable and accrued liabilities	285	-	-	-	285
Reclamation and closure cost obligations	-	-	-	11,661	11,661
<b>Total</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>11,661</b>	<b>11,946</b>

As at April 17, 2022 (Unaudited)	Payments by period				Total
	Less than 1 Year	1-3 Years	4-5 Years	Greater than 5 Years	
Accounts payable and accrued liabilities	2,718	-	-	-	2,718
Reclamation and closure cost obligations	-	-	-	10,901	10,901
<b>Total</b>	<b>2,718</b>	<b>-</b>	<b>-</b>	<b>10,901</b>	<b>13,619</b>

*Commodity Price Risk*

The Company is exposed to fluctuations in commodity prices as the value of its mineral properties and its ability to fund the Borealis Project is impacted by the price of gold.

*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 December 31, 2022, the currency risk impacting the Company is minimal as the majority of assets are denominated in its functional currency (U.S. dollars).

#### *Fair Value of Financial Instruments*

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities which are measured at amortized cost, approximate their fair values due to their relatively short periods to maturity.

#### *Fair value hierarchy*

During the period ended April 17, 2023 and 2022, the Company did not have any financial instruments measured at fair value and that require classification within the fair value hierarchy.

### OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

### CRITICAL ACCOUNTING ESTIMATES

Many of the amounts included in the financial statements require management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Areas of significant judgment and estimates affecting the amounts recognized in the financial statements include:

(i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital and exploration, evaluation and development activities involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(ii) Impairment of non-financial assets

The recoverability of amounts shown for PPE and mineral property interests is dependent upon several factors including, but not limited to, completion of the acquisition of the mineral property interests, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, obtaining the necessary development permits, and the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of PPE and mineral property interests.

PPE and mineral property interests are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. The Company has determined that it has one cash-generating unit to which the assets belong. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not

been adjusted. If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction is recognized immediately as an impairment loss. When an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. The previously recognized impairment loss is reversed during the period in profit or loss.

The estimate of recoverable amounts with respect to non-financial assets is based on numerous assumptions and may differ significantly from actual recoverable amounts. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The recoverable amount estimates may differ from actual recoverable amounts, and these differences may be significant and could have a material impact on the Company's financial position and results of operations. The cash-generating unit is reviewed for an indication of impairment at each statement of financial position date or when a triggering event is identified. This determination requires significant judgment. In particular, for assets in the exploration and evaluation stage, factors which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or in the near future, and which is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area are neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale; significant negative industry or economic trends; interruptions in exploration and evaluation activities; and a significant drop in current or forecasted gold prices.

(iii) Estimated reclamation and closure costs

The Company's provision for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs directly attributable to remediating the liability, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company. To the extent the carrying value of the related mining property is not increased above its recoverable amount, changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of mining properties.

***New and amended accounting standards adopted in the current period***

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The adoption of these amendments did not have a material impact on these financial statements.

IAS 8 – Accounting policies, changes in accounting estimates and errors (“IAS-8”) - In February 2021, the IASB issued ‘Definition of Accounting Estimates’ to help entities distinguish between accounting policies and accounting estimates. The adoption of these amendments did not have a material impact on these financial statements.

IAS 12 – Income taxes (“IAS 12”) - In May 2021, the IASB issued ‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’ that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The adoption of these amendments did not have a material impact on these financial statements.

### ***Accounting standards effective for future periods***

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2023 or later periods. Many are not applicable to, or do not have a significant impact on the Company and have therefore been excluded. The following has not been adopted and is being evaluated to determine the impact on the Company’s financial statements:

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

### **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 this management information circular.