



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

**RESTATED UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2024 AND 2023**

(Expressed in United States Dollars)

These amended and restated financial statements have been restated and re-filed to reflect the amendments described in Note 18 of the Notes to the Condensed Interim Financial Statements.

BOREALIS MINING COMPANY LIMITED (FORMERLY 1329300 B.C. LTD.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT OCTOBER 31, 2024 AND 2023

(Expressed in United States dollars, except indicated otherwise)
(unaudited)

	Note	October 31, 2024 \$	July 31, 2024 \$
Assets			
Current assets			
Cash		378,634	2,633,977
Accounts receivable		981,821	129,330
Prepaid expenses		599,705	678,184
Inventory		1,329,552	1,308,965
Total current assets		3,289,712	4,750,456
Non-current assets			
Deposits	10	2,284,169	2,284,169
Property, plant and equipment	8	340,243	339,563
Total assets		5,914,124	7,374,188
Liabilities			
Accounts payable and accrued liabilities			
		781,741	647,182
Total current liabilities		781,741	647,182
Non-current liabilities			
Decommissioning obligation	11	10,297,667	10,680,927
Contingent consideration	5	13,307	13,307
Total liabilities		11,092,715	11,341,416
Shareholders' deficiency			
Share capital	9	17,266,804	17,249,087
Equity reserves	9	2,431,961	1,408,947
Accumulated deficit		(24,732,407)	(22,464,533)
Accumulated other comprehensive loss		(144,949)	(160,729)
Total shareholders' deficiency		(5,178,591)	(3,967,228)
Total liabilities and shareholders' deficiency		5,914,124	7,374,188

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 10)

Subsequent events (Note 17)

Approved and authorized for issue by the Board on February 21, 2025:

"Kelly Malcolm"
Signed: Director

"Richard Patricio"
Signed: Director

The accompanying notes are an integral part of these consolidated financial statements.

BOREALIS MINING COMPANY LIMITED (FORMERLY 1329300 B.C. LTD.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2024 AND 2023
(Expressed in United States dollars, except indicated otherwise)
(unaudited)

	Note	For the three months ended October 31, 2024 \$	Restated (note 18) For the three months ended October 31, 2023 \$
Revenue		943,811	865,494
Cost of sales	7	(606,819)	(736,573)
Gross profit		336,992	128,921
Exploration and evaluation costs	14	806,207	136,710
Operating expenses		243,030	178,824
Consulting and professional fees	12	1,261,845	159,352
General and administrative		550,002	282,345
Loss before other items		(2,524,092)	(628,310)
Other items:			
Finance income (expense)	11	256,218	303,432
Net loss		(2,267,874)	(324,878)
Other comprehensive loss			
Foreign exchange translation adjustment		15,780	(184,115)
Comprehensive loss		(2,252,094)	(508,993)
Weighted-average number of shares outstanding - basic and diluted (#)	13	83,220,852	42,095,613
Basic loss per share	13	(\$0.03)	(\$0.01)
Diluted loss per share	13	(\$0.03)	(\$0.01)

The accompanying notes are an integral part of these consolidated financial statements.

BOREALIS MINING COMPANY LIMITED (FORMERLY 1329300 B.C. LTD.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
FOR THE THREE MONTHS ENDED OCTOBER 31, 2024 AND 2023

(Expressed in United States dollars, except indicated otherwise)

(Unaudited)

	Note	Share capital		Equity reserves	Accumulated deficit	Accumulated comprehensive loss	Total
		Common shares	Share capital				
		#	\$				
Balance, July 31, 2024		83,220,583	17,249,087	1,408,947	(22,464,533)	(160,729)	(3,967,228)
Net loss for the period		-	-	-	(2,267,874)	-	(2,267,874)
Other comprehensive income for the period		-	-	-	-	15,780	15,780
Exercise of agent's options	9	17,850	8,472	(2,050)	-	-	6,422
Exercise of warrants	9	15,000	9,245	(1,006)	-	-	8,239
Issuance of stock options	9	-	-	1,009,197	-	-	1,009,197
Issuance of RSUs	9	-	-	16,873	-	-	16,873
Balance, October 31, 2024		83,253,433	17,266,804	2,431,961	(24,732,407)	(144,949)	(5,178,591)

	Note	Share capital		Equity reserves	Accumulated deficit	Accumulated comprehensive loss	Total
		Common shares	Share capital				
		#	\$				
Balance, July 31, 2023		33,921,700	1,848,224	-	(16,344,645)	(21,332)	(14,517,753)
Net loss for the period		-	-	-	(324,878)	-	(324,878)
Other comprehensive loss for the period		-	-	-	-	(184,115)	(184,115)
Issuance of shares and warrants	9	16,000,000	5,206,537	827,340	-	-	6,033,877
Share issuance costs		-	(455,542)	(62,367)	-	-	(517,909)
Balance, October 31, 2023		49,921,700	6,599,219	764,973	(16,669,523)	(205,447)	(9,510,778)

The accompanying notes are an integral part of these consolidated financial statements.

BOREALIS MINING COMPANY LIMITED (FORMERLY 1329300 B.C. LTD.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2024 AND 2023

(Expressed in United States dollars, except indicated otherwise)

(Unaudited)

	Note	For the three months ended October 31, 2024 \$	Restated (note 18) For the three months ended October 31, 2023 \$
Cash flow from operating activities			
Net loss		(2,267,874)	(324,878)
Items not affecting cash:			
Depreciation of property, plant and equipment	8	68,923	82,657
(Recovery) accretion on decommissioning obligation	11	(383,260)	(315,864)
Share-based compensation	9	1,026,070	-
Changes in non-cash working capital items:			
Increase in accounts receivable		(852,491)	-
Increase in prepaid expenses		78,479	(252,571)
Increase in inventory		(20,587)	316,569
(Decrease) increase in accounts payable and accrued liabilities		134,559	(318,840)
Cash flow used in operating activities		(2,216,181)	(812,927)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment	8	(69,603)	(29,536)
Cash flow used in investing activities		(69,603)	(29,536)
CASH FLOW FROM FINANCING ACTIVITIES			
Gross proceeds from exercise of agent's options	9	6,422	-
Gross proceeds from exercise of warrants	9	8,239	-
Gross proceeds from issuance of shares and warrants	9	-	5,919,349
Share issuance costs	9	-	(403,381)
Cash flow from financing activities		14,661	5,515,968
Effect of exchange rate changes on cash		15,780	(184,115)
Increase in cash		(2,271,123)	4,673,505
Cash, beginning of period		2,633,977	1,029,363
Cash, end of period		378,634	5,518,753
Supplemental information			
Non-cash share issuance costs paid	9	-	114,528

The accompanying notes are an integral part of these consolidated financial statements.

BOREALIS MINING COMPANY LIMITED (FORMERLY 1329300 B.C. LTD.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2024 AND 2023

(Expressed in United States dollars, except indicated otherwise)

(Unaudited)

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 has not carried out any mining activities during 2024 and 2023.

These 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 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 condensed consolidated interim financial statements. Such adjustments could be material. As at October 31, 2024, the Company had a working capital of \$2,507,971 (July 31, 2024: \$4,103,274). Net loss for the three months ended October 31, 2024 was \$2,267,874 (Three months ended October 31, 2023: loss of \$324,878). The accumulated deficit as at July 31, 2024 was \$24,732,407 (July 31, 2024: \$22,464,533). These conditions indicate that material uncertainties exist that cast significant doubt on the Company’s ability to continue as a going concern. These 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. 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.

2. STATEMENT OF COMPLIANCE

The unaudited condensed consolidated interim financial statements of the Company for the three months ended October 31, 2024 and 2023 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 year ended July 31, 2024 and period from date of incorporation (November 17, 2022) to July 31, 2023. These unaudited condensed consolidated interim financial statements for the three months ended October 31, 2024 and 2023 were approved and authorized for issue by the Board of Directors of the Company on February 21, 2025. 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

BOREALIS MINING COMPANY LIMITED (FORMERLY 1329300 B.C. LTD.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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These statements consolidate the accounts of the Company and its wholly owned subsidiaries. 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.

The Company has the following subsidiaries:

Name of Entity	% Ownership*	Country of incorporation
Borealis Holdings Inc.	100	Canada
Borealis Mining Company, LLC	100	United States

These condensed consolidated interim financial statements have been prepared under the historical cost basis. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and Presentation Currency

BMCL's and Borealis Holdings Inc.'s functional currency is the Canadian dollar. Borealis Mining Company, LLC's functional currency, as determined by management, is the United States ("U.S.") dollar. For financial reporting purposes, these condensed consolidated interim 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 condensed consolidated interim statement of loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION

These condensed consolidated interim 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 July 31, 2024 and for the period from November 17, 2022 (date of incorporation) to July 31, 2023.

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, 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:

IAS 21 – Amendments to the Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB introduced amendments to IAS 21, impacting entities with transactions or operations in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. These amendments are effective for annual periods beginning on or after January 1,

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2025.

IFRS 9 & IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB introduced amendments to IFRS 9 providing guidance on the classification of financial assets, including those with contingent features. IFRS 7 amendments will require entities to provide additional disclosures on financial assets and financial liabilities that have certain contingent features. These amendments are effective for annual periods beginning on or after January 1, 2026.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and 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, 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
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)
Mineral property interests acquired	15,023,321

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:

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- a. 19.99% of the issued and outstanding common shares of the resulting issuer at the closing of the RTO; and
- b. That number of common shares having value equal to \$5,000,000, based on the value of the resulting issuer's common stock at the closing of the RTO.

On May 9, 2024, the Company issued 15,558,338 shares to satisfy this commitment (note 9).

- ii) \$5,000,000 payable in cash upon publishing an NI 43-101 resource report for the sulphide portion of the BMC LLC property describing a resource of 2,800,000 or more ounces of gold equivalents;
- iii) \$2,500,000 payable in cash upon passing environmental assessment, permitting and approval for underground mining site;
- iv) \$7,500,000 payable in cash upon commercial production of sulphide ore at the BMC LLC property;

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

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

6. REVERSE ACQUISITION

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

The closing of the Arrangement resulted in the Issuer acquiring all of the issued and outstanding common shares in the capital of Borealis Mining Company Limited (each, a "Target Share"). The Target Shares outstanding immediately prior to the completion of the Arrangement have been cancelled, and the former holders of the Target Shares received common shares in the capital of the Issuer (each, an "Issuer Share"), resulting in the Issuer issuing an aggregate of 76,057,838 Issuer Shares (including 15,558,338 Issuer Shares to settle the contingent consideration in note 5(i)).

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

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

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(Expressed in United States dollars, except indicated otherwise)

(Unaudited)

Limited prior to the Arrangement.

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

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

	\$
Shares issued	575,468
Total consideration	575,468
Identifiable assets acquired and liabilities assumed:	
Accounts payable and accrued liabilities	(92,576)
Listing expense	668,044

7. INVENTORY

During the three months ended October 31, 2024, the Company recorded an inventory impairment of \$nil (three months ended October 31, 2023: impairment of \$188,069) as part of cost of sales. The carrying amount of inventory carried at fair value less costs to sell as at October 31, 2024 was \$1,329,552 (July 31, 2024: \$1,308,965) and consists of \$1,257,707 of work-in-progress inventory and \$71,845 of by-product inventory, and is recorded at fair value less cost to sell.

8. PROPERTY, PLANT, AND EQUIPMENT

Property, plant and equipment consisted of:

	Buildings \$	Plant & equipment \$	Furniture & fixtures \$	Computers \$	Vehicles \$	Total \$
Cost						
Balance, August 1, 2023	16,700	380,530	2,221	26,481	113,000	538,932
Additions	6,026	114,050	9,282	-	98,510	227,868
Balance, July 31, 2024	22,726	494,580	11,503	26,481	211,510	766,800
Additions Q4	-	69,603	-	-	-	69,603
Balance, October 31, 2024	22,726	564,183	11,503	26,481	211,510	836,403
Accumulated depreciation						
Balance, August 1, 2023	2,435	54,557	648	7,724	26,817	92,181
Depreciation	9,555	206,496	2,347	18,757	97,901	335,056
Balance, July 31, 2024	11,990	261,053	2,995	26,481	124,718	427,237
Balance, October 31, 2024	14,379	316,664	3,769	26,481	134,867	496,160
Net book value						
At July 31, 2024	10,736	233,527	8,508	-	86,792	339,563
At October 31, 2024	8,347	247,519	7,734	-	76,643	340,243

BOREALIS MINING COMPANY LIMITED (FORMERLY 1329300 B.C. LTD.)
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(Expressed in United States dollars, except indicated otherwise)

(Unaudited)

9. 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 October 31, 2024

		Number of shares	Share capital \$
Balance, August 1, 2023		33,921,700	1,848,224
Issuance of shares for cash	(a, b, c, d)	32,002,800	10,474,474
Share issuance costs	(a, b, c, d)	-	(649,079)
Shares issued pursuant to reverse acquisition	(note 6)	1,737,745	575,468
Shares issued for contingent consideration	(note 5)	15,558,338	5,000,000
Balance, July 31, 2024		83,220,583	17,249,087
Exercise of agent's options	(e)	17,850	8,472
Exercise of warrants	(f)	15,000	9,245
Balance, October 31, 2024		83,253,433	17,266,804

Year ended July 31, 2024

- a) 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 \$455,090 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 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.
- b) On January 3, 2024, the Company issued an additional 2,166,800 units a price of \$0.37 (CAD\$0.50) per unit, raising gross proceeds of \$811,171 (CAD\$1,083,400). 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.
- c) On April 4, 2024, the Company issued an additional 8,411,000 units a price of \$0.37 (CAD\$0.50) per unit, raising gross proceeds of \$3,114,262 (CAD\$4,205,500). 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.
- d) On June 19, 2024, the Company issued an additional 5,425,000 units a price of \$0.36 (CAD\$0.50) per unit, raising gross proceeds of \$1,978,627 (CAD\$2,712,500). 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), expiring September 14, 2025. The Company incurred cash issuance costs of \$19,519 in the form of agents' expenses, legal expenses and filing fees. Pursuant to the financing, the Company issued 51,200 agent's options with an exercise price of \$0.36 (CAD\$0.50), expiring September 14, 2025.

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Three months ended October 31, 2024

- e) On October 28, 2024, 15,000 warrants were exercised for gross proceeds of CAD\$11,250.
- f) On October 28, 2024 17,850 agent's options were exercised for gross proceeds of CAD\$8,925

Warrants

The following table summarizes the Company's warrant activity for the period indicated:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Balance, July 31, 2023	-	-	
Granted (a, b, c, d)	16,001,400	CAD\$ 0.75	September 14, 2025
Balance, July 31, 2024	16,001,400	CAD\$ 0.75	
Exercised (e)	(15,000)	CAD\$ 0.75	
Balance, October 31, 2024	15,986,400	CAD\$ 0.75	

Agent's options

	Number of Options	Weighted Average Exercise Price	Expiry Date
Balance, July 31, 2023	-	-	
Granted (a, b, c, d)	1,174,336	CAD\$ 0.50	September 14, 2025
Balance, July 31, 2024	1,174,336	CAD\$ 0.50	
Exercised (f)	(17,850)	CAD\$ 0.75	
Balance, October 31, 2024	1,156,486	CAD\$ 0.75	

Equity Incentive Plan (the "Incentive Plan")

To provide a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Company and its subsidiaries, the Company implemented an Incentive Plan which includes stock options, Restricted Share Units ("RSU") and Deferred Share Units (the "DSU"). The Incentive Plan is administered by the Board of Directors, which sets the terms of incentive awards under the Incentive Plan. The maximum number of common shares available for issuance under the Incentive Plan is limited to 10% of the Company's outstanding common shares at any one time.

Under the Incentive Plan, an option's maximum term is ten years from the grant date. Under the stock option plan, the Board has the option of determining vesting periods. Grants of RSUs and DSUs vest as to one-third on each of the first, second and third anniversaries of the date of grant, unless otherwise set by the Board or plan administrator.

The Incentive Plan was approved at the annual general and special meeting held on May 24, 2024.

Stock options

The changes in stock options during the three months ended October 31, 2024, are as follows:

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	Number outstanding	Weighted average exercise price (CA\$)
As at July 31, 2023 and 2024	-	-
Granted (g, h)	4,500,000	0.81
As at October 31, 2024	4,500,000	0.81

During the three months ended October 31, 2024:

- g) On August 28, 2024, the Company granted 4,350,000 stock options to certain directors, officers, employees, and consultants with an exercise price of \$0.60 (CAD\$0.81) per share, of which 3,700,000 were issued to management. These options are exercisable for a period of five years, and vest on December 28, 2024.
- h) On August 28, 2024, the Company granted 150,000 stock options to consultants with an exercise price of \$0.60 (CAD\$0.81) per share. These options are exercisable for a period of five years, with 25% vesting each quarter starting November 28, 2024.

The estimated fair value of the options granted during the three months ended October 31, 2024 was calculated using the Black-Scholes option pricing model with the following assumptions:

	For the three months ended October 31, 2024
Number of options granted	4,500,000
Risk-free interest rate	2.97%
Expected annual volatility	107%
Expected life (in years)	5
Expected dividend yield	-
Grant date fair value per option (CAD\$)	0.62
Share price at grant date (CAD\$)	0.79

During the three months ended October 31, 2024, the Company recognized share-based payments of \$1,009,197 (three months ended October 31, 2023 – \$Nil) arising from the stock options.

The following summarizes information about stock options outstanding and exercisable as at October 31, 2024:

Expiry date	Exercise price (\$CAD)	Options outstanding	Options exercisable	Weighted average remaining contractual life (in years)
August 28, 2024	0.81	4,500,000	-	4.83

Restricted Share Unit ("RSU")

The Incentive Plan permits the Company, at the discretion of the Board of Directors, to either redeem RSUs

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for cash, issue common shares of the Company from treasury, or some combination thereof to satisfy all or any portion of a vested RSU award.

Three months ended October 31, 2024

On August 28, 2024, the Company issued 175,000 RSUs, vesting August 28, 2025 with fair value of \$570,000 to certain officers, employees, and consultants. All RSUs will fully vest after one year from the grant date.

During the three months ended October 31, 2024, the Company recognized share-based compensation expense of \$16,873 (three months ended October 31, 2024 –\$Nil) arising from the RSUs.

As at October 31, 2024, the Company had 175,000 RSUs (July 31, 2024 – Nil) issued and outstanding.

10. COMMITMENTS AND CONTINGENCIES

Reclamation

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.

As at October 31, 2024, the Company had placed \$2,284,169 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.

Royalty

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.

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. See note 11.

Contingent consideration

See note 5.

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11. 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 4.28% (July 31, 2024: 4.09%) with an inflation rate of 2.28% (July 31, 2024: 2.35%). As at October 31, 2024, the undiscounted amount of estimated future reclamation costs is \$11,575,224 (July 31, 2024: \$11,591,421). During the three months ended October 31, 2024, the Company recorded a recovery of accretion related to its decommissioning obligation of \$383,260, of which \$400,770 was due to a change in estimate (October 31, 2023: recovery of \$315,865 due to a change in estimate).

12. 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:

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

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

During the period ended October 31, 2024, management of the Company received 3,700,000 option grants and 50,000 RSUs (see note 9).

13. 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 October 31, 2024	For the three months ended October 31, 2023
Weighted-average number of shares outstanding - basic (#)	83,220,852	42,095,613
Weighted-average number of shares outstanding - diluted (#)	83,220,852	42,095,613
Net loss attributable to common shares (\$)	(2,267,874)	(323,878)
Basic earnings per share	(\$0.03)	(\$0.01)
Diluted earnings per share	(\$0.03)	(\$0.01)

As the Company is in a loss position, the effects of all convertible instruments are anti-dilutive and they have been excluded from the diluted calculation. Therefore, the weighted-average number of common share

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outstanding used to calculate both basic and diluted net loss per share attributable to common shareholders is the same.

14. EXPLORATION AND EVALUATION COSTS

Exploration and evaluation costs consisted of:

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

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. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended October 31, 2024.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company is reasonable.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As at October 31, 2024, the Company believes it is compliant with the policies of the TSXV.

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 October 31, 2024, as well as their gross carrying values, are shown in the table below:

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

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

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

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

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

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

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

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

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 October 31, 2024 are the carrying amount of cash. To reduce credit risk, all significant cash balances are placed with major, reputable, Canadian and U.S. financial institutions.

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:

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

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 October 31, 2024, the Company held CAD\$424,868 in Canadian currency. A 10% change in the CADUSD foreign exchange rate would have following impact (in US\$) on the balance held in CAD\$:

	\$ Impact
10% increase	(27,755)
10% decrease	33,923

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 October 31, 2024, the Company did not have any outstanding loans and borrowings that are subject to variable interest rates.

17. SUBSEQUENT EVENTS

Announcement of acquisition

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

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

The Transaction will be completed pursuant to a court-approved plan of arrangement under the Business Corporations Act (British Columbia). The consummation of the Transaction is subject to a number of conditions customary to transactions of this nature, including, among others, the adoption of a resolution approving the Transaction at a special meeting of Gold Bull shareholders (the "Meeting") by: (i) at least 66 $\frac{2}{3}$ % of votes cast by Gold Bull shareholders present in person or represented by proxy at the Meeting; and (ii) a majority of the votes cast by Gold Bull shareholders present in person or represented by proxy at the Meeting, excluding votes attached to any particular shareholder as required under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101").

MI 61-101 provides that, in certain circumstances, where a "related party" (as defined in MI 61-101) of an

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

18. RESTATEMENT OF COMPARATIVE FINANCIAL STATEMENTS

The Company has restated its comparative figures in these financial statements to align with previously reported figures.

The following table shows the adjustments and restated amounts for the statement loss and comprehensive loss and statement of cash flows for the three months ended October 31, 2023. The Company also updated certain disclosures to align with the financial statements. There were no adjustments to the statements of financial position or statements of changes in shareholders’ deficiency. There were also no adjustments to the statement of loss and comprehensive loss and statement of cash flows for the three months ended October 31, 2024.

Statement of loss and comprehensive loss:

	Previously stated	Adjustment	Restated
	\$	\$	\$
For the three months ended October 31, 2023			
Revenue	865,494	-	865,494
Cost of sales	(736,573)	-	(736,573)
Gross profit	128,921	-	128,921
Exploration and evaluation costs	135,710	1,000	136,710
Operating expenses	178,824	-	178,824
Consulting and professional fees	159,352	-	159,352
General and administrative	282,345	-	282,345
Loss before other items	(627,310)	(1,000)	(628,310)
Other items:			
Finance income (expense)	303,432	-	303,432
Net loss	(323,878)	(1,000)	(324,878)
Other comprehensive loss			
Foreign exchange translation adjustment	(184,115)	-	(184,115)
Comprehensive loss	(507,993)	(1,000)	(508,993)

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Statement of cash flows:

For the three months ended October 31, 2023	Previously stated \$	Adjustment \$	Restated \$
Cash flow from operating activities			
Net loss	(324,878)	-	(324,878)
Items not affecting cash:			
Depreciation of property, plant and equipment	82,657	-	82,657
(Recovery) accretion on decommissioning obligation	(315,864)	-	(315,864)
Share-based compensation	-	-	-
Changes in non-cash working capital items:			
Increase in accounts receivable	(129,330)	129,330	-
Increase in prepaid expenses	(369,883)	117,312	(252,571)
Increase in inventory	(992,396)	1,308,965	316,569
(Decrease) increase in accounts payable and accrued liabilities	(157,303)	(161,537)	(318,840)
Cash flow used in operating activities	(2,206,997)	1,394,070	(812,927)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(227,868)	198,332	(29,536)
Deposits made	(2,258,539)	2,258,539	-
Cash flow used in investing activities	(2,486,407)	2,456,871	(29,536)
CASH FLOW FROM FINANCING ACTIVITIES			
Gross proceeds from exercise of agent's options	12,547,198	(12,547,198)	-
Gross proceeds from exercise of warrants	(737,388)	737,388	-
Gross proceeds from issuance of shares and warrants	-	5,919,349	5,919,349
Share issuance costs	-	(403,381)	(403,381)
Cash flow from financing activities	11,809,810	(6,293,842)	5,515,968
Effect of exchange rate changes on cash	(139,397)	(44,718)	(184,115)
Increase in cash	1,744,011	2,929,494	4,673,505
Cash, beginning of period	1,029,363	-	1,029,363
Cash, end of period	2,633,977	2,884,776	5,518,753