

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

This preliminary short form prospectus is a base shelf prospectus. This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after the short form base shelf prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements has been obtained or is otherwise available.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This preliminary short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”). They may not be offered or sold in the United States of America or to or for the account or benefit of a “U.S. person” as defined in Regulation S under the U.S. Securities Act. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy these securities in the United States or to any “U.S. person”.*

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Axcap Ventures Inc., at Suite 488, 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7, Telephone: 604-687-7130, and are also available electronically at www.sedarplus.ca.

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue and/or Secondary Offering

November 29, 2024

AXCAP VENTURES INC.

\$50,000,000
Common Shares
Warrants
Subscription Receipts
Debt Securities
Units

This preliminary short form base shelf prospectus (this “**Prospectus**”) relates to the offering for sale of common shares (the “**Common Shares**”), warrants (the “**Warrants**”) and subscription receipts (the “**Subscription Receipts**”), debt securities (the “**Debt Securities**”) or any combination of such securities (the “**Units**”) (all of the foregoing, collectively, the “**Securities**”) by Axcap Ventures Inc. (“**Axcap**” or the “**Company**”) from time to time, during the 25-month period that the Prospectus, including any amendments

hereto, remains effective, in one or more series or issuances, with a total offering price of the Securities in the aggregate, of up to \$50,000,000. The Securities may be offered for sale separately or in combination with one or more other Securities and may be sold from time to time in one or more transactions at a fixed price or prices (which may be changed) or at market prices prevailing at the time of sale, at prices determined by reference to such prevailing market prices or at negotiated prices.

The specific terms of any Securities offered will be described in one or more shelf prospectus supplements (collectively or individually, as the case may be, a “**Prospectus Supplement**”), including, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price and any other specific terms; (ii) in the case of Warrants, the number of Warrants offered, the offering price, the designation, number and terms of the Common Shares issuable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; (iii) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, the procedures for the exchange of the Subscription Receipts for Common Shares or Warrants, as the case may be, and any other specific terms; (iv) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, the maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption, any exchange or conversion terms, whether the debt is senior, senior subordinated or subordinated, whether the debt is secured or unsecured and any other terms specific to the Debt Securities being offered; and (v) in the case of Units, the designation, number and terms of the Common Shares, Warrants, or Debt Securities comprising the Units. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference to this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains. Investors should read the Prospectus and any applicable Prospectus Supplement carefully before investing in the Securities.

The Company and/or any selling securityholders (each, a “**Selling Securityholder**”) may sell the Securities to or through underwriters or dealers purchasing as principals, and may also sell the Securities directly to one or more purchasers pursuant to applicable statutory exemptions or through agents. See “Plan of Distribution” and “Secondary Offering by Selling Securityholders”. This Prospectus may qualify an “at-the-market distribution” (as such term is defined in National Instrument 44-102 – *Shelf Distributions* (“**NI 44-102**”). The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Company and/or the selling securityholder in connection with such offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the initial issue price (in the event that the offering is a fixed price distribution), the proceeds that the Company and/or selling securityholder will receive and any other material terms of the plan of distribution. The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices, including sales in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 – *Shelf Distributions*. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference the prevailing price of a specified Security in a specified market or at prices to be negotiated with

purchasers, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to the Company. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

In connection with any offering of the Securities, other than an “at-the-market distributions”, the underwriters, dealers or agents, as the case may be, may over allot or effect transactions which stabilize or maintain the market price of the Securities at a level above that which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

The Company’s outstanding Common Shares are listed and posted for trading on the Canadian Securities Exchange (the “CSE”) under the symbol “AXCP”. The Company’s head office is located at Suite 488, 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7. The Company’s registered office is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw or rescind from an agreement to purchase securities. See “Purchasers’ Contractual Rights”.

No underwriter has been involved in the preparation of the Prospectus or performed any review of the contents of the Prospectus.

Unless otherwise disclosed in any applicable Prospectus Supplement, the Warrants, Subscription Receipts, the Debt Securities and the Units will not be listed on any securities exchange. Unless the Securities are disclosed to be listed, there will be no market through which these Securities may be sold and purchasers may not be able to resell these Securities purchased under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities, and the extent of issuer regulation. See “Risk Factors”.

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GENERAL MATTERS

In this Prospectus, references to “Axcap”, the “Company”, “we”, “us” and “our” refers, collectively, to Axcap Ventures Inc. and our subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus, including the documents incorporated by reference, contains forward-looking information and forward-looking statements (collectively, “forward-looking statements”) that relate to the Company’s current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict” or “likely”, or the negative or grammatical variations of these terms, or other similar expressions intended to identify forward-looking statements, although not all forward-looking statements include such words. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business, prospects and financial needs. Forward-looking statements in this Prospectus and the documents incorporated by reference include, among other things, statements relating to the Company’s:

- the Company’s expectations regarding its revenue, expenses and operations;
- the Company’s intentions with respects to its business and operations;
- the Company’s growth strategy and opportunities;
- the Company’s business objectives;
- the Company’s expectations with respect to its working capital requirements and financial obligations;
- the Company’s expectations regarding its ability to raise capital;
- the Company and/or its investee companies’ expected market and profitability thereof;
- the Competitive position of the Company’s investee companies and the regulatory environments in which they operate; and
- anticipated trends and challenges in the Company’s and its investee companies’ business and the industries in which they operate.

The above and other aspects of the Company’s anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Such forward-looking statements are estimates reflecting the Company’s best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements. These risks include, but are not limited to:

- the Company’s limited operating history as an investment company;
- the Company’s financial condition and results of operations being dependent upon the market value of the securities that will comprise the Company’s investment portfolio, which may create an irregular pattern in the Company’s investment gains and revenues (if any);
- the Company may decide, or be required, to divest its interest in certain investments and there is no assurance that such divestitures will be completed on terms favourable to the Company, or at all;
- the Company’s revenue and cash flow are generated primarily from financing activities, dividends and/or royalty payments on investments and proceeds from the disposition of investments, and the availability and amounts generated from these sources are dependent on various factors;
- the Company may invest in securities of private and public companies that are illiquid;

- the market price of the Common Shares is subject to wide fluctuations in response to various factors;
- the market price of the Common Shares may vary significantly from the Company's net asset value per Common Share due to the nature of the Company's business;
- the Company's success depends on the availability of investment opportunities, its ability to identify investment opportunities, and its ability to generate funds for investments;
- the trading prices of securities the Company acquires could be subject to wide fluctuations in response to various factors beyond the Company's control;
- competition for favourable investment opportunities;
- there are no restrictions on the proportion of the Company's funds that may be allocated to any particular investment, and, as a consequence, the Company's financial results may be substantially adversely affected by the unfavourable performance of a single investment;
- the Company is dependent on the management and the Board, and the loss of the services of any such individuals could have a material adverse effect on the Company;
- the Company may require funds to support its growth and there are no assurances that additional funding will be available at all, on acceptable terms or at an acceptable level;
- there is no guarantee that an investment in the securities of the Company will earn any positive return in the short-term or long-term;
- the due diligence process undertaken by the Company in connection with investments may not reveal all facts that may be relevant in connection with an investment;
- changes in the value of the foreign currencies in which the Company's investments are denominated could have a negative impact on the return on its investments and overall financial performance;
- the Company's officers and directors are or may, from time to time, be involved in other financial investments and professional activities that may on occasion cause a conflict of interest with their duties to the Company;
- the Company may also be exposed to legal risks in its business, including potential liability under securities or other laws and disputes over the terms and conditions of business arrangements;
- the Company has a relatively short history and has incurred significant losses to date;
- the Company may require substantial capital for future expenditures and its ability to make such expenditures is dependent on various factors;
- the Company may be subject to growth related risks;
- the Company may issue additional Common Shares in the future, which may dilute a shareholder's holdings in the Company or negatively affect the market price of the Common Shares; and
- other risks detailed from time to time in its annual information forms, annual financial statements, MD&As, interim financial statements and material change reports filed with and furnished to securities regulators, and those risks which are discussed under the heading "Risk Factors".

Readers are cautioned that the foregoing list of risk factors is not exhaustive, and it is recommended that prospective investors consult the more complete discussion of risks and uncertainties facing the Company included in this Prospectus under the heading "Risk Factors", as well as those set out in the AIF (as defined herein) under the heading "Risk Factors" and in the Annual MD&A (as defined herein), each of which documents are incorporated by reference into this Prospectus. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such information.

Should one or more of these risks or uncertainties materialize, or should underlying factors or assumptions prove incorrect, actual results may vary materially from those described in forward looking statements. Material factors or assumptions involved in developing forward-looking statements include, without limitation, publicly available information from governmental sources as well as from market

research and industry analysis and on assumptions based on data and knowledge of the security industry which the Company believes to be reasonable.

Although the Company believes that the expectations conveyed by the forward-looking statements are reasonable based on the information available to the Company on the date hereof, no assurance can be given as to future results, approvals or achievements. Forward-looking statements contained in this Prospectus and in the documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company disclaims any duty to update any of the forward-looking statements after the date of this Prospectus except as otherwise required by applicable law.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, and other risk factors, and other aspects, of their investment.

CURRENCY PRESENTATION

Unless stated otherwise or as the context otherwise requires, all references to dollar amounts in this Prospectus, any Prospectus Supplement, and any other document that are incorporated by reference into this Prospectus are references to Canadian dollars, unless otherwise indicated.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions in each of the provinces and territories of Canada (the “Securities Commissions”) or any similar authorities in the provinces and territories of Canada. Copies of the documents incorporated herein by reference may also be obtained on request without charge from Axcap Ventures Inc., at 1021 West Hastings Street, Vancouver, British Columbia V6E 0C3, Telephone: 604-889-8476. In addition, copies of the documents incorporated by reference herein may be obtained from the Securities Commissions electronically on SEDAR+, at www.sedarplus.ca.

The following documents or portions of documents filed with the Securities Commissions are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- the unaudited condensed interim financial statements of the Company for the nine months ended September 30, 2024;
- the management’s discussion and analysis of the Company for the nine months ended September 30, 2024;
- the audited consolidated financial statements of the Company for the years ended December 31, 2022 and 2023, together with the independent auditor’s reports thereon and the notes thereto;
- the management’s discussion and analysis of the Company for the year ended December 31, 2023 (the “**Annual MD&A**”);
- the annual information form of the Company for the year ended December 31, 2023, dated October 14, 2024 (the “**AIF**”);
- the material change report of the Company dated May 22, 2024 in respect of the consolidation of the Common Shares on the basis of ten pre-consolidation Common Shares to one post-

consolidation Common Shares and the appointment of Kevin Ma as Chief Financial Officer of the Company;

- the material change report of the Company dated June 11, 2024 in respect of the announcement of a non-brokered private placements of Common Shares at \$0.075 per Common Share for gross proceeds of up to \$150,000 (the “**June Offering**”);
- the material change report of the Company dated June 20, 2024 in respect of the closing of the June Offering;
- the material change report of the Company dated August 29, 2024 in respect of the closing of the first tranche of a non-brokered private placements of units of the Company at \$0.06 per unit totalling gross proceeds of approximately \$2,101,680 (the “**Unit Offering**”);
- the material change report of the Company dated September 6, 2024 in respect of the closing of the second and final tranche of the Unit Offering totalling gross proceeds of \$2,098,319;
- the material change report of the Company dated October 10, 2024 in respect of: (1) the share purchase agreement dated October 7, 2024 between the Company, Converse Acquisition Company, Limited (“**Converse**”) and the sole shareholder of Converse (the “**Share Purchase Agreement**”), whereby the Company will acquire all of the outstanding common shares of Converse (the “**Converse Acquisition**”); and (2) the announcement of a share split (the “**Share Split**”) of the Common Shares on the basis of one (1) pre-split Common Share for 2.4 post-split Common Share;
- the material change report of the Company dated October 23, 2024 announcing updated mineral resource estimate for the Converse Project in Nevada and the announcement of a \$10,000,000 special warrant offering (the “**Special Warrant Offering**”); and
- the management information circular dated June 12, 2024 in respect of the annual general meeting of shareholders on August 9, 2024.

Any documents of the type referred to above or in Section 11.1 of Form 44-101F1, including any material change reports (excluding confidential reports), annual and interim financial statements (including management’s discussion and analysis filed in connection with such annual and interim financial statements), updated disclosure of earnings interest coverage ratios, and information circulars or annual filings that are filed by the Company with the Securities Commissions or any similar authorities in the provinces and territories of Canada after the date of this Prospectus and prior to the termination of the offering under any Prospectus Supplement shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which

it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Upon a new annual information form and the related annual financial statements being filed by the Company with, and, where required, accepted by the Securities Commissions and similar authorities in the provinces and territories of Canada during the currency of this Prospectus, the previous annual information form, the previous annual financial statements and all interim financial statements, material change reports and annual filings or information circulars filed before the commencement of the Company's fiscal year in which the new annual information form is filed will be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

A Prospectus Supplement containing the specific terms in respect of any Securities, updated disclosure of earnings interest coverage ratios (if applicable) and any additional or updated information that the Company may elect to include (provided that such information does not describe a material change that has not already been the subject of a material change report or a prospectus amendment) will be delivered to purchasers of such Securities, together with this Prospectus, and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement, but only for the purposes of the offering of such Securities.

Any template version of any "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators) filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) is deemed to be incorporated by reference in such Prospectus Supplement.

THE COMPANY

Name, Address and Incorporation

The Company was incorporated as GAR Limited on February 20, 1987 under the *Business Corporations Act* (Ontario) and was listed for trading on the Canadian Securities Exchange (the "CSE") on December 31, 2014 under the trading symbol "GL". On March 9, 2018, the Company completed the acquisition of all the issued and outstanding shares of Netcoins Inc., a private British Columbia company, pursuant to the terms of a share exchange agreement, as amended. The acquisition of Netcoins Inc. constituted a "fundamental change" of Netcoins Inc. pursuant to the policies of the CSE (the "**Fundamental Change**"). In connection with the Fundamental Change, the Company changed its name to "Netcoins Holdings Inc." On March 13, 2018, the Company resumed trading on the CSE under the symbol "NETC" and doing business as "Netcoins", and operating under its wholly-owned subsidiary Netcoins Inc. On August 31, 2018, the Company continued its registered jurisdiction from Ontario to British Columbia. In 2020, the Company changed its business from the business of developing software to facilitate the purchase and sale of Bitcoin to an investment issuer. On April 20, 2022, the Company changed its name to "Axcap Ventures Inc."

The registered office of the Company is located at 1500-1055 West Georgia Street, Vancouver, British Columbia. The head office of the Company is located at 488 1090 West Georgia St., Vancouver, British Columbia, V6E 3V7, Canada.

The common shares in the capital of the Company (the "**Common Shares**") are listed on the CSE under the symbol "AXCP". The Company is a reporting issuer in the Provinces of British Columbia, Alberta, and Ontario.

Intercorporate Relationships

The Company has one wholly-owned subsidiary, PGV Patriot Gold Vault Ltd. (“PGV”).

SUMMARY DESCRIPTION OF THE BUSINESS

Company Overview

The objective of the Company is to provide investors with long-term capital growth by investing in a portfolio of early stage or undervalued companies or natural resource projects (“**Projects**”). It is planned that the Company will “unlock” value or “accelerate” growth of investee companies or Projects as a provider of capital and strategic guidance. The Company will strive to complement management as an active participant generally assisting in every aspect of the business or project development, including providing board of director and capital market advisory services.

The Company has adopted an Investment Policy, as amended on June 17, 2024, to govern its investment activities and investment strategy, a copy of which is attached as Schedule “A” to the AIF.

The following are the guidelines for the Company’ investment strategy:

- Investments shall be focused on development stage companies or Projects in all sectors or commodities, including technology, alternative currency, natural resources, oil and gas or renewable energy. Such investee companies or Projects may be private or public companies and there will be no bias to sector based on economic, financial and market conditions. Investments in investee companies or Projects may be direct.
- Target investments shall encompass companies at all stages of development, including pre-IPO and/or early-stage companies with undeveloped and undervalued high-quality assets requiring start-up or development capital, as well as intermediate and senior companies.
- Initial investments of debt, equity or a combination thereof may be made through a variety of financial instruments including, but not limited to, private placements, participation in initial public offerings, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, net profit interests and other hybrid instruments, which will be acquired and held both for long-term capital appreciation and shorter-term gains.
- The nature and timing of the Company’s investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company.
- A key aspect of the investment strategy shall be seeking undervalued companies or Projects with strong management teams and solid business models that can benefit from macro-economic trends. Notwithstanding this requirement, consideration will be given to opportunities where existing management may need the infusion of high-level guidance, direction and expertise from the Company. In such situations, the Company intends to work closely with an investee company’s management and board of directors to structure and deliver the strategic and financial resources to help such company best take advantage of its prospective or estimated resources and to mature into a successful commercial enterprise.
- In general, the Company invests with a view to having active control and or management representation and to providing capital markets advisory services, including (as required) board member and management services and capital markets advisory to investee companies with respect

to Projects the Company will provide. The Company may also structure an investment to assume a controlling or joint-controlling interest in a company, which may or may not involve the provision of advice to management and/or board participation. The Company may seek equity participation in situations to which the Company can potentially add value by its involvement, not only financially but also by the contribution of guidance and additional management expertise. In certain circumstances, the investment activities of the Company may be passive.

- Immediate liquidity shall not be a requirement, but each investment shall be evaluated in terms of a clear exit strategy designed to maximize the relative return in light of changing fundamentals and opportunities.
- Subject to applicable laws, there are no restrictions on the size or market capitalization with respect to the Company's investments in the equity securities of public or private issuers.
- Cash reserves may, from time to time as appropriate, be placed into high quality money market investments, including Canadian Treasury Bills or corporate notes rated at least R-1 by DBRS Limited, each with a term to maturity of less than one year.
- Subject to the full approval of the Board, the Investment Committee may consider certain special investment situations, including assuming a controlling or joint-controlling interest in an invested company or becoming operator in respect of natural resource investments, which may also involve the provision of advice to management and/or board participation.
- The Company's investments in the natural resources industry may include the ownership of real estate and commodities and investments in the exploration, development and infrastructure of natural resources.
- All investments shall be made in full compliance with applicable laws in relevant jurisdictions and shall be made in accordance with and governed by the rules and policies in effect in the regulatory environment.

From time to time, the Board may authorize such additional investments outside of the guidelines described herein as it sees fit for the benefit of the Company and its shareholders.

Business Objectives

The Company's primary business objective is to seek superior returns by making investments in equity, debt or other securities of publicly traded or private companies or other entities, providing financing in exchange for pre-determined royalties or distributions, and the acquisition of all or part of one or more businesses, portfolios or other assets. The Company has adopted an Investment Policy to govern its investment activities and investment strategy. **The Company is not considered a non-redeemable investment fund as the Company invests for the purpose of exercising or seeking to exercise control of its investees or seek to be actively involved in the management of its investees.**

USE OF PROCEEDS

The use of proceeds from the sale of Securities will be described in a Prospectus Supplement relating to a specific issuance of Securities. This information will include the net proceeds to the Company from the sale of the Securities, the use of those proceeds and the specific business objectives that the Company expects to accomplish with those proceeds.

As at September 30, 2024, the Company had cash on hand and a working capital of \$1,773,011 and \$2,461,793, respectively. The Company is in the growth and development stage and is dependent upon equity or debt financing to maintain its current operations. Accordingly, the Company has had negative cash flows from operating activities and reported a net loss for the year ended December 31, 2023 of \$1,717,165 and \$901,201, respectively. The Company anticipates that negative operating cash flows will continue as long as it remains in a growth and development stage, and to the extent that the Company has negative cash flows from operating activities in future periods, the Company may need to deploy a portion of its cash reserves to fund such negative cash flow. See “Risk Factors”.

DESCRIPTION OF SECURITIES

The following is a summary of the material attributes and characteristics of the Securities as at the date of this Prospectus. This summary does not purport to be complete. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

Common Shares

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the date of this Prospectus, 189,034,658 Common Shares are issued and outstanding.

The holders of the Common Shares are entitled to receive notice of and attend any meeting of the Company’s shareholders and are entitled to one vote for each Common Share held. The holders of the Common Shares are entitled to receive dividends, if, as and when declared by the Company’s board of directors. In the event of liquidation, dissolution or winding-up of the Company, the holders of the Common Shares are entitled to share pro rata in the remaining assets of the Company. The Common Shares do not have attached thereto any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or any other material restrictions or provisions requiring a security holder to contribute additional capital.

Warrants

This section describes the general terms that will apply to any Warrants that may be offered by the Company pursuant to this Prospectus. Warrants may be offered separately or together with other Securities.

The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement. The Warrants may be issued under a warrant indenture. The applicable Prospectus Supplement will include the details of the warrant indenture governing the Warrants being offered.

The particular terms of each issue of Warrants will be described in the related Prospectus Supplement. Such description will include, where applicable:

- a) the number of Warrants being offered and, if offered as a unit with another Security, the number of Warrants or a fraction of a Warrant being offered with such other Security;
- b) the Securities which are underlying the Warrants;
- c) the exercise price of the Warrants;

- d) the expiry date of the Warrants;
- e) the procedure for exercising Warrants into underlying Securities;
- f) the indenture trustee of the Warrants under the warrant indenture pursuant to which the Warrants are to be issued, if applicable;
- g) the material tax consequences of owning the Warrants (if any); and
- h) any other material terms and conditions of the Warrants.

Subscription Receipts

This section describes the general terms that will apply to any Subscription Receipts that may be offered by the Company pursuant to the Prospectus. Subscription Receipts may be offered separately or together with Common Shares or Warrants, as the case may be. The Subscription Receipts will be issued under a Subscription Receipt agreement.

In the event the Company issues Subscription Receipts, the Company will provide the original purchasers of Subscription Receipts a contractual right of rescission exercisable following the issuance of Common Shares to such purchasers.

The applicable Prospectus Supplement will include details of the Subscription Receipt agreement covering the Subscription Receipts being offered. A copy of the Subscription Receipt agreement relating to an offering of Subscription Receipts will be filed by the Company with the applicable securities regulatory authorities after it has been entered into. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

- a) the number of Subscription Receipts;
- b) the price at which the Subscription Receipts will be offered;
- c) the procedures for the exchange of the Subscription Receipts into Common Shares or Warrants;
- d) the number of Common Shares or Warrants that may be exchanged upon exercise of each Subscription Receipt;
- e) the designation and terms of any other securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each security;
- f) terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- g) material Canadian federal income tax consequences of owning the Subscription Receipts; and
- h) any other material terms and conditions of the Subscription Receipts.

Debt Securities

This section describes the general terms that will apply to any Debt Securities that may be offered by the Company pursuant to this Prospectus. Debt Securities may be offered separately or together with

other Securities. The specific terms of the Debt Securities, and the extent to which the general terms described in this section apply to those Debt Securities, will be set forth in the applicable Prospectus Supplement.

The Debt Securities will be direct obligations of the Company. The Debt Securities may be senior or subordinated indebtedness of the Company and may be secured or unsecured, all as described in the relevant Prospectus Supplement. In the event of the insolvency or winding up of the Company, the subordinated indebtedness of the Company, including the subordinated Debt Securities, will be subordinate in right of payment to the prior payment in full of all other liabilities of the Company (including senior indebtedness), except those which by their terms rank equally in right of payment with or are subordinate to such subordinated indebtedness.

The Debt Securities may be issued under one or more trust indentures (each, a “**Trust Indenture**”), in each case between the Company and a trustee (each, an “**Indenture Trustee**”). The statements made hereunder relating to any Trust Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Trust Indenture.

Each Trust Indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount, which may be authorized from time to time by the Company.

The particular terms of each issue of Debt Securities will be described in the related Prospectus Supplement. Such description will include, where applicable:

- a) the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- b) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars);
- c) the percentage of the principal amount at which such Debt Securities will be issued;
- d) the date or dates on which such Debt Securities will mature;
- e) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- f) the dates on which any such interest will be payable and the record dates for such payments;
- g) if applicable, the Indenture Trustee of the Debt Security under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- h) the designation and terms of any securities with which the Debt Securities will be offered, if any, and the number of Debt Securities that will be offered with each security;
- i) whether the Debt Securities are subject to redemption or call and, if so, the terms of such redemption or call provisions;
- j) whether such Debt Securities are to be issued in registered form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership

- thereof;
- k) any exchange or conversion terms;
 - l) whether the Debt Securities will be subordinated to other liabilities of the Company and, if so, to what extent;
 - m) the material tax consequences of owning the Debt Securities, if any; and
 - n) any other material terms and conditions of the Debt Securities.

Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

Units

This section describes the general terms that will apply to any Units that may be offered by the Company pursuant to this Prospectus.

The following sets forth certain general terms and provisions of the Units under this Prospectus. The following sets forth certain general terms and provisions of the Units offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms described in this section apply to those Units, will be set forth in the applicable Prospectus Supplement.

The Units may be comprised of one or more of the other Securities described in the Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each of the Securities included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement, if any, under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

The particular terms of each issue of Units will be described in the related Prospectus Supplement. Such description will include, where applicable:

- a) the number of Units offered;
- b) the price or prices, if any, at which the Units will be issued;
- c) the currency at which the Units will be offered;
- d) the Securities comprising the Units;
- e) whether the Units will be issued with any other Securities and, if so, the amount and terms of these Securities;
- f) any minimum or maximum subscription amount;
- g) whether the Units and the Securities comprising the Units are to be issued in registered form, “book-entry only” form, non-certificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;

- h) any material risk factors relating to such Units or the Securities comprising the Units;
- i) any other rights, privileges, restrictions and conditions attaching to the Units or the Securities comprising the Units; and
- j) any other material terms or conditions of the Units or the Securities comprising the Units, including whether and under what circumstances the Securities comprising the Units may be held or transferred separately.

SECONDARY OFFERING BY SELLING SECURITYHOLDERS

Securities may be sold under this Prospectus by way of a secondary offering by or for the account of certain Selling Securityholders. The Prospectus Supplement for or including any offering of Securities by Selling Securityholders will include the following information, to the extent required by applicable securities laws:

- the name or names of the Selling Securityholders, and if a Selling Securityholder is not an individual, the principal securityholders of the Selling Securityholder;
- the number or amount of Securities owned, controlled or directed by each Selling Securityholder;
- the number or amount of Securities being distributed for the account of each Selling Securityholder;
- the number or amount of Securities to be owned, controlled or directed by the Selling Securityholders after the distribution and the percentage that number or amount represents of the total number of the Company's outstanding Securities;
- whether the Securities are owned by the Selling Securityholders both of record and beneficially, of record only, or beneficially only;
- if the Selling Securityholder purchased any of the Securities in the 24 months preceding the date of the applicable Prospectus Supplement, the date or dates the Selling Securityholder acquired the Securities;
- if the Selling Securityholder acquired any of the Securities in the 12 months preceding the date of the applicable Prospectus Supplement, the cost thereof to the Selling Securityholder in aggregate and on an average-cost-per-security basis;
- if applicable, the disclosure required by item 1.11 of Form 41-101F1, and if applicable, the Selling Securityholders will file a non-issuer's submission to jurisdiction form with the corresponding Prospectus Supplement; and
- all other information that is required to be included in the applicable Prospectus Supplement.

PLAN OF DISTRIBUTION

The Company and/or any selling securityholders may from time to time during the 25-month period that this Prospectus, including any amendments hereto, remains valid, offer for sale and issue Common Shares, Warrants, Subscription Receipts, Debt Securities and Units. During such period, the Company may sell up to \$50,000,000 in the aggregate, of initial offering price of Securities (or the equivalent amount if any Securities are denominated in a currency other than Canadian dollars).

The Company or Selling Securityholders will sell the Securities to or through underwriters or dealers or purchasers directly or through agents. The Securities may be sold from time to time in one or more transactions at a fixed price or prices, which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” (as defined in NI 44-102).

A Prospectus Supplement will set forth the terms of the offering, including the name(s) of any underwriters, dealers or agents, the purchase price(s) of the Securities, the proceeds to the Company and/or any selling securityholders from the sale of Securities, any initial public offering price (or the manner of determination thereof if offered on a non-fixed price basis), any underwriting discount or commission and any discounts, concessions or commissions allowed or paid by any underwriter to other dealers. Any initial public offering price and any discounts, concessions or omissions allowed or paid to dealers may be changed from time to time.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under certain agreements to be entered into with the Company and/or any selling securityholders to indemnification by the Company and/or any selling securityholders against certain liabilities, including liabilities under securities legislation or to contribution with respect to payments that they may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for the Company and/or any selling securityholders in the ordinary course of business.

In connection with any offering of Securities other than an “at-the-market distribution”, unless otherwise specified in a Prospectus Supplement, underwriters or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of Securities offered at levels other than those which might otherwise prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

The Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the Securities may not be offered, sold or delivered within the United States, and each underwriter or agent for any offering of Securities will agree that it will not offer, sell or deliver the Securities within the United States, except pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder (“**Rule 144A**”) and in compliance with applicable state securities laws. In addition, until 40 days after the commencement of the offering of Securities, any offer or sale of such Securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Securities in the United States or to, or for the account or benefit of, U.S. persons.

EARNINGS COVERAGE RATIOS

Earnings coverage ratios will be provided as required in the applicable Prospectus Supplement(s) with respect to the issuance of Debt Securities pursuant to this Prospectus.

CONSOLIDATED CAPITALIZATION

Other than described under “Prior Sales” below, there have been no material changes in the Company’s share or loan capitalization since September 30, 2024, being the date of the Company’s most recently filed consolidated financial statements incorporated by reference in this Prospectus. As of the date of this Prospectus, there were 189,034,658 Common Shares issued and outstanding.

RECENT DEVELOPMENTS

Other than as described below, there have been no material developments in the Company’s business since October 14, 2024, the date of the Company’s AIF, which have not been disclosed in this Prospectus or the documents incorporated by reference therein.

On October 15, 2024, the Company announced a mineral resource estimate for Rattlesnake Hills Gold Project in Wyoming.

On October 15, 2024, the Company announced a mineral resource estimate for the Converse Property (as defined herein) in Nevada.

On October 30, 2024, the Company completed the Share Split.

On November 4, 2024, the Company announced an upsizing of its Special Warrant Offering from \$10,000,000 to \$15,000,000.

On November 21, 2024, the Company announced the grant of 11,525,184 stock options and 5,234,692 restricted share units to certain directors, officers and consultants of the Company.

PRIOR SALES

For the 12-month period before the date of this Prospectus, the Company issued the following Common Shares and securities exercisable or convertible into Common Shares:

Date of Issue	Description	Number of Securities	Price per Security/ Exercise Price
June 14, 2024	Common Shares	4,800,000 ⁽¹⁾⁽²⁾	\$0.03
August 19, 2024	Common Shares	84,067,214 ⁽¹⁾⁽³⁾	\$0.025
August 19, 2024	Warrants	84,067,214 ⁽¹⁾⁽³⁾	\$0.30
August 23, 2024	Common Shares	10,999,999 ⁽¹⁾⁽⁴⁾	\$0.04
September 3, 2024	Common Shares	83,932,783 ⁽¹⁾⁽³⁾	\$0.025
September 3, 2024	Warrants	83,932,783 ⁽¹⁾⁽³⁾	\$0.30
November 21, 2024	Options	11,525,184	\$0.21
November 21, 2024	Restricted Share Units	5,234,692	\$0.21

Notes:

(1) Number of Common Shares issued and issue price have been adjusted to reflect the Share Split.

- (2) Issued pursuant to the Company’s non-brokered private placement of Common Shares.
- (3) Issued pursuant to the Unit Offering.
- (4) Issued pursuant to the acquisition of PGV Patriot Gold Vault Ltd.

PRICE RANGE AND TRADING VOLUME

The Common Shares are listed on the CSE under the trading symbol “AXCP”. The following tables set forth information relating to the trading of the Common Shares on the CSE for the months indicated. On November 28, 2024, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was \$0.19.

Month	CSE Price Range		Total Volume
	High	Low	
November 2023 ⁽¹⁾⁽²⁾	\$0.1667	\$0.125	10,474
December 2023 ⁽¹⁾⁽²⁾	\$0.1875	\$0.125	6,708
January 2024 ⁽¹⁾⁽²⁾	\$0.1667	\$0.125	4,587
February 2024 ⁽¹⁾⁽²⁾	\$0.125	\$0.125	2,650
March 2024 ⁽¹⁾⁽²⁾	\$0.1875	\$0.125	5,195
April 2024 ⁽¹⁾⁽²⁾	\$0.2917	\$0.0417	90,689
May 2024 ⁽¹⁾⁽²⁾	\$0.1708	\$0.0292	248,557
June 2024 ⁽²⁾	\$0.125	\$0.0333	1,880,254
July 2024 ⁽²⁾	\$0.0813	\$0.0292	1,885,037
August 2024 ⁽²⁾	\$0.0625	\$0.0542	63,974
September 2024 ⁽²⁾	\$0.1833	\$0.0542	785,112
October 2024 ⁽²⁾	\$0.25	\$0.1188	2,790,125
November 2024	\$0.26	\$0.19	783,121

Note:

- (1) Number of Common Shares issued and issue price have been adjusted to reflect the 10:1 share consolidation effective May 21, 2024.
- (2) Number of Common Shares issued and issue price have been adjusted to reflect the Share Split.

PROBABLE ACQUISITION

The Converse Acquisition is expected to constitute a “significant acquisition” for the purposes of Part 8 of National Instrument 51-102 - *Continuous Disclosure Obligations*. The Company will be required to file a business acquisition report in respect of and following the completion of the Converse Acquisition.

Pursuant to the Share Purchase Agreement, the Company will acquire 100% of the issued and outstanding shares of Converse from the sole shareholder of Converse (the “**Shareholder**”). Converse indirectly owns 100% interest in an advanced stage gold project located in Nevada, United States (the “**Converse Property**”).

Pursuant to the terms of the Share Purchase Agreement, as consideration for 100% of the issued and outstanding common shares of Converse, the Company shall make the following payments:

- on the effective date of the letter of intent, the Company shall make a cash payment of \$500,000 to the Shareholder, which the Company paid on July 11, 2024;
- On closing of the Converse Acquisition, the Company shall make a cash payment of \$1,000,000 to the Shareholder; and
- on closing of the Special Warrant Offering, issue to the Shareholder an aggregate of 20,000,000 Common Shares (“**Payment Shares**”).

Converse acquired the Converse Property pursuant to membership purchase agreement. Converse is required to make the following milestone payments to the vendor:

- on the closing of the Converse Acquisition, Converse shall make a cash payment of \$1,500,000;
- on or before July 15, 2025, Converse shall make a cash payment of \$2,000,000;
- on or before July 15, 2026, Converse shall make a cash payment of \$2,000,000;
- on or before July 15, 2027, Converse shall make a cash payment of \$2,000,000; and
- on or before July 15, 2028, Converse shall make a cash payment of \$3,500,000

(each, a “**Milestone Payment**”).

Converse shall have a right to elect to pay each Milestone Payment, in whole or in part, in Common Shares.

The Payment Shares shall be subject to voluntary hold periods as outlined in the Share Purchase Agreement: 2.5% of the Payment Shares will be released and become freely tradable six months after the closing of the Special Warrant Offering, with an additional 2.5% released seven months and eight months following the closing of the Special Warrant Offering, another 5% of the Payment Shares will be released every month for the next 11 months, another 7.5% of the Payment Shares will be released 20 months following the closing of the Special Warrant Offering, with an additional 7.5% of the Payment Shares becoming freely tradable every month thereafter.

Neither the Company nor Converse have obtained a valuation opinion within the last 12 months to support the consideration paid by the Company.

Subject to satisfaction of all conditions under the Share Purchase Agreement and applicable regulatory approvals, the Converse Acquisition is expected to close in the fourth financial quarter of 2024. A copy of the Share Purchase Agreement has been filed by the Company on SEDAR+ and is available electronically under the Company’s profile at www.sedarplus.ca.

The audited consolidated financial statements of Converse for the years ended December 31, 2023 and 2022, together with the notes thereto and the report of the independent auditors, Manning Elliott LLP, thereon (the “**Converse Annual Financial Statements**”) are attached hereto as Schedule “A”.

RISK FACTORS

An investment in the securities of the Company is speculative and subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position, financial condition or operating results of the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company’s business operations.

Prospective investors should carefully consider all information contained in this Prospectus, including all documents incorporated by reference, and in particular should give special consideration to the risk factors under the section titled “Risk Factors” in the AIF, which is incorporated by reference in this Prospectus and which may be accessed on the Company’s SEDAR profile at www.sedar.com, and the information contained in the section entitled “Cautionary Statement Regarding Forward-Looking Information”. Additionally, purchasers should consider the risk factors set forth below.

The risks and uncertainties described or incorporated by reference in this Prospectus are not the only ones the Company may face. Additional risks and uncertainties that the Company is unaware of, or that the Company currently deems not to be material, may also become important factors that affect the Company. If any such risks actually occur, the Company’s business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of the Common Shares could decline and investors could lose all or part of their investment.

No Existing Trading Market (other than for Common Shares)

There is currently no market through which the Securities (other than Common Shares) may be sold and purchasers of such Securities may not be able to resell such Securities purchased under this Prospectus. There can be no assurance that an active trading market will develop for such Securities after an offering or, if developed, that such market will be sustained. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. The public offering prices of the Securities may be determined by negotiation between the Company and underwriters based on several factors and may bear no relationship to the prices at which the Securities will trade in the public market subsequent to such offering. See “Plan of Distribution”.

Holder of Warrants have no rights as a shareholder

Until a holder of Warrants acquires Warrant Shares upon exercise of Warrants, such holder will have no rights with respect to the Warrant Shares underlying such Warrants. Upon exercise of such Warrants, such holder will be entitled to exercise the rights of a common shareholder only as to matters for which the record date occurs after the exercise date.

Unsecured Debt Securities

Unless otherwise indicated in the applicable Prospectus Supplement, the Debt Securities will be unsecured and will rank equally in right of payment with all of the Company’s other existing and future unsecured debt. The Debt Securities will be effectively subordinated to all of the Company’s existing and

future secured debt to the extent of the assets securing such debt. If the Company is involved in any bankruptcy, dissolution, liquidation or reorganization, the secured debt holders would, to the extent of the value of the assets securing the secured debt, be paid before the holders of unsecured Debt Securities, including the Debt Securities. In that event, a holder of Debt Securities may not be able to recover any principal or interest due to such holder under the Debt Securities. Unless the obligations of the Company under the Debt Securities are secured by the Company's subsidiaries, the Debt Securities will be structurally subordinated to all of the Company's subsidiaries' existing and future debt. See "Debt Securities".

Sale of Common Shares Issued Upon Exercise of Warrants Could Encourage Short Sales by Third-Parties Which Could Further Depress the Price of the Common Shares

Any downward pressure on the price of Common Shares caused by the sale of Warrants issued upon the exercise of Warrants could encourage short sales by third-parties. In a short sale, a prospective seller borrows Common Shares from a shareholder or broker and sells the borrowed Common Shares. The prospective seller anticipates that the Common Share price will decline, at which time the seller can purchase Common Shares at a lower price for delivery back to the lender. The seller profits when the Common Share price declines because it is purchasing Common Shares at a price lower than the sale price of the borrowed Common Shares. Such sales could place downward pressure on the price of the Common Shares by increasing the number of Common Shares being sold, which could further contribute to any decline in the market price of the Common Shares.

Loss of Entire Investment

An investment in the Company's securities is speculative and may result in the loss of an investor's entire investment. Only investors who are experienced in high-risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Credit ratings may change

There is no assurance that any credit rating assigned to Securities issued hereunder will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such rating may have an adverse effect on the market value of the Securities.

History of negative cash flows

The Company has a history of negative cash flow from operating activities. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when need or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than disclosed in this Prospectus, there are no material interest, direct or indirect, of the directors or officers of the Company, any shareholder that beneficially owns more than 10% of the Common Shares or any associate or affiliate of any the foregoing persons in any transaction within the last three years or any proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

CERTAIN INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences generally applicable to investors described therein of acquiring Securities, including, in the case of an investor who is not a resident of Canada, Canadian non-resident withholding tax consideration.

LEGAL MATTERS AND INTEREST OF EXPERTS

Certain legal matters relating to an offering of the Securities will be passed upon by McMillan LLP, on behalf of the Company. As at the date hereof, the partners and associates of McMillan LLP, as a group beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares of the Company. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents with respect to matters of Canadian and, if applicable, United States or other foreign law.

The consolidated financial statements of the Company as of December 31, 2022 and 2023 and the Converse Annual Financial Statements have been audited by Manning Elliott LLP. As of the date hereof, and throughout the period covered by the financial statements on which they reported, Manning Elliott LLP was independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditor is Manning Elliott LLP, with its office in Vancouver, British Columbia. Manning Elliott LLP is independent of the Company within the meaning of the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

The registrar and transfer agent for the Company's Common Shares is Odyssey Trust Company at its offices in Vancouver, British Columbia.

EXEMPTION UNDER SECURITIES LAWS

Pursuant to a decision of the Autorité des 19arches financiers dated November 28, 2024, the Company was granted a permanent exemption from the requirement to translate into French this Prospectus as well as the documents incorporated by reference herein and any Prospectus Supplement to be filed in relation to an "at-the-market distribution". This exemption is granted on the condition that this Prospectus and any Prospectus Supplement (other than in relation to an "at-the-market distribution") be translated into French if the Company offers Securities to Québec purchasers in connection with an offering other than in relation to an "at-the-market distribution".

PURCHASERS' CONTRACTUAL RIGHTS

Original purchasers of Warrants, Subscription Receipts and Debt Securities which are convertible into other securities of the Company will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such Warrants, Subscription Receipts and Debt Securities. The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the Warrants, Subscription Receipts or Debt Securities, as the case may be, the amount paid upon conversion, exchange or exercise, upon surrender of the underlying securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of

the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the Securities Act (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the Securities Act (British Columbia) or otherwise at law.

Original purchasers are further advised that in certain provinces or territories the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible, exchangeable or exercisable security that was purchased under a prospectus, and therefore a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the province in which the purchaser resides for the particulars of these rights, or consult with a legal advisor.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain provinces and territories of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after the later of (a) the date that the issuer (i) filed the prospectus or any amendment on SEDAR+ and a receipt is issued and posted for the document, and (ii) issued and filed a news release on SEDAR+ announcing that the document is accessible through SEDAR+, and (b) the date that the purchaser or subscriber has entered into an agreement to purchase the securities or a contract to purchase or a subscription for the securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

SCHEDULE "A"
CONVERSE ANNUAL FINANCIAL STATEMENTS

[See Attached]



CONVERSE RESOURCES LLC
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in United States Dollars)

DRAFT INDEPENDENT AUDITORS' REPORT

To the Member of Converse Resources LLC.

Opinion

We have audited the financial statements of Converse Resources LLC. (the "Company") which comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of loss and comprehensive loss for the years ended December 31, 2023 and 2022;
- the statements of changes in Member's equity for the years ended December 31, 2023 and 2022;
- the statements of cash flow for the years ended December 31, 2023, and 2022; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022 and its financial performance and its cash flows for the years ended December 31, 2023 And 2022 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 Auditors' 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 audits of the 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.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Accounting Standards as issued by the International Accounting Standards Board, 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 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' 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 auditors' 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.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
November 25, 2024

CONVERSE RESOURCES LLC
STATEMENTS OF FINANCIAL POSITION
(Expressed in United States dollars)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Current		
Cash	\$ 24,193	\$ 151,458
Prepaid expenses	38,239	39,309
	<u>62,432</u>	<u>190,767</u>
Total assets	\$ 62,432	\$ 190,767
LIABILITIES		
Current		
Accounts payables and accrued liabilities (note 5, 7)	\$ 179,003	\$ 250,287
	<u>179,003</u>	<u>250,287</u>
MEMBER'S EQUITY		
Member's capital (note 6)	23,305,775	23,105,775
Deficit	<u>(23,422,346)</u>	<u>(23,165,295)</u>
	(116,571)	(59,520)
Total liabilities and equity	\$ 62,432	\$ 190,767

Nature of operations and going concern (note 1 & 2)

Subsequent events (note 10)

Approved and authorized for issue on behalf of the Directors:

"Chris Irwin"

Chris Irwin, Director

"Lisanna Lewis"

Lisanna Lewis, Controller

The accompanying notes form an integral part of these financial statements.

CONVERSE RESOURCES LLC
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the year ended December 31, 2023 and 2022

(Expressed in United States dollars)

	2023	2022
Expenses		
Administration and other	\$ 19,638	\$ 19,886
Claim staking	50,767	50,769
Exploration expenditures (note 4)	123,571	336,251
Professional fees	63,075	77,867
	<hr/> 257,051	<hr/> 484,773
Net loss and comprehensive loss for the year	\$ 257,051	\$ 484,773

The accompanying notes form an integral part of these financial statements.

CONVERSE RESOURCES LLC**STATEMENTS OF CHANGES IN EQUITY**

For the year ended December 31, 2023 and 2022

(Expressed in United States dollars)

	Member's Capital	Deficit	Total member's equity
Balance as of December 31, 2021	\$ 23,105,775	\$ (22,680,522)	\$ 425,253
Net loss and comprehensive loss	-	(484,773)	(484,773)
Balance as of December 31, 2022	23,105,775	(23,165,295)	(59,520)
Member's contributions	200,000	-	200,000
Net loss and comprehensive loss	-	(257,051)	(257,051)
Balance as of December 31, 2023	\$ 23,305,775	\$ (23,422,346)	\$ (116,571)

The accompanying notes form an integral part of these financial statements.

CONVERSE RESOURCES LLC
STATEMENTS OF CASH FLOWS
For the year ended December 31, 2023 and 2022
(Expressed in United States dollars)

	2023	2022
Cash provided by (used in):		
Operating activities		
Net loss	\$ (257,051)	\$ (484,773)
Changes in non-cash working capital items:		
Prepaid expenses	1,070	(1,699)
Accounts payable and accrued liabilities	(71,284)	177,221
Cash used in operating activities	(327,265)	(309,251)
Financing activities		
Contribution from Member	200,000	-
Cash provided by financing activities	200,000	-
Net decrease in cash	(127,265)	(309,251)
Cash - beginning of the year	151,458	460,709
Cash - end of the year	\$ 24,193	\$ 151,458

The accompanying notes form an integral part of these financial statements.

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

On January 18, 1995 Romarco Nevada Inc. was formed as an corporation in the State of Nevada. On January 23, 2003 Romarco Nevada Inc. changed its name to Metallic Nevada Inc. On June 15, 2017 Metallic Nevada Inc. changed its name to Converse Resources Limited. On December 31, 2018, the corporation was converted to a Nevada limited liability company and renamed Converse Resources LLC (“Converse” or the “Company”).

Converse Resources LLC owns the Converse Property, located in Humboldt County, Nevada, USA, including the Converse mine and related assets.

Converse is wholly owned by Waterton Nevada Splitter, LLC (“Waterton Nevada”), which is Converse’s sole member. Waterton Nevada, is owned by (41.84%) Waterton Precious Metals Fund II Cayman, LP (“Waterton”) (see Note 6).

2. BASIS OF PREPERATION

Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board. These financial statements were authorized for issuance by the Board of Directors of the Company on November 25, 2024.

Going concern assumption

These financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2023, the Company has not yet achieve profitable operations and had accumulated losses of \$23,422,346 since inception and expects further losses in the development of its business. As at December 31, 2023, the Company has working capital deficiency of \$116,571, which casts doubt about its ability to continue as a going concern for the next twelve months.

The continuing operations of the Company are dependent upon obtaining the necessary financing to meet the Company’s commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which may differ materially from their carrying values.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. These conditions may cast significant doubt about the Company’s ability to continue as a going concern.

Basis of measurement

These financial statements are prepared on the historical cost basis, except for any financial assets and liabilities classified as fair value through profit and loss.

2. BASIS OF PREPERATION (continued)

Functional and presentational currency

The functional currency of the Company is the United States dollar, as determined by management. All amounts in these financial statements are presented in United States dollars. Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in profit or loss. Non-monetary items, if applicable, that are measured in terms of historical cost in a foreign currency are not retranslated.

Use of Estimates

The preparation of financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur.

Significant estimates and judgments made by management in the preparation of these financial statements are as follows:

Reclamation liability

The valuation of any reclamation liability is subject to significant judgement and estimates. Assumptions, based on the current economic environment, are made to estimate the future liability. These estimates consider any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, restoration standards and techniques will result in changes to the liability from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the expenditures are actually incurred. The final cost of the reclamation liability currently recognized may be higher or lower than currently provided for.

3. MATERIAL ACCOUNTING POLICIES

The Company's accounting policies and its standards of financial disclosure set out below are in accordance with IFRS and have been applied consistently throughout the period presented in these financial statements, unless otherwise stated.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. On initial recognition, financial assets are classified and measured at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets that do not qualify to be measured at amortized cost or FVOCI or have been elected so at initial adoption are classified at FVTPL. An entity may elect on initial recognition of an equity investment to irrevocably classify it as FVOCI. Financial liabilities are recognized at amortized cost unless the Company elects to classify them as FVTPL on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of loss and comprehensive loss. The Company's financial instruments are classified as follows:

Asset / Liability Classification

Cash - amortized cost
Accounts payable and accrued liabilities - amortized cost

Impairment of financial assets at amortized cost

The Company recognizes an allowance using the Expected Credit Loss ("ECL") model on financial assets classified as amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all amounts recoverable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the statement of loss and comprehensive loss.

Financial assets at fair value through profit and loss

Other non-derivative financial assets, such as accounts receivable are measured at amortized cost using the effective interest method, less any impairment losses. Other non-derivative financial liabilities, such as accounts payable and accrued liabilities, are measured at amortized cost using the effective interest method.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. Accounts payable and accrued liabilities are measured at amortized cost.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by considering any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statement of loss.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Income taxes

The Company is a limited liability company registered in Nevada, USA. As a disregarded entity for United States tax purposes, no provision for income taxes is included in these financial statements.

Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral rights, property option payments and exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible and the decision to proceed 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.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, if applicable, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and other intangible assets, if applicable, that have indefinite lives or that are not yet available for use an impairment test is completed each year.

Reclamation liability

The Company's activities give rise to reclamation, closure, dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of abandonment and site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation as at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion whereas increases/decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

New accounting policy

During the year ended December 31, 2023, the Company adopted a number of new IFRS Accounting Standards, interpretations, amendments and improvements of existing standards. These new standards and changes did not have any material impact on the Company's financial statements, expect for the below.

Disclosure initiative – accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Beginning on January 1, 2023, the Company adopted the amendments to IAS 1, Presentation of Financial Statements (IAS 1) and IFRS Practice Statement 2, Making Materiality Judgements. These amendments help companies provide useful accounting policy disclosures and requires the disclosure of material accounting policy information rather than disclosing significant accounting policies. The adoption of these amendments did not have a material impact on the financial statements.

Future Changes in Accounting Policies:

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current.

The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The adoption of the amendments is not expected to have a material impact on the financial statements.

4. EXPLORATION AND EVALUATION EXPENDITURES

Title to exploration and evaluation asset interests 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 historical title conveyance characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing.

The exploration and evaluation asset the Company has committed to earn interests in are located in the State of Nevada, USA.

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

a) Converse Exploration Project

The Company owns a 100% interest in a group of mineral claims known as the Converse Exploration property ("Converse Project"). 41 claims are owned directly by Converse Resources LLC and 250 claims are owned by Nevada North Resources USA Inc. (or "Nevada North") and leased by Converse. The project is located 30 miles southeast of Winnemucca in Humboldt County, Nevada, USA.

In the year ended December 31, 2023, the Company incurred \$23,571 (2022 - \$165,873) related to pre-exploration costs and \$100,000 (2022 - \$100,000) royalty payments related to the project.

In accordance with a lease agreement with Nevada North, royalty payments in the amount of \$100,000 (2022 - \$100,000) were incurred during the year to maintain access rights for exploration and evaluation activities at the site. The royalty payments are expected to continue until the end of the lease agreement, which expires on August 31, 2032. Management currently intends to renew the lease at the end of the agreement.

During the year ended December 31, 2016, the Company entered a lease agreement with Newmont USA Limited (Newmont) to grant Newmont a mining lease. Newmont made payments of \$741 during December 31, 2023 and \$706 during December 31, 2022.

During the year ended December 31, 2020, the Company entered into a Royalty deed with Royalty Consolidation Company LLC, a subsidiary of Waterton, to grant mineral production royalty interest in the properties

During the year ended December 31, 2021, Royalty Consolidation Company LLC and Royalty Portfolio LLC, a subsidiary of Waterton, entered Conveyance of Royalty Interest to acquire the mineral production royalty from Royalty Consolidation Company LLC.

During the year ended December 31, 2021, Premier Royalty USA INC and Royalty Portfolio LLC entered Conveyance of Royalty Interest, to acquire the mineral production royalty from Royalty Portfolio LLC.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023	December 31, 2022
Trade accounts payable and accrued liabilities	\$ 177,072	\$ 217,373
Due to related parties (Note 7)	1,931	32,914
Total	\$ 179,003	\$ 250,287

6. MEMBER'S EQUITY

The Company's sole member is, Waterton Nevada. In the year ended December 31, 2023, Waterton Nevada contributed \$200,000 (December 31, 2022 - \$nil) to the Company.

7. RELATED PARTY BALANCES AND TRANSACTIONS

Elko Mining Group US and EMG Mining Group Canada have certain executive management hold key management positions in both entities, including the Controller of the Company, who holds a consulting position for Elko Mining Group. These entities provide consulting services to the Company in exchange for a fee. In the year ended December 31, 2023, the Company incurred consulting fees of \$13,798 (2022: \$73,453), of which \$1,931 (2022: \$32,914) was outstanding at year-end. The amount due is non-interest bearing and due on demand.

Key management personnel were not paid salaries, post-employment benefits, termination benefits, or other long-term benefits during the years ended December 31, 2023 and 2022.

The transactions noted above were conducted in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

See also note 4 for a description of the arrangements the Company has entered into with Royalty Consolidation Company LLC, including the nature and terms of these arrangements.

8. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its Member's capital and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company classifies the fair value of the financial instruments measured at fair value subsequent to initial recognition according to the following hierarchy based on the number of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been classified as Level 1.

Liquidity Risk

Liquidity risk includes the risk that, because of the Company's operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date.
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset.
- The Company is engaged in the mineral exploration field and its expected source of cash flow in the upcoming years will be through equity financing.

At present, the Company does not maintain a significant portion of its assets in cash, which increases its exposure to liquidity risk. The Company's ability to continue its operations and meet its financial obligations is largely dependent on its ability to raise additional capital through equity financing or other means.

Management is actively pursuing strategies to improve liquidity, including seeking new financing opportunities and evaluating ways to reduce operational expenses to preserve cash reserves.

Price Risk

The Company is at risk to changes in commodity prices which may affect financing options available to the Company.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company provides these instruments with a high quality financial institution. The majority of cash is deposited in a bank account held with a major bank in Canada.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Economic dependence

The Company is economically dependent on its relationship with its ultimate parent company, Waterton for financial support. During periods where additional liquidity is required to meet the Company's operational and capital needs, the parent company provides necessary capital injections.

As the Company's primary source of funding, Waterton, has, in the past, contributed capital as required, enabling the Company to sustain operations and finance its exploration activities. Management does not currently foresee a material change in the level of support provided by the parent company.

10. SUBSEQUENT EVENTS

- a) On May 16, 2024, the Company entered into a letter of intent with 2673954 Ontario Inc. ("2673954"), whereby 2673954 agreed to acquire all outstanding membership interests of the Company from Waterton Nevada Splitter LLC ("Waterton"). Under the agreement, 2673954 committed to seek a listed issuer within 12 months to acquire the Company and to provide Waterton with \$1.5 million in shares or, if necessary, a cash shortfall payment. Additionally, 2673954 agreed to milestone payments totaling \$9.5 million over four years, with flexibility for early or share-based payments, subject to ownership restrictions. The Converse is required to pay milestone payments to Waterton upon closing of transfer of ownership
- b) On July 15, 2024, 2673954 entered into an assignment agreement with Converse Acquisition Company Limited ("Converse Acquisition"), transferring all rights and obligations under the letter of intent. On the same date, the Company entered into a membership interest purchase agreement with Converse Acquisition. Under this agreement, Converse Acquisition agreed to purchase all outstanding membership interests of the Company from Waterton and make milestone payments of \$1.5 million upon closing, \$2 million on or before July 15, 2025, \$2 million on or before July 15, 2026, \$2 million on or before July 15, 2027, and \$3.5 million on or before July 15, 2028.
- c) On October 7, 2024, Axcap Ventures Inc. ("Axcap") entered into a Share Purchase Agreement to acquire all issued and outstanding shares of the Company through the purchase of Converse Acquisition Company, Limited. The total consideration includes CAD \$1 million payable at closing and 20 million common shares of Axcap, conditional upon the completion of a CAD \$4 million offering. As of the issuance date of these financial statements, the completion of the transaction remains subject to regulatory approvals and financing.

CERTIFICATE OF THE COMPANY

Dated: November 29, 2024

This short form base shelf prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form base shelf prospectus as required by the securities legislation of each of the provinces and territories of Canada.

(signed) Robert Dubeau
Chief Executive Officer

(signed) Kevin Ma
Chief Financial Officer

On Behalf of the Board of Directors

(signed) Tyron Breytenbach
Director

(signed) Mario Vetro
Director