

# **LEVEL 14 VENTURES LTD.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS TO BE HELD ON JUNE 22, 2023**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

*May 25, 2023*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.*

**LEVEL 14 VENTURES LTD.**  
Suite 1400 - 400 Burrard Street  
Vancouver, B.C. V6C 3A6

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of Level 14 Ventures Ltd. (the “**Company**” or “**LVL**”) will be held on Thursday, the 22<sup>nd</sup> day of June, 2023 at 10:00 a.m. (Vancouver time) at the Company’s office, Suite 1400 - 400 Burrard Street, Vancouver, B.C. for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended December 31, 2021 and December 2022, together with the accompanying reports of the auditors thereon;
2. to ratify the appointment of Davidson & Company LLP as the auditors of the Company for the financial years ending December 31, 2021 and December 31, 2022 and to ratify the fixing by the board of directors of the Company (the “**Board**”) of the remuneration to be paid to the auditors for the financial years ending December 31, 2021 and December 31, 2022;
3. to appoint Davidson & Company LLP as the Company’s auditor for the financial year ending December 31, 2023 and to authorize the directors to fix the remuneration to be paid to the auditor;
4. to fix the number of directors for the ensuing year at four (4);
5. to elect the directors of the Company for the ensuing year;
6. to consider, pursuant to an interim order of the Supreme Court of British Columbia dated May 29, 2023, as the same may be amended (the “**Interim Order**”) and, if thought advisable, to pass, with or without variation, a special resolution (the “**Arrangement Resolution**”) approving the arrangement (the “**Arrangement**”) pursuant to the plan of arrangement (the “**Plan of Arrangement**”) under section 288 of the *Business Corporations Act* (British Columbia) involving, among other things, the distribution of common shares of each of Kobe Resources Ltd. and Green Mountain Resources Ltd. (formerly, 1246931 B.C. Ltd.), the full text of which is set forth in Schedule "B" to the management information circular accompanying this Notice of Meeting (“**Circular**”);
7. to approve a special resolution to confirm, ratify and approve all acts, resolutions, deeds and things done by, and proceedings of, the directors and officers of the Company on behalf of the Corporation since the 2021 annual general meeting of shareholders of the Company held on January 25, 2022, including the Company not holding an annual general meeting since that date; and
8. to transact such further or other business as may properly come before the Meeting and any adjournment thereof.

Accompanying this Notice of Meeting is the Circular, a form of proxy (the “**Proxy**”) and a form whereby shareholders can request to be added to the Company’s supplemental mailing list. The Circular includes more detailed information relating to the matters to be addressed at the Meeting. The Circular is supplemental to, and expressly made a part of, this Notice of Meeting.

The board of directors of the Company has fixed May 18, 2023 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Circular.

Shareholders should read the notes to the Proxy and complete and return the Proxy to the Company's registrar and transfer agent, TSX Trust Company. A proxy will not be valid unless it is deposited at the office of TSX Trust Company, at 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the Meeting, or any adjournment or postponement thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received after that time.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (each, an "**Intermediary**"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

The enclosed Proxy appoints nominees of management as proxyholder and you may amend the Proxy, if you wish, by inserting, in the space provided, the name of the person you wish to represent you as proxyholder at the Meeting.

DATED at Vancouver, British Columbia, this 25<sup>th</sup> day of May, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS OF**

**LEVEL 14 VENTURES LTD.**

*"Marcel de Groot"*

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Marcel de Groot

President, CEO and Director

# MANAGEMENT INFORMATION CIRCULAR

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**LEVEL 14 VENTURES LTD.  
Suite 1400 - 400 Burrard Street  
Vancouver, B.C. V6C 3A6**

**This information circular (the “Circular”) is furnished in connection with the solicitation of proxies by management of Level 14 Ventures Ltd. (the “Company” or “LVL”) for use at the annual general and special meeting of shareholders of the Company (the “Meeting”) to be held on June 22, 2023 at 10:00 am (Vancouver time) at the Company’s office, Suite 1400 - 400 Burrard Street, Vancouver, B.C. V6C 3A6.**

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Glossary of Terms in this Circular.

**INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS**

Statements contained in this Circular that are not historical facts are forward-looking statements within the meaning of Canadian securities legislation that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to: (i) the completion of the Arrangement under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) involving LVL, LVL shareholders, Kobe Resources Ltd. (“**Kobe**”) and Green Mountain Resources Ltd. (formerly 1246931 B.C. Ltd.) (“**GMR**” and together with Kobe the “**Spinout Entities**”), each Spinout Entity a corporation existing under the laws of British Columbia; (ii) the completion and the effective date (the “**Effective Date**”) of the Plan of Arrangement; (iii) the date of the hearing for the order made after application to the Superior Court of British Columbia (the “**Court**”) pursuant to section 288 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) approving the Plan of Arrangement (the “**Final Order**”); (iv) the timing for delivery of share certificates representing the securities being issued in exchange for the common shares of LVL (“**LVL Common Shares**”); and (v) the anticipated benefits of the Arrangement.

In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “scheduled”, “estimates”, “intends”, “objectives”, “potential”, “possible”, “believes” or variations of such words and phrases or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, or “occur”. These forward-looking statements and forward-looking information are based, in part, on assumptions and factors that may change, thus causing actual results or achievements to differ materially from those expressed or implied by the forward-looking statements or forward-looking information. Such assumptions and factors include the approval of the Arrangement Resolution of the holders (“**LVL Shareholders**”) of the LVL Common Shares, to approve the Arrangement, including the Plan of Arrangement; the approval of the Plan of Arrangement by the Court, and the receipt of the required governmental and regulatory approvals and consents. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of LVL and each of the Spinout Entities, post-Arrangement, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements and forward-looking information include, but are not limited, risks related to the limited operating history and history of no earnings of LVL and each of the Spinout Entities; competition from other companies in the industries in which the Spinout Entities may pursue transactions; changes to government regulations regulating industries in which the Spinout Entities may complete transactions; changes to securities legislation; dependence on key personnel; conflicts of interest of directors and officers of LVL and the Spinout Entities; general economic conditions, local economic conditions, interest rates; availability of equity and debt financing to complete transactions and to fund operations post-closing; lack of a liquid market for the securities of the Spinout Entities; failure of the Spinout Entities to complete an acquisition of assets or a business, as applicable, to permit it to conduct commercial operations; operational risks; conclusions or economic evaluations; delays in obtaining governmental approvals or financing; and other risks factors described from time to time in the documents filed by us with applicable securities regulators, including in this Circular under the heading “*Risk Factors*”.

Although LVL and the Spinout Entities have attempted to identify important factors that could affect LVL and the Spinout Entities and may cause actual actions, events or results to differ materially from those described in forward-looking statements or forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking

information. The forward-looking statements and forward-looking information in this Circular are made based on management's beliefs, estimates and opinions on the date the statements are made and LVL and the Spinout Entities do not undertake any obligation to publicly update forward-looking statements and forward-looking information contained herein to reflect events or circumstances after the date hereof, except as required by law. Certain historical and forward-looking information contained or incorporated by reference in this Circular has been provided by, or derived from information provided by, certain persons other than LVL. Although LVL does not have any knowledge that would indicate that any such information is untrue or incomplete, LVL assumes no responsibility for the accuracy and completeness of such information or the failure by such other persons to disclose events which may have occurred or may affect the completeness or accuracy of such information but which is unknown to LVL.

## **NOTE TO UNITED STATES SHAREHOLDERS**

**THE PLAN OF ARRANGEMENT AND THE SECURITIES DISTRIBUTABLE IN CONNECTION WITH THE PLAN OF ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR OR THE ADEQUACY OR ACCURACY OF THE PLAN OF ARRANGEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

The securities to be distributed under the Plan of Arrangement have not been registered under the United States Securities Act of 1933 (the "**U.S. Securities Act**"), and are being issued in reliance on the exemption from registration set forth in section 3(a)(10) under the U.S. Securities Act (the "**Section 3(a)(10) Exemption**") on the basis of the approval of the Court, which will consider, among other things, the procedural and substantive fairness of the terms and conditions of the Plan of Arrangement to LVL securityholders, as further described under "*Securities Laws Considerations – U.S. Securities Laws*".

The solicitation of proxies hereby is not subject to the proxy requirements of section 14(a) of the United States Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), based on exemptions from the proxy solicitation rules for "foreign private issuers" (as such term is defined in Rule 3b-4 under the U.S. Exchange Act). Accordingly, this Circular has been prepared in accordance with the applicable disclosure requirements in Canada, and the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws. LVL Shareholders in the United States ("**U.S. Shareholders**") should be aware that such requirements are different than those of the United States applicable to registration statements under the U.S. Securities Act and to proxy statements under the U.S. Exchange Act.

Information in this Circular or in the documents incorporated by reference herein concerning the properties and operations of LVL and the Spinout Entities has been prepared in accordance with Canadian standards under applicable Canadian securities laws, which differ in material respects from the requirements of U.S. securities laws applicable to U.S. companies subject to the reporting and disclosure requirements of the SEC.

Certain financial statements and information included or incorporated by reference herein have been prepared in accordance with international financial reporting standards as issued by the International Accounting Standards Board ("**IFRS**"), and are subject to auditing and auditor independence standards in Canada, and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles and auditor independence standards.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this Circular and, if given or made, such information or representation must not be relied upon as having been authorized by LVL.

## **REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES**

The historical financial statements of each of the Spinout Entities contained in this Circular are reported in Canadian dollars and have been prepared in accordance with IFRS. All references to dollar amounts in this Circular are to Canadian dollars unless stated otherwise or the context otherwise requires.

## **INFORMATION CONTAINED IN THIS CIRCULAR**

The information contained in this Circular is given as at May 25, 2023, unless otherwise noted.

No person has been authorized to give any information or to make any representation in connection with the Arrangement and other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by LVL.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and LVL Shareholders are urged to consult their own professional advisers in connection therewith.

Descriptions in the body of this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are merely summaries of the terms of those documents. LVL Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The Arrangement Agreement was filed under the Company profile on SEDAR at [www.sedar.com](http://www.sedar.com) on May 25, 2023 and the Plan of Arrangement is attached as Schedule "C" to this Circular.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of Company for use at the Meeting to be held on June 22, 2023 and at any adjournments thereof. The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact and such solicitation will be made without special compensation granted to the directors, regular officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this Circular and related proxy materials to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### Appointment of Proxyholder

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy for the Meeting are officers or directors of the Company (the "**Management Proxyholders**").

**A Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.**

### Voting by Proxy

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by properly executed proxies in the accompanying form will be voted or withheld from voting on each respective matter in accordance with the instructions of the Shareholder on any ballot that may be conducted.

**If no choice is specified and one of the Management Proxyholders is appointed by a Shareholder as proxyholder, such person will vote in favor of the matters proposed at the Meeting and for all other matters proposed by management at the Meeting.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice of Meeting. At the date of this Circular, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting.

### Completion and Return of Proxy

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by a Shareholder's attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer, or attorney-in-fact, for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders or by an officer or attorney-in-fact for a corporate Shareholder,

the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, should accompany the form of proxy.

Completed forms of proxy must be deposited at the office of LVL's registrar and transfer agent, TSX Trust Company, at 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, at least 48 hours (excluding Saturdays, Sundays and holidays), or any postponement or adjournment thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently to such time.

### **Non-Registered Shareholders**

**Only shareholders whose names appear on the records of the Company as the registered holders of LVL Common Shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most Shareholders are "non-registered" Shareholders because the LVL Common Shares they own are not registered in their names but are instead registered in the name of a nominee. If you hold your LVL Common Shares through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your LVL Common Shares on your behalf (each, an "**Intermediary**"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

In accordance with Canadian securities legislation, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Circular and the form of proxy, to the Intermediaries for distribution to non-registered holders.

Intermediaries are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. LVL Common Shares held by Intermediaries can only be voted in accordance with the instructions of the non-registered holder. The Intermediaries often have their own form of proxy, mailing procedures and provide their own return instructions. If you are a non-registered holder, and wish to vote by proxy, you should carefully follow the instructions from the Intermediary so that your LVL Common Shares can be voted at the Meeting.

If you, as a non-registered holder, wish to vote in person at the Meeting, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Intermediary and return the form to the Intermediary in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation permits the Company to forward Meeting materials directly to "non objecting beneficial owners". If the Company or its agent has sent these materials directly to you (instead of through your Intermediary), your name, address and information about your holdings of LVL Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

The Company will not be mailing the Meeting materials to those non-registered Shareholders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner (the "**OBOs**"). The Company does not intend to pay for Intermediaries to forward copies of the proxy related Meeting materials and related forms to OBOs and an OBO will not receive the proxy related Meeting materials unless the OBO's Intermediary assumes the cost of delivery. Intermediaries deliver these materials to all OBOs of the Company who have not waived their rights to receive these materials, and seek instructions as to how to vote the LVL Common Shares. Often, Intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the Meeting materials to OBOs.

OBOs who receive Meeting materials will typically be given the ability to provide voting instructions in one of two ways:

Usually, an OBO will be given a voting instruction form (“VIF”) which must be completed and signed by the OBO in accordance with the instructions provided by the Intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the Intermediary must be followed.

Occasionally, an OBO may be given a proxy that has already been signed by the Intermediary. This form of proxy is restricted to the number of LVL Common Shares owned by the OBO but is otherwise not completed. This form of proxy does not need to be signed by the OBO but must be completed by the OBO and returned to the Transfer Agent in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the LVL Common Shares that they own but that are not registered in their name. Should an OBO who receives either a form of proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the OBO should strike out the persons named in the form of proxy as the proxy holder and insert the OBO’s (or such other person’s) name in the blank space provided or, in the case of a VIF, follow the instructions provided by the Intermediary. In either case, OBOs who received Meeting materials from their Intermediary should carefully follow the instructions provided by the Intermediary.

To exercise the right to revoke a proxy, an OBO who has completed a proxy (or a VIF, as applicable) should carefully follow the instructions provided by the Intermediary.

Proxies returned by Intermediaries as “non votes” because the Intermediary has not received instructions from the OBO with respect to the voting of certain LVL Common Shares or, under applicable stock exchange or other rules, the Intermediary does not have the discretion to vote those LVL Common Shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. LVL Common Shares represented by such “non votes” will, however, be counted in determining whether there is a quorum.

### **Revocability of Proxy**

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the Registered Shareholder or by attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Company at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof. Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation. **Only Registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.**

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Except as otherwise disclosed in this Circular, to the knowledge of the Company, no director or executive officer of the Company since the commencement of the Company’s last completed fiscal year, nor any proposed nominee of management of the Company for election as a director of the Company at the Meeting, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

Directors, executive officers, proposed nominees for election as director of the Company may be interested in the approval of the Stock Option Plan, pursuant to which they may be granted Options. See “*Statement of Executive Compensation - Stock Options and Other Compensation Securities*” for more information.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of LVL Common Shares without par value. As at May 18, 2023, the Record Date for the Meeting, 91,515,501 LVL Common Shares were issued and outstanding. LVL Shareholders at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting. LVL Shareholders are entitled to one vote for each Share held.

Only registered LVL Shareholders as of the Record Date are entitled to receive notice of and to vote (via teleconference) at the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person beneficially owns, directly or indirectly, or controls or directs shares carrying 10% or more of the voting rights attached to all of the issued and outstanding LVL Common Shares, except the following:

Name of Shareholder	Position with the Company	Number LVL Common Shares Owned	Percentage of Outstanding Shares <sup>(1)</sup>
Marcel de Groot	CEO and Director	9,851,901	10.8%
Marianne De Witt	None	11,977,300	13.1%
David De Witt	None	34,000,000	37.2%
Pathway Capital Ltd. <sup>(2)</sup>	None	200,000	0.2%

(1) Based on 91,515,501 LVL Common Shares issued and outstanding as of the Record Date.

(2) Pathway Capital Ltd. is a company owned by Messrs. De Witt and de Groot.

### Quorum for Meeting

Pursuant to the Articles of the Company, a quorum for the transaction of business at the Meeting shall be one (1) person present or represented by proxy.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Financial Statements

The audited financial statements of the Company for the fiscal years ended December 31, 2021 and December 31, 2022, together with the auditor's report thereon, will be presented to the LVL Shareholders at the Meeting. The Company's financial statements and management discussion and analysis are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Appointment of Auditor

The Management Proxyholders, if named as proxy, intend to vote the LVL Common Shares represented by any such proxy in favor of a resolution to ratify the appointment and reappoint the auditors of the Company, unless directed by a Shareholder that such holder's LVL Common Shares are to be withheld from voting in the appointment of auditors, such resolution to be substantially in the form set forth below:

“RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (1) the appointment of Davidson & Company LLP as the auditors of the Company for the fiscal year ended December 31, 2021 at a remuneration that was fixed by the Board be ratified, approved and confirmed;
- (2) the appointment of Davidson & Company LLP as the auditors of the Company for the fiscal year ended December 31, 2022 at a remuneration that was fixed by the Board be ratified, approved and confirmed; and

- (3) the reappointment of Davidson & Company LLP as auditors of the Company to hold office until the next annual meeting of LVL Shareholders and to authorize the directors to fix their remuneration be authorized and approved.”

The resolution must be approved by a simple majority approval of the votes cast at the Meeting by the LVL Shareholders. If elected, Davidson & Company LLP will hold office as auditor of the Company until the next annual meeting of LVL Shareholders or until their successor is duly elected or appointed pursuant to the Articles of the Company, unless their position is earlier vacated in accordance with the provisions of the BCBCA or the Company’s Articles. Davidson & Company LLP have been the auditors of the Company since January 22, 2021.

***Recommendation of the Directors***

**The Board unanimously recommends that the LVL Shareholders vote in favor of the ratification of the appointment Davidson & Company LLP as auditors for the Company for the fiscal years ended December 31, 2021 and December 31, 2022 at a remuneration that was fixed by the Board and for the reappointment of Davidson & Company LLP as auditors for the Company to hold office until the next annual meeting of LVL Shareholders and to authorize the directors to fix their remuneration.**

**Election of Directors**

The Board presently consists of four (4) directors. Approval will be sought at the Meeting to fix the number of directors of the Company at four (4). The term of office of each of the current directors expires at the Meeting and each of the current directors will stand for re-election at the Meeting. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the BCBCA. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

<b>Name, Province, Country of Residence, and Position(s) with the Company</b>	<b>Principal Occupation, Business, or Employment for Last Five Years</b>	<b>Date First Appointed as a Director</b>	<b>Number of LVL Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>
Andrew Swarthout Utah, USA <i>Chairman and Independent Director</i>	Former Executive Chairman, and former President and CEO of Bear Creek Mining Corporation	September 1, 2022	5,000,000 (5.5%)
Marcel de Groot <sup>(2)</sup> British Columbia, Canada <i>President, CEO and Director</i>	Founder and President of Pathway Capital Ltd.; director of Sandbox Royalties; formerly director of Equinox Gold, Solaris Copper and Galiano Gold	November 7, 2018	9,851,901 (10.8%)
Hayley Thomasen <sup>(2)</sup> London, United Kingdom <i>Independent Director</i>	Founder of a metals and mining-focused venture capital and consultancy firm based in London; former Investment Analyst at Orion Resource Partners (UK) LLP	September 1, 2020	5,591,000 (6.1%)
Christopher Cooper <sup>(2)</sup> British Columbia, Canada <i>Independent Director</i>	Counterpath Corporation, Director; Canadian Towers & Fiber Optics Inc., CEO	September 1, 2020	107,000 (0.1%)

<sup>(1)</sup> The information as to the number of LVL Common Shares (being the only voting securities of the Company) beneficially owned, or controlled or directed, directly or indirectly, is as of the Record Date, and has been furnished to the Company by the respective nominees individually.

<sup>(2)</sup> Member of the Audit Committee of the Company.



## ***Biographies***

### *Andrew Swarthout, Age 71 - Chairman and Director*

Prior to founding Bear Creek Mining in 2000, Mr. Swarthout was Vice-President of Exploration for Southern Peru Copper during which time he was responsible for the discovery of the Shahuindo and Los Chancas deposits and significant reserve expansions on the company's two porphyry copper deposits as well as initiation of the acquisition of the Tia Maria copper deposit. Prior to this, he was the exploration manager (Mexico) for Kennecott Minerals (now RTZ) where he contributed to the discovery and expansion of a number of precious metal deposits. Mr. Swarthout has helped raise over USD \$250 million in equity financing for Bear Creek. Under his management, the Company has discovered two world-class silver deposits with combined reserves in excess of 450 million ounces, making Bear Creek Mining a leading emerging silver producer.

### *Marcel de Groot, Age 50 – President, CEO and Director*

Marcel de Groot co-founded Pathway Capital Ltd., a Vancouver-based venture capital company, in September 2004. Mr. de Groot has extensive public company experience. Mr. de Groot has extensive public company experience and has served as a director of various successful public companies including Equinox Gold, Solaris Copper, Esperanza Resources and Underworld Resources. Mr. de Groot holds a Bachelor of Commerce degree from the University of British Columbia and is a Chartered Professional Accountant with the Chartered Professional Accountants of British Columbia.

### *Hayley Thomasen, Age 38 – Director*

Hayley Thomasen founded Pathway Ventures UK Ltd., a metals and mining-focused venture capital and consultancy firm based in London, UK in 2018. Previously, she was an Investment Analyst at Orion Resource Partners (UK) LLP and has held various positions as an exploration geologist in Canada. Ms. Thomasen holds a graduate degree in Economic Geology from the University of Arizona, where she received the Newmont Scholar and SEG Foundation Graduate Student Fellowship, a BSC in EOSC (Geology) from the University of British Columbia, and a BA from McGill University. She is a holder of the Global ESG Competent Boards Designation (GCB.D), the Institute of Corporate Directors Director Designation (ICD.D), and the Investment Management Certificate (IMC), awarded by the CFA Society of the UK. Ms. Thomasen is currently a director of Sun Peak Metals Corp and Sandbox Royalties.

### *Christopher Cooper, Age 51 – Director*

Mr. Cooper has over 20 years of business experience in various aspects of corporate development, senior management, finance and operations, in both the private and public sectors. Mr. Cooper received a B.A. from Hofstra University and an M.B.A. from Dowling College, both in New York State. Mr. Cooper has over 17 years of experience in management and finance in the oil and gas industry and other business sectors and has experience raising funds through brokered and non-brokered equity issues, as well as debt financings for various companies in which he has been involved. His experience includes implementing growth strategies, financial reporting, quarterly and annual budgets and overseeing corporate administration, while achieving company objectives and maintaining internal cost controls. Mr. Cooper has been a director of several private and public companies over the last 20 years.

## ***Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

### Corporate Cease Trade Orders

Other than as set forth below, to the knowledge of the Company, no proposed director of the Company is, as at the date of this Circular, or within ten years prior to the date of this Circular has been, a director, chief executive officer or chief financial officer of any company (including the Company or personal holding companies of any proposed director) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30

consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

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

From February of 2004 until March of 2012, Mr. Cooper served as a director of Copacabana Capital Limited, a company traded on the TSXV, a financial services company incorporated under the laws of and managed in Bermuda. The BCSC issued an order on May 9, 2006 and the ASC issued an order on September 13, 2006 that Copacabana Capital Limited be cease traded due to failure to file certain financial information. Copacabana Capital Limited remains under the cease trade orders as at the date of this Circular.

Mr. Cooper is also the President and CEO of Reparo Energy Partners Corp., formerly Northern Sun Exploration Company Inc., a company traded on the TSXV. On December 23, 2008, trading in the common shares of this company was halted for failure to maintain a transfer agent, but trading of common shares on the TSXV resumed on December 23, 2008. The BCSC issued an order on March 11, 2009 and the ASC issued an order on March 6, 2009, that Reparo Energy Partners Corp. be cease traded due to failure to file certain financial information and it remains under the cease trade orders as at the date of this Circular. In August 2008, Reparo Energy Partners Corp. filed for protection under the *Bankruptcy and Insolvency Act* (British Columbia) and as at August 2009, the restructuring proposal had been fully performed.

Mr. Cooper was the President and CEO of Aroway Energy Inc., a company traded on the TSXV. A management cease trade order was issued by the BCSC on October 29, 2015 against Cooper and Aroway Energy Inc. for failing to file the Company's annual audited financial statements and related management's discussion and analysis. A second cease trade order was issued by the BCSC on January 4, 2016 against Aroway Energy Inc. for failing to file its annual audited financial statements, interim financial report and related management's discussion and analysis. Both cease trade orders remain in effect as at the date of this Circular.

Mr. Cooper was a director of StartMonday Technology Corp., a company traded on the CSE. A cease trade order was issued by the BCSC on May 1, 2019 against StartMonday Technology Corp., Mr. Cooper and another insider of StartMonday Technology Corp. for failing to file the Company's annual audited financial statements, interim financial report and related management's discussion and analysis. StartMonday Technology Corp. was subsequently delisted while the management cease trade order remains in effect.

#### Penalties or Sanctions

To the knowledge of the Company, no proposed director or personal holding companies of any proposed director of the Company:

- (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### Personal Bankruptcies

Except as set out in this Circular, to the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Circular, or within ten years prior to the date of this Circular has been, a director or executive officer of any company (including the Company or personal holding companies

of any proposed director) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) has, within ten years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### Conflicts of Interest

To the best of the Company's knowledge, there are no existing or potential material conflicts of interest between the Company and any of its directors or officers as of the date hereof. However, certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf.

Pursuant to the BCBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company. As required under the BCBCA and the Company's Articles:

- a director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer of the Company, must promptly disclose the nature and extent of that conflict; and
- a director who holds a disclosable interest (as such term is defined under the BCBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve such contract or transaction.

Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Board is considering will not take part in any board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will refrain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

### *Recommendation of the Directors*

**The Board unanimously recommends that the LVL Shareholders vote in favor of fixing the number of directors for the ensuing year at four (4) and electing the foregoing directors of the Company for the ensuing year.**

### **Approval of the Arrangement**

Terms used herein but not otherwise defined shall have the meaning ascribed to such term in the Arrangement Agreement dated May 25, 2023 between the Company and the Spinout Entities.

At the Meeting, LVL Shareholders will be asked to consider and, if determined advisable, to pass, the Arrangement Resolution to approve the Arrangement under the BCBCA pursuant to the terms of the Arrangement Agreement and the Plan of Arrangement. The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which has been filed by LVL under its profile on SEDAR at [www.sedar.com](http://www.sedar.com), and the Plan of Arrangement, which is attached to this Circular as Schedule "C".

In order to become effective, the Arrangement must be approved by (a) at least two-thirds of the votes cast at the Meeting by the LVL Shareholders, present in person or represented by proxy and entitled to vote at the Meeting; and

(b) by a simple majority of the votes cast at the Meeting by LVL Shareholders present in person or represented by proxy and entitled to vote at the Meeting, excluding the votes cast in respect of LVL Common Shares held by any interested party, (as defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”)), related party (as defined by MI 61-101) or joint actor (as defined by MI 61-101). A copy of the Arrangement Resolution is set out in Schedule “B” of this Circular.

**Unless otherwise directed, it is Management's intention to vote FOR the Arrangement Resolution. If you do not specify how you want your LVL Common Shares voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting FOR the Arrangement Resolution.**

If the Arrangement is approved at the Meeting and the Final Order approving the Arrangement is issued by the Court and the other applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing at the Effective Time (which will be at 12:01 a.m. (Vancouver time)) on the Effective Date (which is expected to be in June or July 2023).

### ***Reasons for the Arrangement***

The Company believes that the Arrangement is in the best interests of LVL in order to unlock value in the Company's Green Mountain Property and free miner certificate held through GMR and Kobe, respectively. By distributing the securities of the Spinout Entities to the LVL Shareholders, the Green Mountain Property and prospective property acquisitions through GMR and Kobe, respectively, will be better able to be managed appropriately and separately from the Company's Colpayoc Property interest in Peru.

### ***Principal Steps of the Arrangement***

Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following sequence or as otherwise provided below or herein, without any further act or formality:

1. Each LVL Common Share in respect of which a registered LVL Shareholder has exercised Dissent Rights and for which the registered LVL Shareholder is ultimately entitled to be paid fair value (each a “**Dissent Share**”) shall be repurchased by LVL for cancellation in consideration for a debt-claim against LVL to be paid the fair value of such Dissent Share in accordance with Article 5 of the Plan of Arrangement and such Dissent Share shall thereupon be cancelled;
2. LVL shall transfer approximately \$25,000 in cash to each of the Spinout Entities as a working capital loan;
3. LVL will undergo a 10:1 consolidation of the LVL Common Shares;
4. The authorized share structure of LVL will be reorganized and altered by:
  - (a) renaming and redesignating all of the issued and unissued Common Shares as “Class A common shares without par value” and amending the special rights and restrictions attached to those shares to provide the holders thereof with two votes in respect of each share held, being the “LVL Class A Shares”; and
  - (b) creating a new class consisting of an unlimited number of “common shares without par value” with terms and special rights and restrictions identical to those of the Common Shares immediately prior to the Effective Time, being the “New Common Shares”;
5. The Company's Notice of Articles shall be amended to reflect the alterations in Section 2.1(d) of the Plan of Arrangement;
6. Each issued and outstanding LVL Class A Share outstanding on the Distribution Record Date (as defined below) shall be exchanged for: (i) one New Common Share; (ii) one common share of Kobe (a “**Kobe Common Share**”); and one common share of GMR (a “**GMR Common Share**”). The holders of the LVL Class A Shares will be removed from the central securities register of LVL as the holders of such and will be

added to the central securities register of LVL as the holders of the number of New Common Shares that they have received on the exchange set forth in Section 2.1(f) of the Plan of Arrangement, and the Kobe Common Shares and the GMR Common Shares transferred to the then holders of the LVL Class A Shares will be registered in the name of the former holders of the LVL Class A Shares and the Company will provide Kobe and GMR and its registrar and transfer agent notice to make the appropriate entries in the central securities register of Kobe and GMR, respectively;

7. All of the issued LVL Class A Shares shall be cancelled with the appropriate entries being made in the central securities register of the LVL, and the aggregate paid-up capital (as that term is used for purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”) of the New Common Shares will be equal to that of the LVL Common Shares immediately prior to the Effective Time less the fair market value of the Kobe Common Shares and GMR Common Shares distributed pursuant to Section 2.1(f) of the Plan of Arrangement;
8. The Notice of Articles of the Company shall be amended to reflect the alterations in Section 2.1(f) and Section 2.1(g) of the Plan of Arrangement;
9. LVL shall distribute to each LVL Shareholder holding common share purchase warrants of LVL (each, a “**LVL Warrantholder**”) the number of Kobe common share purchase warrants (the “**Kobe Warrants**”) and GMR common share purchase warrants (the “**GMR Warrants**”) equal to the number of LVL Warrants held (the “**Warrant Distribution**”), provided that each Kobe Warrant and GMR Warrant shall entitle the holder thereof to purchase from Kobe and GMR, respectively, one Kobe Common Share and one GMR Common Share for every LVL Common Share that could be purchased under the LVL Warrant held by such LVL Warrantholder and that each Kobe Warrant and GMR Warrant will have an exercise price per Kobe Common Share and GMR Common Share, respectively, equal to the exercise price of each such LVL Warrant and the same expiry date as the expiry date of such LVL Warrant;
10. LVL shall distribute to each LVL Shareholder holding stock options in LVL (each, a “**LVL Option Holder**”) the number of Kobe stock options (the “**Kobe Options**”) and GMR stock options (the “**GMR Options**”) equal to the number of LVL Options held (the “**Option Distribution**”), provided that each Kobe Option and GMR Option shall entitle the holder thereof to purchase from Kobe and GMR, respectively, one Kobe Common Share and one GMR Common Share for every LVL Common Share that could be purchased under the LVL Option held by such LVL Optionholder and that each Kobe Warrant and GMR Option will have an exercise price per Kobe Common Share and GMR Common Share, respectively, equal to the exercise price of each such LVL Option and the same expiry date as the expiry date of such LVL Option; and
11. All securities of the Spinout Entities held by LVL shall be cancelled for no consideration.

The foregoing matters will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not being completed until after the Effective Date.

The Board may, in its absolute discretion, determine whether or not to proceed with the Arrangement without further approval, ratification or confirmation by the LVL Shareholders.

#### ***No Fractional Shares or Warrants***

No fractional Kobe Common Shares or GMR Common Shares shall be distributed by LVL to a LVL Shareholder in connection with the Share Distribution. If LVL would otherwise be required to distribute to a LVL Shareholder an aggregate number of Kobe Common Shares or GMR Common Shares that is not a round number, then the number of Kobe Common Shares or GMR Common Shares distributable to that LVL Shareholder shall be rounded down to the next lesser whole number (the “**Round Down Provision**”) and that LVL Shareholder shall not receive any compensation in respect thereof. Notwithstanding the foregoing, if the Round Down Provision would otherwise result in the number of Kobe Common Shares or GMR Common Shares distributable to a particular LVL Shareholder being rounded down from one to nil, then the Round Down Provision shall not apply and LVL shall distribute one Kobe Common Share and one GMR Common Share to that LVL Shareholder.

No fractional Kobe Warrants or GMR Warrants shall be distributed by LVL to a LVL Warrantholder on the Warrant Distribution. If LVL would otherwise be required to distribute to a LVL Warrantholder an aggregate number of Kobe Warrants or GMR Warrants that is not a round number, then the number of Kobe Warrants or GMR Warrants distributable to that LVL Warrantholder shall be subject to the Round Down Provision and that LVL Warrantholder shall not receive any compensation in respect thereof. Notwithstanding the foregoing, if the Round Down Provision would otherwise result in the number of Kobe Warrants or GMR Warrants distributable to a particular LVL Warrantholder being rounded down from one to nil, then the Round Down Provision shall not apply and LVL shall distribute one Kobe Warrant and one GMR Warrant to that LVL Warrantholder.

No fractional Kobe Options or GMR Options shall be distributed by LVL to a LVL Option Holder on the Option Distribution. If LVL would otherwise be required to distribute to a LVL Option Holder an aggregate number of Kobe Options or GMR Options, as applicable, that is not a round number, then the number of Kobe Options or GMR Options distributable to that LVL Option Holder shall be pursuant to the Round Down Provision and that LVL Option Holder shall not receive any compensation in respect thereof. Notwithstanding the foregoing, if the Round Down Provision would otherwise result in the number of Kobe Options or GMR Options, as applicable, distributable to a particular LVL Option Holder being rounded down from one to nil, then the Round Down Provision shall not apply and LVL shall distribute one Kobe Options or one GMR Options, as applicable, to that LVL Option Holder.

### ***Effect of the Arrangement***

As a result of the Arrangement, LVL Shareholders will receive one Kobe Common Share and GMR Common Share for every Common Share held as at the Arrangement Record Date. It is expected that the issued capital of the Spinout Entities each be approximately 9,151,550 common shares, post-Arrangement (on a post-consolidation basis). LVL Shareholders (as at the Arrangement Record Date) will own all of the outstanding common shares of Kobe and all but 109,334 of GMR Shares, post-Arrangement, as of the Effective Time.

Each of the Spinout Entities will be a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

The LVL Warrants outstanding as at the Arrangement Record Date will be subject to the Plan of Arrangement. See “*Particulars of Other Matters to be Acted Upon – The Arrangement – Principal Steps of the Arrangement*” for details on the treatment of the LVL Warrants and LVL Options under the Arrangement.

The LVL Warrantholders and LVL Option Holders will not be entitled to vote on the Arrangement Resolution. All LVL Warrantholders and LVL Option Holders who are not otherwise LVL Shareholders have received a copy of this information circular containing information on the Arrangement and its treatment of the LVL Warrants and LVL Options.

Upon completion of the Arrangement, GMR will own the Green Mountain Property and Kobe will hold its free miner certificate.

### ***Amendments to the Plan of Arrangement***

The Company reserves the right to amend, modify or supplement (or do all of the foregoing) the Plan of Arrangement from time to time and at any time prior to the Effective Date provided that any such amendment, modification and/or supplement must be contained in a written document that is:

- (a) filed with the Court and, if made following the Meeting, approved by the Court; and
- (b) communicated to LVL securityholders in the manner required by the Court (if so required).

Any amendment, modification or supplement to the Plan of Arrangement may be proposed by the Company at any time prior to or at the Meeting, with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of the Plan of Arrangement for all purposes.

Any amendment, modification or supplement to the Plan of Arrangement which is approved by the Court following the Meeting shall be effective only:

- (a) if it is consented to by LVL; and
- (b) if required by the Court or applicable law, it is consented to by the LVL securityholders.

Any amendment, modification or supplement to the Plan of Arrangement may be made following the Effective Date unilaterally by the Company, provided that it concerns a matter which, in the reasonable opinion of the Company, is of an administrative nature required to better give effect to the implementation of the Plan of Arrangement and is not adverse to the financial or economic interest of any holder of LVL Common Shares.

### ***Directors and Officers of the Spinout Entities***

The board of directors of each of the Spinout Entities will be comprised of Marcel de Groot, Hayley Thomasen, and Christopher Cooper. Management of each of the Spinout Entities will be comprised of Marcel de Groot.

The following table discloses the current positions and security holdings of directors and executive officers of LVL as at the date of this Circular, as well as the anticipated positions and shareholdings in the Spinout Entities, post-Arrangement.

<b>Director and/or Executive Officer</b>	<b>LVL Position(s) &amp; Securities<sup>(1)(2)(3)</sup></b>	<b>Post-Arrangement GMR Position(s) &amp; Securities<sup>(1)(2)(3)</sup></b>	<b>Post-Arrangement Kobe Position(s) &amp; Securities<sup>(1)(2)(3)</sup></b>
Andrew Swarthout	Chairman/Director <ul style="list-style-type: none"> <li>• 5,000,000 LVL Common Shares</li> <li>• Nil LVL Warrants</li> <li>• 1,200,000 LVL Options</li> </ul>	No Position <ul style="list-style-type: none"> <li>• 5,000,000 Common Shares</li> <li>• Nil Warrants</li> <li>• 1,200,000 Options</li> </ul>	No Position <ul style="list-style-type: none"> <li>• 5,000,000 Common Shares</li> <li>• Nil Warrants</li> <li>• 1,200,000 Options</li> </ul>
Marcel de Groot	President, CEO and Director <ul style="list-style-type: none"> <li>• 9,851,901 LVL Common Shares</li> <li>• 6,181,900 LVL Warrants</li> <li>• 1,300,000 LVL Options</li> </ul>	CEO, CFO, Corporate Secretary and Director <ul style="list-style-type: none"> <li>• 9,851,901 Common Shares</li> <li>• 6,181,900 Warrants</li> <li>• 1,300,000 Options</li> </ul>	CEO, CFO, Corporate Secretary and Director <ul style="list-style-type: none"> <li>• 9,851,901 Common Shares</li> <li>• 6,181,900 Warrants</li> <li>• 1,300,000 Options</li> </ul>
Hayley Thomasen	Director <ul style="list-style-type: none"> <li>• 5,591,000 LVL Common Shares</li> <li>• 5,591,000 LVL Warrants</li> <li>• 900,000 LVL Options</li> </ul>	Director <ul style="list-style-type: none"> <li>• 5,591,000 Common Shares</li> <li>• 5,591,000 Warrants</li> <li>• 900,000 Options</li> </ul>	Director <ul style="list-style-type: none"> <li>• 5,591,000 Common Shares</li> <li>• 5,591,000 Warrants</li> <li>• 900,000 Options</li> </ul>
Christopher Cooper	Director <ul style="list-style-type: none"> <li>• 107,000 LVL Common Shares</li> <li>• 100,000 LVL Warrants</li> <li>• 300,000 LVL Options</li> </ul>	Director <ul style="list-style-type: none"> <li>• 107,000 Common Shares</li> <li>• 100,000 Warrants</li> <li>• 300,000 Options</li> </ul>	Director <ul style="list-style-type: none"> <li>• 107,000 Common Shares</li> <li>• 100,000 Warrants</li> <li>• 300,000 Options</li> </ul>
Christian Uria	CFO <ul style="list-style-type: none"> <li>• 92,800 LVL Common Shares</li> <li>• 92,800 LVL Warrants</li> <li>• 300,000 LVL Options</li> </ul>	No Position <ul style="list-style-type: none"> <li>• 92,800 Common Shares</li> <li>• 92,800 Warrants</li> <li>• 300,000 Options</li> </ul>	No Position <ul style="list-style-type: none"> <li>• 92,800 Common Shares</li> <li>• 92,800 Warrants</li> <li>• 300,000 Options</li> </ul>
Craig Rollins	Corporate Secretary <ul style="list-style-type: none"> <li>• 472,800 LVL Common Shares</li> <li>• 472,800 LVL Warrants</li> <li>• 600,000 LVL Options</li> </ul>	No Position <ul style="list-style-type: none"> <li>• 472,800 Common Shares</li> <li>• 472,800 Warrants</li> <li>• 600,000 Options</li> </ul>	No Position <ul style="list-style-type: none"> <li>• 472,800 Common Shares</li> <li>• 472,800 Warrants</li> <li>• 600,000 Options</li> </ul>

**Notes:**

- (1) Holders of LVL Common Shares will receive one Kobe Common Share and one GMR Common Share for every LVL Common Shares held as described in the Plan of Arrangement. See “*Particulars of Matters to be Acted Upon – The Arrangement – Principal Steps of the Arrangement*”.
- (2) Holders of LVL Warrants will receive one Kobe Warrant and one GMR Warrant for every LVL Warrant held as at the Distribution Record Date as described in the Plan of Arrangement. See “*Particulars of Matters to be Acted Upon – The Arrangement – Principal Steps of the Arrangement*”.

- (3) Holders of LVL Options will receive one Kobe Option and one GMR Option for every LVL Option held as at the Distribution Record Date as described in the Plan of Arrangement. See “*Particulars of Matters to be Acted Upon – The Arrangement – Principal Steps of the Arrangement*”.

### ***Recommendation of the Board***

LVL has reviewed the terms and conditions of the proposed Arrangement and has concluded that the Arrangement is fair and reasonable to LVL Shareholders and in the best interests of the Company.

In arriving at this conclusion, the Board considered, among other matters:

- (a) the financial condition, business and operations of LVL, on both a historical and prospective basis, and information in respect of the Spinout Entities on a pro forma basis;
- (b) the procedures by which the Arrangement is to be approved, including the requirement for approval of the Arrangement by the Court after a hearing at which fairness to LVL Shareholders will be considered;
- (c) the availability of rights of dissent to registered Shareholders with respect to the Arrangement;
- (d) the assets to be held by each of LVL and the Spinout Entities;
- (e) the advantages of segregating the Company’s interest in the Colpayoc Property located in Peru with its Green Mountain Property located in British Columbia and prospective acquisitions;
- (f) historical information regarding the price of the Common Shares;
- (g) the Canadian tax treatment of LVL Shareholders under the Arrangement;
- (h) LVL Shareholders will own securities of three reporting issuers; and
- (i) LVL will be able to concentrate its efforts on the advancement of the Colpayoc Property, GMR will be able to concentrate its efforts on the Green Mountain Property, and Kobe will be able to concentrate its efforts on other target assets.

The Board did not assign a relative weight to each specific factor and each director may have given different weights to different factors. Based on its review of all the factors, the Board considers the Arrangement to be advantageous to LVL and fair and reasonable to the LVL Shareholders. The Board also identified disadvantages associated with the Arrangement including the fact that there will be the additional costs associated with running three companies and there is no assurance that the proposed Arrangement will result in positive benefits to Shareholders. See “*Particulars of Matters to be Acted Upon – The Arrangement – Arrangement Risk Factors:*”, “*Schedule “F” – Kobe Resources Ltd. – Risk Factors*” and “*Schedule “H” – Green Mountain Resources Ltd. – Risk Factors*”.

### ***Recommendation of the Directors***

**The Board recommends that LVL Shareholders vote in favour of the Arrangement Resolution. Each director and officer of LVL who owns Common Shares has indicated his or her intention to vote his or her Common Shares in favour of the Arrangement Resolution.**

### ***Arrangement Risk Factors***

**LVL and the Spinout Entities should each be considered as highly speculative investments and the transactions contemplated herein should be considered of a high-risk nature. LVL Shareholders should carefully consider all of the information disclosed in this Circular prior to voting on the matters being put before them at the Meeting.**



The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of LVL and the Spinout Entities, including receipt of Shareholder approval at the Meeting and receipt of the Final Order. There can be no certainty, nor can LVL or the Spinout Entities provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

In addition to the other information presented in this Circular (without limitation, see also "*Schedule 'F' – Kobe Resources Ltd. – Risk Factors*" and "*Schedule 'H' – Green Mountain Resources Ltd. – Risk Factors*"), the following risk factors should be given special consideration:

1. There is no assurance that the Arrangement will be completed.
2. There is no assurance that the Arrangement can be completed as proposed or without LVL Shareholders exercising their dissent rights in respect of a substantial number of Common Shares.
3. There is no assurance that the businesses of LVL or Spinout Entities, after completing the Arrangement, will be successful.
4. While LVL believes that the Kobe Common Shares and GMR Common Shares to be issued to LVL Shareholders pursuant to the Arrangement will not be subject to any resale restrictions save securities held by control persons and save for any restrictions flowing from current restrictions associated with a Shareholder's Common Shares, there is no assurance that this is the case and each Shareholder is urged to obtain appropriate legal advice regarding applicable securities legislation.
5. The transactions may give rise to significant adverse tax consequences to LVL Shareholders and each such Shareholder is urged to consult his own tax advisor.
6. There is no assurance that the number of Kobe Common Shares and GMR Common Shares to be issued to Shareholders accurately reflects the value of the assets of each of the Spinout Entities.
7. Certain costs related to the Arrangement, such as legal and accounting fees, must be paid by LVL and the Spinout Entities even if the Arrangement is not completed.
8. If the Arrangement Resolution is not approved by the LVL Shareholders or, even if the Arrangement Resolution is approved, as a result of the Spinout Entities becoming separate entities from LVL, the value of the Common Shares may decline to the extent the value of the Common Shares reflects the value associated with the Spinout Entities.

#### ***Effects of the Arrangement on Shareholders' Rights***

As a result of the Arrangement, LVL Shareholders will continue to be shareholders of LVL and will also be shareholders of the Spinout Entities. LVL Shareholders and the Spinout Entities will have the same rights accorded to them as Shareholders of each respective entity, as both LVL and the Spinout Entities are governed by the BCBCA.

#### ***Procedure for Receipt of Spinout Entity Securities***

The following information is a summary only. For full details of procedures for the delivery of the direct registration system ("**DRS**") statements ("**DRS Statements**") see Article 3 "*Certificates and Fractional Shares*" of the Plan of Arrangement appended as Schedule "C" to this Circular.

As soon as practicable following the Effective Date, the Spinout Entities will forward or cause to be forwarded by the Transfer Agent or otherwise, by registered mail (postage prepaid) or hand delivery to LVL Shareholders as of the Effective Date at the address specified in the register of LVL Shareholders, DRS Statements representing the number of Kobe Common Shares and GMR Common Shares to be delivered to such Shareholders under the Arrangement.

DRS is a system that will allow registered LVL Shareholders to hold their common shares in "book-entry" form without having a physical share certificate issued as evidence of ownership. Instead, Kobe Common Shares and GMR

Common Shares will be held in the name of registered LVL Shareholders and registered electronically in the Spinout Entities' records, which will be maintained by its transfer agent and registrar, TSX Trust. The first time common shares are recorded under DRS (upon completion of the Arrangement), registered LVL Shareholders will receive an initial DRS Statement acknowledging the number of Kobe Common Shares and GMR Common Shares held in their DRS account. Anytime that there is movement of Kobe Common Shares or GMR Common Shares into or out of a registered Shareholder's DRS account, an updated DRS Statement will be mailed. Registered LVL Shareholders may request a statement at any time by contacting the Transfer Agent. There is no fee to participate in DRS and dividends, if any, will not be affected by DRS.

You will receive the DRS Statements in lieu of physical share certificates evidencing the Kobe Common Shares and GMR Common Shares that you are entitled to following completion of the Arrangement. Instructions will be provided upon receipt of the DRS Statements representing Kobe Common Shares and GMR Common Shares for registered holders of Common Shares that would like to request a physical share certificate. Only registered holders of Common Shares will receive a DRS Statement representing Kobe Common Shares and GMR Common Shares.

LVL has established the date of the Arrangement Agreement, being May 25, 2023 (or such other date as the Board may determine), as the record date for the purpose of determining: (i) the LVL Shareholders entitled to receive Kobe Common Shares and GMR Common Shares under the Arrangement; and (ii) and the LVL Warrantholders entitled to receive LVL Replacement Warrants and Kobe Warrants and GMR Warrants (the "**Distribution Record Date**"). The payout date for the Kobe Common Shares and GMR Common Shares to be distributed to LVL Shareholders pursuant to the Arrangement will be as soon as practicable following the Effective Date.

The Board has determined that the LVL Warrants outstanding as at the Distribution Record Date will be subject to the Plan of Arrangement. Pursuant to the Arrangement each outstanding LVL Warrant will be deemed to be exchanged for a fully-vested LVL Replacement Warrant and one fully-vested Kobe Warrant and GMR Warrant, and the exercise prices for the LVL Replacement Warrants and the Kobe Warrants and GMR Warrants will be adjusted to reflect the relative value of the shares. LVL will send notice to each LVL Warrantholder which will set out the entitlement to such options and the procedure for exercise.

The Board has determined that the LVL Options outstanding as at the Distribution Record Date will be subject to the Plan of Arrangement. Pursuant to the Arrangement each outstanding LVL Option will be deemed to be exchanged for a fully-vested LVL Replacement Option and one fully-vested Kobe Option and GMR Option, and the exercise prices for the LVL Replacement Options and the Kobe Options and GMR Options will be adjusted to reflect the relative value of the shares. LVL will send notice to each LVL Optionholder which will set out the entitlement to such options and the procedure for exercise.

### ***Effective date of the Arrangement***

If: (1) the Arrangement Resolution is approved by Special Resolution of the LVL Shareholders, (2) the Final Order of the Court is obtained approving the Arrangement; (3) every requirement of the BCBCA relating to the Arrangement has been complied with; and (4) all other conditions disclosed under "*Arrangement Agreement – Conditions to the Arrangement Becoming Effective*" are met or waived, the Arrangement will become effective on the Effective Date.

The full particulars of the Arrangement are contained in the Plan of Arrangement appended as Schedule "C" to this Circular. See also "*Arrangement Agreement*" below.

Notwithstanding receipt of the above approvals, LVL may abandon the Arrangement without further approval from the LVL Shareholders.

### **Conduct Of Meeting and Other Approvals**

#### ***Shareholder Approval of the Arrangement***

The Arrangement Resolution must be approved, with or without variation, by not less than two-thirds of the votes cast at the Meeting in person or by proxy by LVL Shareholders, voting as a single class.

### ***Court Approval of the Arrangement***

Under the BCBCA, LVL is required to obtain the approval of the Court to the calling and holding of the Meeting and to the Arrangement. On May 29, 2023, prior to mailing the material in respect of the Meeting, LVL obtained an Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order and the Notice of Hearing of Petition for Final Order are appended as Schedule “D”, respectively, to this Circular. As set out in the Notice of Hearing of Petition for Final Order, the Court hearing in respect of the Final Order is scheduled to take place on or around 9:45 a.m.(Vancouver time) on June 27, 2023, following the Meeting or as soon thereafter as the Court may direct or counsel for LVL may be heard, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, subject to the approval of the Arrangement Resolution at the Meeting. **LVL securityholders who wish to participate in or be represented at the Court hearing should consult with their legal advisors as to the necessary requirements.**

At the Court hearing, any LVL securityholders who wish to participate or to be represented or to present evidence or argument may do so, subject to the rules of the Court. Although the authority of the Court is very broad under the BCBCA, the Court will consider, among other things, the procedural and substantive fairness and reasonableness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement as proposed or as amended in any manner as the Court may direct. The Court's approval is required for the Arrangement to become effective. In addition, it is a condition of the Arrangement that the Court will have determined, prior to approving the Final Order that the terms and conditions of the issuance of securities comprising the Arrangement are procedurally and substantively fair to the LVL securityholders.

Under the terms of the Interim Order, each LVL securityholder will receive proper notice that they will have the right to appear and make representations at the application for the Final Order. Any person desiring to appear at the hearing to be held by the Court to approve the Arrangement pursuant to the Notice of Hearing of Petition for Final Order is required to file with the Court and serve upon LVL, at the address set out below, prior to 4:00 p.m. (Vancouver time) on June 23, 2023, a notice of his intention to appear ("**Appearance Notice**"), including his or her address for service, together with any evidence or materials which are to be presented to the Court. The Appearance Notice and supporting materials must be delivered to the following address:

DLA Piper (Canada) LLP  
Suite 2800, Park Place  
666 Burrard Street  
Vancouver, BC V6C 2Z7

Attention: Michael Lisanti

### ***Regulatory Approvals***

If the Arrangement Resolution is approved by the requisite two-thirds of the LVL Shareholders voting together as a single class, final regulatory approval must be obtained for all the transactions contemplated by the Arrangement before the Arrangement may proceed.

LVL is a reporting issuer in the provinces of British Columbia, Alberta and Ontario. Upon completion of the Arrangement, the Spinout Entities will each be reporting issuers in the provinces of British Columbia, Alberta and Ontario.

LVL Shareholders should be aware that certain of the foregoing approvals have not yet been received from the regulatory authorities referred to above. There is no assurance that such approvals will be obtained.

### ***Arrangement Agreement***

The Arrangement will be carried out pursuant to the provisions of the BCBCA and will be effected in accordance with the Arrangement Agreement, the Interim Order and the Final Order. The steps of the Arrangement, as set out in the Arrangement Agreement, are summarized under "*Particulars of Matters to be Acted Upon – The Arrangement – Principal Steps of the Arrangement*" herein.

The general description of the Arrangement Agreement which follows is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is available for review by LVL Shareholders, at the head office of LVL as shown on the Notice of Meeting, during normal business hours prior to the Meeting and under LVL's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### ***General***

On May 25, 2023, LVL and the Spinout Entities entered into the Arrangement Agreement which includes the Plan of Arrangement. The Plan of Arrangement is reproduced as Schedule "C" to this Circular. Pursuant to the Arrangement Agreement, LVL and the Spinout Entities agree to effect the Arrangement pursuant to the provisions of Section 291 of the BCBCA on the terms and subject to the conditions contained in the Arrangement Agreement.

In the Arrangement Agreement, LVL and the Spinout Entities provide representations and warranties to one another regarding certain customary commercial matters, including corporate, legal and other matters, relating to their respective affairs.

Under the Arrangement Agreement, LVL will call the Meeting for the purpose of, among other matters, the LVL Shareholders approving the Arrangement Resolution, and that, if the approval of the LVL Shareholders of the Arrangement Resolution as set forth in the Interim Order is obtained by LVL, as soon as reasonably practicable thereafter, LVL will take the necessary steps to submit the Arrangement to the Court and apply for the Final Order.

### ***Conditions to the Arrangement becoming Effective***

The respective obligations of LVL and the Spinout Entities to complete the transactions contemplated by the Arrangement Agreement are subject to the satisfaction, on or before the Effective Date, of a number of conditions precedent, certain of which may only be waived in accordance with the Arrangement Agreement.

The mutual conditions precedent, among others, are as follows:

- (a) the Interim Order shall have been granted in form and substance satisfactory to LVL and the Spinout Entities, each acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to any of the parties, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been approved by the required number of votes cast by LVL Shareholders at the Meeting in accordance with the Interim Order and, subject to the Interim Order, the constating documents of LVL, applicable Laws and the requirements of any applicable regulatory authorities;
- (c) the Arrangement and the Arrangement Agreement, with or without amendment, shall have been approved by the shareholders of the Spinout Entities to the extent required by, and in accordance with applicable Laws and the constating documents of the Spinout Entities;
- (d) the Final Order shall have been obtained in form and substance satisfactory to all parties, each acting reasonably, not later than July 30, 2023 or such later date as the parties may agree;
- (e) the Arrangement Filings shall be in a form and substance satisfactory to LVL and the Spinout Entities (each acting reasonably);
- (f) all material consents, orders, rulings, approvals and assurances, including regulatory and judicial approvals and orders, required for the completion of the transactions provided for in the Arrangement Agreement and the Plan of Arrangement shall have been obtained or received from the authorities having jurisdiction in the circumstances, each in a form acceptable to LVL and the Spinout Entities (each acting reasonably);
- (g) no action shall have been instituted and be continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of, or damages on account of, or relating to, the Plan of

Arrangement and there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Arrangement Agreement and no cease trading or similar order with respect to any securities of any of the parties shall have been issued and remain outstanding;

- (h) none of the consents, orders, rulings, approvals or assurances required for the implementation of the Plan of Arrangement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the parties, acting reasonably;
- (i) no Laws, regulation or policy shall have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Plan of Arrangement, including any material change to the income tax Laws of Canada, which would have a material adverse effect upon LVL Shareholders if the Plan of Arrangement is completed;
- (j) no material fact or circumstance, including the fair market value of the shares of the Spinout Entities, shall have changed in a manner which would have a material adverse effect upon LVL or the LVL Shareholders if the Plan of Arrangement is completed;
- (k) the issuance of the securities under the Plan of Arrangement shall be exempt from registration under the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption;
- (l) the Arrangement Agreement shall not have been terminated; and
- (m) no more than 5% of LVL Shareholders, in the aggregate, shall have exercised their Dissent Rights.

The obligations of each of LVL and the Spinout Entities to complete the Arrangement are subject to the further condition that the covenants of the other party shall have been duly performed.

### ***Amendment***

Subject to any restrictions under the BCBCA or in the Final Order, the Arrangement Agreement (including the schedules appended thereto) may, at any time and from time to time before or after the holding of the Meeting, but not later than the Effective Date, be amended by written agreement of the parties thereto without, subject to applicable law, further notice to, or authorization on the part of, the LVL Shareholders. Without limiting the generality of the foregoing, any such amendment may:

- (a) change the time for performance of any of the obligations or acts of the parties;
- (b) waive any inaccuracies or modify any representation contained in the Arrangement Agreement or in any document to be delivered pursuant to the Arrangement Agreement;
- (c) waive compliance with or modify any of the covenants contained in the Arrangement Agreement or waive or modify performance of any of the obligations of the parties; or
- (d) make such alterations in the Arrangement Agreement (including the Plan of Arrangement) as the parties may consider necessary or desirable in connection with the Interim Order or the Final Order.

Notwithstanding the foregoing, certain terms of the Arrangement and the Arrangement Agreement, including required Court, regulatory and Shareholder approval shall not be amended in any material respect without obtaining any required approval of the Shareholder in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

### ***Termination***

The Arrangement Agreement may, at any time before or after the holding of the Meeting but prior to the Effective Date, be unilaterally terminated by LVL without further notice to, or action on the part of, the LVL Shareholders for

whatever reason LVL may consider appropriate. This Agreement will terminate without any further action by the parties if the Effective Date has not occurred on or before July 30, 2023 or such later date as LVL may determine.

Upon the termination of the Arrangement Agreement pursuant to its terms, neither party shall have any liability or further obligation to the other party.

### **Shareholders' Rights Of Dissent to the Arrangement**

As indicated in the Notice of Meeting, any registered Shareholder is entitled to be paid the fair value of such holder's LVL Common Shares in accordance with Section 238 of the BCBCA if such holder dissents to the Arrangement and the Arrangement becomes effective.

In accordance with Section 5.3 of the Plan of Arrangement, in addition to any other restrictions in the BCBCA, none of the following shall be entitled to exercise Dissent Rights: (i) LVL Optionholders; (ii) LVL Warrantheolders; and (iii) LVL Shareholders who vote in favour of the Arrangement Resolution.

A registered Shareholder is not entitled to dissent with respect to such holder's LVL Common Shares if such holder votes any of their LVL Common Shares in favour of the Arrangement Resolution. For greater certainty, a Proxy submitted by a registered Shareholder that does not contain voting instructions will, unless revoked, be voted in favour of the Arrangement. A brief summary of the provisions of Sections 237 to 247 of the BCBCA is set out below. Such summary is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of its LVL Common Shares and is qualified in its entirety by reference to the full text of Sections 237 to 247 of the BCBCA (which is attached to this Circular as Schedule "E") as modified and supplemented by the Plan of Arrangement, the Interim Order and the Final Order.

**The statutory provisions dealing with the right of dissent are technical and complex. Any Dissenting Shareholders should seek independent legal advice, as failure to comply strictly with the provisions of Sections 237 to 247 of the BCBCA, as modified and supplemented by the Plan of Arrangement, the Interim Order and the Final Order, may result in the loss of all Dissent Rights.**

The Interim Order expressly provides registered LVL Shareholders with the right to dissent with respect to the Arrangement Resolution. Each Dissenting Shareholder is entitled to be paid the fair value (determined as of the close of business on the day before the Effective Date) of all, but not less than all, of the holder's Common Shares, provided that the holder duly dissents to the Arrangement Resolution and the Arrangement becomes effective.

In many cases, LVL Common Shares beneficially owned by a holder are registered either (a) in the name of an intermediary that the non-registered Shareholder deals with in respect of such shares, such as, among others, banks, trust companies, securities brokers, trustees and other similar entities, or (b) in the name of a depository, such as CDS & Co., of which the intermediary is a participant. Accordingly, a non-registered Shareholder will not be entitled to exercise his, her or its rights of dissent directly (unless the LVL Common Shares are reregistered in the non-registered Shareholder's name).

With respect to the LVL Common Shares in connection to the Arrangement, pursuant to the Interim Order, a registered Shareholder as of the Distribution Record Date, other than an affiliate of LVL, may exercise rights of dissent under Sections 237 to 247 of the BCBCA, as modified and supplemented by the Plan of Arrangement, the Interim Order and the Final Order; provided that, notwithstanding section 242(2) of the BCBCA, the written objection to the Arrangement Resolution must be sent to LVL c/o DLA Piper (Canada) LLP at Suite 2800, Park Place, 666 Burrard Street, Vancouver, BC V6C 2Z7, Attention: Denis Silva, by no later than 5:00 p.m. (Vancouver time) on June 20, 2023 or on the date which is two Business Days prior to any adjournment or postponement of the Meeting.

To exercise Dissent Rights, a Shareholder must dissent with respect to all LVL Common Shares of which it is the registered and beneficial owner. A registered Shareholder who wishes to dissent must deliver written notice of dissent (a "Notice of Dissent") to LVL and such Notice of Dissent must strictly comply with the requirements of Section 242 of the BCBCA. **Any failure by a Shareholder to fully comply with the provisions of the BCBCA, as modified and supplemented by the Plan of Arrangement, the Interim Order and the Final Order, may result in the loss of that holder's Dissent Rights.** Non-registered LVL Shareholders who wish to exercise Dissent Rights must cause

each registered Shareholder holding their Common Shares to deliver the Notice of Dissent, or, alternatively, make arrangements to become a registered Shareholder.

To exercise Dissent Rights, a registered Shareholder must prepare a separate Notice of Dissent for himself, herself or itself, if dissenting on his, her or its own behalf, and for each other non-registered LVL Shareholders who beneficially owns LVL Common Shares registered in the LVL Shareholder's name and on whose behalf the LVL Shareholder is dissenting; and must dissent with respect to all of the LVL Common Shares registered in his, her or its name or if dissenting on behalf of a non-registered Shareholder, with respect to all of the LVL Common Shares registered in his, her or its name and beneficially owned by the non-registered LVL Shareholder on whose behalf the LVL Shareholder is dissenting. The Notice of Dissent must set out the number of LVL Common Shares in respect of which the Dissent Rights are being exercised (the “**Notice Shares**”) and: (a) if such LVL Common Shares constitute all of the LVL Common Shares of which the LVL Shareholder is the registered and beneficial owner and the LVL Shareholder owns no other LVL Common Shares beneficially, a statement to that effect; (b) if such LVL Common Shares constitute all of the LVL Common Shares of which the LVL Shareholder is both the registered and beneficial owner, but the LVL Shareholder owns additional Common Shares beneficially, a statement to that effect and the names of the registered LVL Shareholders, the number of LVL Common Shares held by each such registered Shareholder and a statement that written notices of dissent are being or have been sent with respect to such other LVL Common Shares; or (c) if the Dissent Rights are being exercised by a registered Shareholder who is not the beneficial owner of such LVL Common Shares, a statement to that effect and the name of the non-registered Shareholder and a statement that the registered Shareholder is dissenting with respect to all LVL Common Shares of the non-registered Shareholder registered in such registered holder's name.

If the Arrangement Resolution is approved by the LVL Shareholders, and LVL notifies a registered holder of Notice Shares of LVL’s intention to act upon the Arrangement Resolution pursuant to Section 243 of the BCBCA, then in order to exercise Dissent Rights, such LVL Shareholder must, within one month after LVL gives such notice, send to LVL a written notice that such holder requires the purchase of all of the Notice Shares in respect of which such holder has given Notice of Dissent. Such written notice must be accompanied by the certificate or certificates or DRS Statement representing those Notice Shares (including a written statement prepared in accordance with section 244(1)(c) of the BCBCA if the dissent is being exercised by the Shareholder on behalf of a non-registered Shareholder), whereupon, subject to the provisions of the BCBCA relating to the termination of Dissent Rights, the Shareholder becomes a Dissenting Shareholder, and is bound to sell and LVL is bound to purchase those LVL Common Shares. Such Dissenting Shareholder may not vote, or exercise or assert any rights of a Shareholder in respect of such Notice Shares, other than the rights set forth in Sections 237 to 247 of the BCBCA, as modified and supplemented by the Plan of Arrangement, the Interim Order and the Final Order.

If a Dissenting Shareholder is ultimately entitled to be paid for their Dissent Shares, then such Dissenting Shareholder may enter into an agreement with LVL for the fair value of such Dissent Shares. If such Dissenting Shareholder does not reach an agreement with LVL, then such Dissenting Shareholder, or LVL, may apply to the Court, and the Court may determine the payout value of the Dissent Shares and make consequential orders and give directions as the Court considers appropriate. There is no obligation on LVL to make an application to the Court. The Dissenting Shareholder will be entitled to receive the fair value that the LVL Common Shares had as of the close of business on the day before the Effective Date. After a determination of the fair value of the Dissent Shares, LVL must then promptly pay that amount to the Dissenting Shareholder.

In no case will LVL, the Spinout Entities, TSX Trust or any other person be required to recognize Dissenting Shareholders as LVL Shareholders after the Effective Time, and the names of such Dissenting Shareholders will be deleted from the central securities register as LVL Shareholders at the Effective Time.

In no circumstances will LVL, Spinout Entities, or any other person be required to recognize a person as a Dissenting Shareholder: (a) unless such person is the holder of the LVL Common Shares in respect of which Dissent Rights are purported to be exercised immediately prior to the Effective Time; (b) if such person has voted or instructed a proxy holder to vote such Notice Shares in favour of the Arrangement Resolution; or (c) unless such person has strictly complied with the procedures for exercising Dissent Rights set out in Division 2 of Part 8 of the BCBCA, as modified and supplemented by the Plan of Arrangement, the Interim Order and the Final Order and does not withdraw such Notice of Dissent prior to the Effective Time. Holders of LVL Warrants will not be entitled to exercise Dissent Rights in respect of LVL Warrants.

Dissent Rights with respect to Notice Shares will terminate and cease to apply to the Dissenting Shareholder if, before full payment is made for the Notice Shares, the Arrangement in respect of which the Notice of Dissent was sent is abandoned or by its terms will not proceed, a court permanently enjoins or sets aside the corporate action approved by the Arrangement Resolution, or the Dissenting Shareholder withdraws the Notice of Dissent with LVL's written consent. If any of these events occur, LVL must return the share certificate(s) or DRS Statement representing the LVL Common Shares to the Dissenting Shareholder, the Dissenting Shareholder regains the ability to vote and exercise its rights as a Shareholder and the Dissenting Shareholder must return any money paid to the Dissenting Shareholder in respect of the Notice Shares.

The discussion above is only a summary of the Dissent Rights, which are technical and complex. A Shareholder who intends to exercise Dissent Rights must strictly adhere to the procedures established in sections 237 to 247 of the BCBCA, as modified and supplemented by the Plan of Arrangement, the Interim Order and the Final Order, and failure to do so may result in the loss of all Dissent Rights.

Persons who have their LVL Common Shares registered in the name of an intermediary, or in some other name, who wish to exercise Dissent Rights should be aware that only the registered owner of such LVL Common Shares is entitled to dissent.

If you dissent, then there can be no assurance that the amount you receive as fair value for your LVL Common Shares will be more than or equal to the consideration under the Arrangement.

**Each Shareholder wishing to avail himself, herself or itself of the Dissent Rights should carefully consider and comply with the provisions of the Interim Order and sections 237 to 247 of the BCBCA, which are attached to this Circular as Schedules "D" and "E", respectively, and seek his, her or its own legal advice.**

#### **Canadian Federal Income Tax Considerations**

**The tax consequences of the Arrangement may vary depending upon the particular circumstances of each Shareholder and other factors. Accordingly, LVL Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of the Arrangement.**

The following is a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Tax Act**") relating to the Arrangement applicable to a beneficial owner of LVL Common Shares who, for the purposes of the Tax Act: (i) holds LVL Common Shares, and will hold Kobe Common Shares and GMR Common Shares acquired on the Arrangement, as capital property; (ii) deals at arm's length with LVL and the Spinout Entities; and (iii) is not "affiliated" with LVL or the Spinout Entities for the purposes of the Tax Act (a "**Holder**").

LVL Common Shares, Kobe Common Shares and GMR Common Shares will generally be considered to be capital property to a Holder unless such securities are held by the Holder in the course of carrying on a business of buying and selling securities, or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon the current provisions of the Tax Act and counsel's understanding of the current administrative practices and assessing policies of the Canada Revenue Agency (the "**CRA**"). This summary also takes into account all specific proposals to amend the Tax Act (the "**Proposed Amendments**") announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and assumes that all Proposed Amendments will be enacted in the form proposed. There can be no assurance that the Proposed Amendments will be enacted in the form proposed or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action or decision, nor does it take into account other federal or any provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of the Arrangement.

**This summary is not applicable to a Holder: (i) that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market property" rules contained in the Tax Act; (ii) that is a "specified financial institution" or "restricted financial institution" as defined in the Tax Act (iii) who has acquired LVL Common**



Shares on the exercise of a LVL Option; (iv) an interest in which is, or whose Common Shares are, a "tax shelter investment" as defined in the Tax Act; (v) to who has made a "functional currency" reporting election under section 261 of the Tax Act apply; or (vi) that has entered, or will enter, into a "derivative forward agreement", as defined in the Tax Act, with respect to the LVL Common Shares, Kobe Common Shares or GMR Common Shares. Such Holders should consult their own tax advisors.

**THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT, AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER AND NO REPRESENTATIONS WITH RESPECT TO THE TAX CONSEQUENCES TO ANY PARTICULAR HOLDER ARE MADE. THIS SUMMARY IS NOT EXHAUSTIVE OF ALL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS. ACCORDINGLY, HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.**

#### *Holders Resident in Canada*

The following portion of this summary applies to a Holder who, at all relevant times is or is deemed to be resident in Canada for purposes of the Tax Act (a "**Resident Holder**").

Certain Resident Holders whose LVL Common Shares, Kobe Common Shares or GMR Common Shares might not otherwise be capital property may, in certain circumstances, be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to have such shares, and every other "Canadian security" as defined in the Tax Act owned by such Holder in the taxation year in which the election is made and in all subsequent taxation years, deemed to be capital property. Any Resident Holder contemplating making a subsection 39(4) election should consult their tax advisor for advice as to whether the election is available or advisable in their particular circumstances.

#### *Deemed Dividend*

LVL has informed counsel that the aggregate fair market value of the Kobe Common Shares and GMR Common Shares to be distributed by LVL is not expected to exceed the "paid-up capital", as defined in the Tax Act, of the LVL Common Shares immediately before Effective Date. Accordingly, Resident Holders are not expected to be deemed to receive a dividend with respect to the distribution of the Kobe Common Shares and GMR Common Shares. Rather, such distribution will reduce a Resident Holder's adjusted cost base of its LVL Common Shares by the fair market value of the Kobe Common Shares and GMR Common Shares distributed (determined at the time of distribution). The paid-up capital of such Common Shares will also be reduced by such amount.

**LVL HAS PERFORMED A VALUATION OF THE KOBE COMMON SHARES AND GMR COMMON SHARES WHICH WILL BE USED FOR THE PURPOSE OF DETERMINING THE CANADIAN FEDERAL INCOME TAX CONSEQUENCES OF THE EXCHANGE. COUNSEL IS NOT QUALIFIED TO COMMENT ON THE ACCURACY OR REASONABLENESS OF THE VALUATION.**

In the event that the fair market value of all Kobe Common Shares and GMR Common Shares (determined at the time of distribution) exceeds the paid-up capital of the LVL Common Shares, the Resident Holders will be deemed to receive a dividend on such Common Shares equal to the amount of such excess.

#### *Dividends on Common Shares, Kobe Common Shares and GMR Common Shares*

A Resident Holder who is an individual and who is deemed to receive a dividend on its Common Shares or who receives a dividend paid on its Kobe Common Shares and GMR Common Shares will be required to include in income such dividend, and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by LVL or the Spinout Entities, as the case may be, as "eligible dividends", as defined in the Tax Act.

A Resident Holder that is a corporation will be required to include in income any dividend received or deemed to be received on its LVL Common Shares or paid on its Kobe Common Shares or GMR Common Shares, and generally will be entitled to deduct an equivalent amount in computing its taxable income. A "private corporation" as defined

in the Tax Act or a "subject corporation" as defined in the Tax Act may be liable under Part IV of the Tax Act to pay a refundable tax of 38 1/3% on any dividend that it receives or is deemed to receive on its LVL Common Shares or the common shares of the Spinout Entities to the extent that the dividend is deductible in computing the corporation's taxable income.

#### *Disposition of Kobe Common Shares and GMR Common Shares*

A Resident Holder that disposes or is deemed to dispose of a Kobe Common Share or a GMR Common Share in a taxation year will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the share exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder of such share, determined immediately before the disposition, and any reasonable costs of disposition. The Resident Holder will be required to include any resulting taxable capital gain in income, or be entitled to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to capital gains and capital losses. See "Holders Resident in Canada — Taxation of Capital Gains and Capital Losses".

#### *Taxation of Capital Gains and Capital Losses*

Generally, a Resident Holder will be required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by it in that year. A Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, subject to the detailed rules contained in the Tax Act.

A capital loss realized on the disposition of a Kobe Common Share or GMR Common Share by a Resident Holder that is a corporation may, to the extent and under the circumstances specified by the Tax Act, be reduced by the amount of dividends received or deemed to have been received by the corporation on such shares (or on a share for which such share is substituted or exchanged). Similar rules may apply where shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. **Resident Holders to whom these rules may be relevant should consult their own advisors.**

#### *Alternative Minimum Tax on Resident Holders who are Individuals*

A capital gain realized, or a dividend received, by a Resident Holder who is an individual (including certain trusts and estates) may give rise to liability for alternative minimum tax under the Tax Act.

#### *Additional Refundable Tax on Canadian-Controlled Private Corporations*

A Resident Holder that is a "Canadian-controlled private corporation" as defined in the Tax Act may be required to pay an additional 102/3% refundable tax on certain investment income, including certain amounts in respect of net taxable capital gains, dividends or deemed dividends and interest.

#### *Eligibility for Investment*

The Kobe Common Shares and GMR Common Shares, if issued on the date hereof, would each be qualified investments under the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and tax-free savings accounts (collectively, "**Registered Plans**") and deferred profit sharing plans ("**DPSPs**"), (all as defined in the Tax Act), provided that the Kobe Common Shares or GMR Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which includes the Exchange) or the Spinout Entity is a "public corporation", as defined in the Tax Act. Persons who intend to hold their Kobe Common Shares and GMR Common Shares in a Registered Plan or DPSP should consult with their own tax advisors regarding the tax consequences in their particular circumstances.

Notwithstanding that the Kobe Common Shares and GMR Common Shares may be a qualified investment for a Registered Plan, if Kobe Common Shares or GMR Common Shares are a "prohibited investment" within the meaning of the Tax Act for the Registered Plan, the annuitant, holder or subscriber, as the case may be (the "**Controlling Individual**"), of the Registered Plan, will be subject to a penalty tax under the Tax Act. The Kobe Common Shares and GMR Common Shares generally will not be a prohibited investment for a Registered Plan provided the Controlling Individual of the Registered Plan: (i) deals at arm's length with the applicable Spinout Entity for the purposes of the Tax Act; and (ii) does not have a "significant interest" (as defined in the Tax Act for purposes of the prohibited investment rules) in the Spinout Entity. The Kobe Common Shares and GMR Common Shares will not be a prohibited investment if such shares are "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for the Registered Plan. Persons who intend to hold Kobe Common Shares or GMR Common Shares in a Registered Plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

#### *Dissenting Resident Holders*

A Resident Holder who dissents in respect of the Arrangement (a "**Resident Dissenter**") and who is entitled to receive payment from LVL equal to the fair value of the Resident Dissenter's Common Shares will be considered to have disposed of the LVL Common Shares for proceeds of disposition equal to the amount received by the Resident Dissenter, less the amount of any interest awarded by a court, as the case may be. A Resident Dissenter generally will be deemed to have received a dividend equal to the amount by which such proceeds exceed the paid-up capital of such shares, and such deemed dividend will reduce the proceeds of disposition for purposes of computing any capital gain (or a capital loss) on the disposition of such LVL Common Shares. The tax treatment accorded to any deemed dividend is discussed above under the heading, "Holders Resident in Canada – Dividends on Common Shares, Kobe Common Shares and GMR Common Shares".

A Resident Dissenter will also realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of such LVL Common Shares, as reduced by the amount of any deemed dividend as discussed above, exceed (or are less than) the adjusted cost base of such shares immediately before the disposition and any reasonable costs of disposition. The tax treatment of capital gains and capital losses (including the potential reduction of a capital loss due to the receipt of a deemed dividend) is discussed above under the heading, "Holders Resident in Canada – Taxation of Capital Gains and Capital Losses".

Interest awarded by a court to a Resident Dissenter will be included in the Resident Dissenter's income for a particular taxation year to the extent the amount is received or receivable in that year, depending upon the method regularly followed by the Resident Dissenter in computing income. Where the Resident Dissenter is a corporation, partnership or, subject to certain exceptions, a trust, the Resident Dissenter must include in income for a taxation year the amount of interest that accrues to it before the end of the taxation year, or becomes receivable or is received before the end of the year (to the extent not included in income for a preceding taxation year). **Resident Dissenters who are contemplating exercising their dissent rights should consult their own tax advisors.**

#### *Holdings Not Resident in Canada*

The following portion of the summary applies to a Holder who, for the purposes of the Tax Act: (i) at all relevant times is not and is not deemed to be resident in Canada; and (ii) does not and will not use or hold, and is not and will not be deemed to use or hold, LVL Common Shares, Kobe Common Shares or GMR Common Shares in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). This portion of the summary is not applicable to a Non-Resident Holder that is: (i) an insurer carrying on an insurance business in Canada and elsewhere; (ii) a "financial institution" as defined in the Tax Act; or (iii) an "authorized foreign bank" as defined in the Tax Act.

#### *Dividends on LVL Common Shares, Kobe Common Shares and GMR Common Shares*

Dividends paid or credited, or deemed to be paid or credited, on LVL Common Shares, Kobe Common Shares or GMR Common Shares to a Non-Resident Holder generally will be subject to Canadian withholding tax at a rate of 25% of the gross amount of the dividend, unless the rate is reduced under the provisions of an applicable income tax convention. The rate of withholding tax under the Canada-United States Income Tax Convention (1980) (the "**U.S. Treaty**") applicable to a Non-Resident Holder who is a resident of the United States for the purposes of the U.S.

Treaty, is the beneficial owner of the dividend, is entitled to all of the benefits under the U.S. Treaty generally will be 15% (5% for a company that holds at least 10% of the voting stock of LVL or a Spinout Entity, as the case may be). LVL or a Spinout Entity, as the case may be, will be required to withhold the required amount of withholding tax from the dividend, and to remit it to the CRA for the account of the Non-Resident Holder.

#### *Disposition of Kobe Common Shares and GMR Common Shares*

A Non-Resident Holder that disposes or is deemed to dispose of a Kobe Common Share or a GMR Common Share in a taxation year will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the share exceed (or are less than) the aggregate of the adjusted cost base to the Non-Resident Holder of such share, determined immediately before the disposition, and any reasonable costs of disposition.

Such gain will not be subject to tax in Canada, unless the Kobe Common Shares or GMR Common Shares are "taxable Canadian property" to the Non-Resident Holder. The Kobe Common Shares and GMR Common Shares will be taxable Canadian property to a Non-Resident Holder if, at any time in the 60 month period preceding the disposition, 25% or more of the issued shares of any class of the capital stock of a Spinout Entity were owned by any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length and (c) partnerships in which persons referred to in (a) or (b) holds a membership interest (directly or indirectly through one or more partnerships), and more than 50% of the fair market value of the Kobe Common Shares or GMR Common Shares, as applicable, was derived from, directly or indirectly, any combination of (i) real or immovable property situated in Canada, (ii) Canadian resource property, (iii) timber resource property, and (iv) options in respect of, or interest in, the property described in (i) to (iii). If the Kobe Common Shares or GMR Common Shares constitute taxable Canadian property, a capital gain arising on the disposition of such shares may be exempt from tax in Canada under the terms of a tax treaty between Canada and the country of residence of the Non-Resident Holder. **Such holders should consult their tax advisors about their particular circumstances.**

#### *Dissenting Non-Resident Holders*

A Non-Resident Holder who dissents in respect of the Arrangement (a "**Non-Resident Dissenter**") will be entitled to receive a payment from LVL equal to the fair value of such Non-Resident Dissenter's LVL Common Shares and will be considered to have disposed of such shares for proceeds of disposition equal to the amount received by the Non-Resident Dissenter, less the amount of any interest awarded by a court (if applicable). A Non-Resident Dissenter generally will be deemed to have received a dividend equal to the amount by which such proceeds exceed the paid-up capital of such shares and such deemed dividend will reduce the proceeds of disposition for purposes of computing any capital gain (or capital loss) on the disposition of such LVL Common Shares. The deemed dividend will be subject to Canadian withholding tax as described above under "*Holders Not Resident in Canada – Kobe Common Shares and GMR Common Shares – Deemed Dividend*".

A Non-Resident Dissenter will also realize a capital gain to the extent that the proceeds of disposition for such shares, as reduced by the amount of any deemed dividend as discussed above, exceed the adjusted cost base of such LVL Common Shares immediately before the disposition and any reasonable costs of disposition. A Non-Resident Dissenter generally will not be subject to income tax under the Tax Act in respect of any such capital gain provided such shares do not constitute taxable Canadian property of the Non-Resident Dissenter, as described above under "*Holders Not Resident in Canada – Disposition of Kobe Common Shares and GMR Common Shares*".

Any interest paid to a Non-Resident Dissenter upon the exercise of dissent rights will not be subject to Canadian withholding tax.

Non-Resident Dissenter upon the exercise of dissent rights will not be subject to Canadian withholding tax.

#### **Canadian Securities Laws and Resale of Securities**

The following is a brief summary of the securities law considerations applicable to the transactions contemplated herein.

**Each Shareholder is urged to consult such holder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the Spinout Entity securities.**

LVL is a “reporting issuer” in the provinces of British Columbia, Alberta and Ontario.

The issuance of the Kobe Common Shares and GMR Common Shares pursuant to the Arrangement will constitute a distribution of securities, which is exempt from the prospectus requirements of Canadian securities legislation. The Kobe Common Shares and GMR Common Shares issued to LVL Shareholders may be resold in each of the provinces and territories of Canada provided the holder is not a “control person” as defined in the applicable securities laws in each the provinces and territories of Canada, no unusual effort is made to prepare the market or create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale.

The issuance of the Kobe Common Shares and GMR Common Shares upon due exercise of warrants issued pursuant to the Arrangement will constitute a distribution of securities, which is exempt from the prospectus requirements of Canadian securities legislation. The Kobe Common Shares and GMR Common Shares issued upon due exercise of warrants issued pursuant to the Arrangement may be resold in each of the provinces and territories of Canada provided the holder is not a “control person” as defined in the applicable securities legislation in each of the provinces and territories of Canada, no unusual effort is made to prepare the market or create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### *General*

For the purposes of the below section, “*Statement of Executive Compensation*”:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**named executive officer**” or “**NEO**” means each of the following individuals:

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

“**Options**” means the stock options of the Company issued pursuant to the Stock Option Plan (as such term is defined below); and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

Based on the foregoing definitions, Marcel de Groot, as the President and CEO of the Company, Christian Uria, as CFO of the Company, are the only NEOs during the financial year ended December 31, 2022.

#### *Compensation Discussion and Analysis*

The Company’s executive compensation is intended to be consistent with the Company’s business plans, strategies and goals, including the preservation of working capital. The Company’s executive compensation program is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company’s compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

The Board determines and approves the compensation of the Company’s directors and NEOs and in doing so considers the risks associated with the Company’s compensation policies and practices. The Board intends for executive compensation to be consistent with the Company’s business plans, strategies and goals, including the preservation of working capital as the Company seeks to devote funds to exploration activities.

The compensation of the NEOs, directors and the Company’s employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs who are also directors of the Company involved in discussion relating to compensation are required to disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with applicable corporate legislation.

The Company has adopted the stock option plan (the “**Stock Option Plan**”) to assist the Company in attracting, retaining and motivating directors, officer, employees, consultants and contractors of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and the LVL Shareholders.

In making compensation decisions, the Board strives to find a balance between short-term and long-term compensation and cash versus equity incentive compensation. Base salaries or fees and discretionary cash bonuses primarily reward recent performance, and incentive stock options encourage NEOs and directors to continue to deliver results over a longer period of time and serve as a retention tool. The annual salary or fee for each NEO, as applicable, is determined by the Board based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time.

The NEOs’ performances and salaries or fees are reviewed periodically. Increases in salary or fees are to be evaluated on an individual basis and are performance and market based. The amount and award of cash bonuses to key executives and senior management are discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant.

Other than as disclosed herein, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year.

#### *Director and Named Executive Officer Compensation, Excluding Compensation Securities*

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or

indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than Stock Options and other compensation securities:

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Andrew Swarthout Chairman and Director <sup>(1)</sup>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	NA	NA	NA	NA	NA	NA
Marcel de Groot <i>President, CEO and Director</i> <sup>(2)</sup>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Christian Uria <i>CFO and former Corporate Secretary</i> <sup>(3)</sup>	2022	40,850	Nil	Nil	Nil	Nil	40,850
	2021	16,723	Nil	Nil	Nil	Nil	16,723
Hayley Thomasen <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Christopher Cooper <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Craig Rollins <sup>(3)</sup> Corporate Secretary	2022	34,625	Nil	Nil	Nil	Nil	34,625
	2021	N/A	N/A	N/A	N/A	N/A	N/A

(1) Mr. Swarthout was appointed as a Director and Chairman of the Company on September 1, 2022.

(2) The Company entered into the Services Agreement (as defined below) with Pathway Capital Ltd. ("Pathway"), an entity controlled by Mr. de Groot, pursuant to which the Company pays Pathway \$2,000 per month for administrative services and \$3,000 per month for providing management services to the Company.

(3) Mr. Uria resigned as Corporate Secretary on September 1, 2022, and was replaced by Mr. Craig Rollins, who has been acting as Corporate Secretary since then.

#### Stock Options and Other Compensation Securities

The following table sets out information for each of the current officers and directors of the Company concerning all option-based awards issued as of December 31, 2022:

Name and Position	Type of security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Dates
Andrew Swarthout Chairman and Director <sup>(1)</sup>	Options	1,200,000	September 1, 2022	0.20	0.155	0.24	September 1, 2027
Marcel de Groot President, CEO and Director	Options	350,000 <sup>(2)</sup>	December 14, 2018	0.10	-	-	December 14, 2023
		300,000	September 18, 2020	0.10	-	-	September 18, 2025
		1,000,000	September 1, 2022	0.20	0.155	0.24	September 1, 2027
Hayley Thomasen Director	Options	300,000	September 18, 2020	0.10	-	-	September 18, 2025
		600,000		0.20	0.155	0.24	

			September 1, 2022				September 1, 2027
Christopher Cooper Director	Options	100,000	September 18, 2020	0.10	-	-	September 18, 2025
		200,000	September 1, 2022	0.20	0.155	0.24	September 1, 2027
Christian Uria CFO <sup>(3)</sup>	Options	50,000	September 18, 2020	0.10	-	-	September 18, 2025
		250,000	September 1, 2022	0.20	0.155	0.24	September 1, 2027
Craig Rollins Corporate Secretary <sup>(3)</sup>	Options	600,000	September 1, 2022	0.20	0.155	0.24	September 1, 2027

(1) Mr. Swarhout was appointed as a Director and Chairman of the Company on September 1, 2022.

(2) 350,000 options were issued to Pathway Capital Ltd., a company owned by Marcel de Groot.

(3) Mr. Uria resigned as Corporate Secretary on September 1, 2022, and was replaced by Mr. Craig Rollins, who has been acting as Corporate Secretary since then.

### *Exercise of Options and Compensation Securities by Directors and NEOs*

During the financial year ended December 31, 2022, no NEO or director exercised compensation securities.

### *Stock Option Plans and Other Incentive Plans*

The Stock Option Plan approved by the Board effective as of December 14, 2018. The principal purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity to be issued with and acquire LVL Common Shares, thereby increasing their proprietary interest in the Company, and encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

The Stock Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of LVL Common Shares of the Company issued and outstanding from time to time.

The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all Options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board may from time to time designate.

The number of LVL Common Shares which may be issuable under the Stock Option Plan: (a) shall not exceed 10% of the total number of the issued and outstanding LVL Common Shares; (b) to any one participant within a 12-month period shall not exceed 5% of the total number of the issued and outstanding LVL Common Shares; and (c) within a one-year period (i) to any one person, shall be no more than 5% of the total number of issued and outstanding LVL Common Shares, with the exception of a consultant who may not receive grants of more than 2% of the total number of issued and outstanding LVL Common Shares; (ii) to Insiders as a group, shall be no more than 10% of the total number of issued and outstanding LVL Common Shares; and (iii) to persons employed to conduct investor relations activities, shall be no more than an aggregate of 2% of the total number of issued and outstanding LVL Common Shares at any one time.

The exercise prices of Options will be determined by the Board, but will, in no event, be less than the closing market price of LVL Common Shares on the trading day prior to the date of grant of the Options less the maximum discount permitted under the Exchange policies. As options are generally priced at market value at the time of grant and are subject to mandatory vesting schedules, the benefits of such compensation, if any, may not be realized by the executive until a significant period of time has passed. Accordingly, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and the LVL Shareholders is extremely limited.



All Options granted under the Stock Option Plan will expire no later than the date that is five years from the date that such Options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

Subject to certain limitations, in the event that an Option Holder's position as a director, officer, employee or consultant is terminated for any reason other than long term disability, death or for cause, the Options held by such Option Holder may be exercised within 90 days of termination (or 30 days if the option holder was engaged in investor relations activities), provided such Options have vested and not expired. Subject to certain limitations, in the event that an Option Holder's position as a director, officer, employee or consultant is terminated as a result of his or her death or long term disability, any Options held by such Option Holder that could have been exercised immediately prior to such termination of service shall be exercisable for a period of one year following the termination of service of such Option Holder.

Subject to certain limitations, in the event that an option holder's employment is terminated for cause, the options held by such option holder shall expire and terminate on the date of such termination for cause.

#### *External Management Companies*

Other than as disclosed herein, the Company has not entered into any agreement with any external management company that employs or retains one or more of the NEOs or directors and the Company has not entered into any understanding, arrangement or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

On September 1, 2020, the Company entered into an administrative services agreement (the "**Services Agreement**") with Pathway, a company owned by Marcel de Groot and David De Witt. Under the Services Agreement, the Company pays Pathway \$2,000 per month for administrative services and \$3,000 per month for providing management services to the Company.

#### *Employment, Consulting and Management Agreements*

Other than as disclosed herein, the Company has not entered into written employment or consulting agreements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO, or by any other party but are services typically provided by a director or NEO.

Marcel de Groot will not receive an annual salary for his services as President and CEO of the Company but will be compensated exclusively in stock options.

#### *Pension Plan Benefits*

The Company does not anticipate having any deferred compensation plan or pension plan that provide for payments or benefits at, following or in connection with retirement.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company's only equity compensation plan as of December 31, 2022:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by security holders	1,700,000	\$0.10	Nil
Equity compensation plans not approved by security holders	6,100,000	\$0.20	1,276,550
<b>Total</b>	<b>7,875,000</b>	<b>\$0.18</b>	<b>1,276,550</b>

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer, employee, or proposed nominee for election as a director, or associate of such person is, or at any time during the most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of a current or former director, executive officer, employee, or proposed nominee for election as a director, or associate of such person to another entity is, or at any time during the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company, or any of its subsidiaries, other than as disclosed in this Circular.

### MANAGEMENT CONTRACTS

Except as provide herein, there are no management functions of the Company or any of its, which are, to any substantial degree, performed by a person other than the directors or executive officers of the Company or any of its subsidiaries.

### CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the Board, whose members are elected by and are accountable to the LVL Shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognize the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of LVL Shareholders and help to contribute to effective and efficient decision-making.

### *Board of Directors*

The Board facilitates its exercise of independent supervision over management by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Board also holds periodic meetings to discuss the operation of the Company.

Hayley Thomasen and Christopher Cooper are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising as shareholders.

Marcel de Groot is not "independent" because Mr. de Groot is the President and CEO of the Company.

### Directorships

The following directors are presently directors of other reporting issuers as set out below:

<b>Name of Director of the Company</b>	<b>Names of Other Reporting Issuer</b>	<b>Stock Exchange</b>
Marcel de Groot	Drummond Ventures Corp.	TSXV
Hayley Thomasen	Sun Peak Metals Corp.	TSXV
Christopher Cooper	Sweet Earth Holdings Corp.	Exchange
	Coloured Ties Capital Inc.	TSXV
	New Leaf Ventures Inc.	Exchange
	Manning Ventures Inc.	Exchange
	Alpha Lithium Corporation	TSXV
	Savannah Minerals Corp..	TSXV
	Planet Ventures Inc.	TSXV
	Reparo Energy Partners Corp.	NEX
	Global Helium Corp.	Exchange

### Orientation and Continuing Education

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

### Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the LVL Shareholders.

## Compensation

See “*Executive Compensation*” above for details with respect to steps taken by the Company to determine compensation for the directors and CEO.

## Other Board Committees

The Board has no committees other than the Audit Committee.

## Assessments

The Board has no specific procedures for regularly assessing the effectiveness and contribution of the Board, its committees, if any, or individual directors. As the Board is relatively small, it is expected that a significant lack of performance on the part of a committee or individual director would become readily apparent, and could be dealt with on a case-by-case basis. With respect to the Board as a whole, the Board monitors its performance on an ongoing basis, and as part of that process considers the overall performance of the Company and input from the LVL Shareholders.

## **Audit Committee Disclosure**

### *The Audit Committee Charter*

The full text of the Charter of the Audit Committee (the “**Charter**”) is disclosed at Schedule “A” to this Circular.

### *Mandate and Responsibilities of the Audit Committee*

The Audit Committee assists the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee’s principal responsibilities include (i) recommending the external auditor to be nominated for the purpose of audit, review or attest services for the Company, (ii) recommending the compensation of the external auditor, (iii) overseeing the work of the external auditor in performing audit, review or attest services for the Company, (iv) reviewing the Company’s financial statements, management’s discussion and analysis and annual and interim earnings press releases before the Company publicly discloses this information, and (v) establishing procedures for addressing complaints or concerns regarding accounting, internal control or auditing matters.

### *Composition of the Audit Committee*

	<b>Independent/Not Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(2)</sup></b>
Marcel de Groot	Not Independent	Yes
Hayley Thomasen	Independent	Yes
Christopher Cooper	Independent	Yes

(1) A member is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of that member’s independent judgment.

(2) A member is financially literate if such member has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issued that can reasonably be expected to be raised by the Company’s financial statements.

All of the members of the Audit Committee are considered to be financially literate as required by section 1.6 of National Instrument 52-110 – Audit Committees (“**NI 52-110**”).

### *Relevant Education and Experience*

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

For a summary of the experience and education of the Audit Committee members see “*Election of Directors*”.

*Audit Committee Oversight*

Since the commencement of the Company’s most recently completed financial year, the Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

*Reliance on Certain Exemptions*

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Company’s Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

*Pre-Approval Policies and Procedures*

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Charter and with regard to the policies of the Exchange.

*External Auditor Service Fees*

The aggregate fees billed by the Company’s external auditor in the last three fiscal years, by category, are as follows:

<b>Financial Year Ended</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2022	\$75,000	-	-	-
December 31, 2021	\$21,762	-	-	-
December 31, 2020	\$18,220	\$1,500	-	-

*Exemption*

The Company is relying on the exemption provided by Section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided in the Company's comparative annual financial statements to December 31, 2021, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at Suite 1400 - 400 Burrard Street, Vancouver, B.C., V6C 3A6.

## **BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 25<sup>th</sup> day of May, 2023.

### **ON BEHALF OF THE BOARD**

"Marcel de Groot"  
Marcel de Groot

President, CEO and Director

## Schedule “A”

### AUDIT COMMITTEE CHARTER

#### 1.0 PURPOSE

1.1 The Audit Committee (the “**Committee**”) is a standing committee of the board of directors (the “**Board**”) of Level 14 Ventures Ltd. (the “**Company**”) charged with assisting the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- (b) review and appraise the performance of the Company’s external auditors; and
- (c) provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

#### 2.0 COMMITTEE MEMBERSHIP

2.1 The Board shall annually elect a minimum of three (3) directors to the Committee, a majority of whom shall be financially literate, independent of management and free from any material relationship with the Company, that in the opinion of the Board, would interfere with the director’s exercise of independent judgment as a member of the Committee. Unless a chair of the Committee (“**Chair**”) is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

2.2 If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”)), then all of the members of the Committee shall be independent (as that term is defined in NI 52-110).

2.3 If the Company ceases to be a “venture issuer” (as that term is defined in NI 52-110), then all members of the Committee shall be financially literate. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Charter of the Audit Committee (the “**Charter**”), the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

#### 3.0 MEETINGS

3.1 The Committee shall meet a least four (4) times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the external auditors.

3.2 A quorum for the transaction of business at any meeting of the Committee shall be two (2) members.

## 4.0 RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall:

### 4.1 Documents/Reports Review

- (a) review this Charter annually and recommend any changes to the Board; and
- (b) review the Company's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information, and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

### 4.2 External Auditors

- (a) annually review the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) annually obtain a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard No. 1 – *Independence Discussions with Audit Committees*;
- (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditors;
- (g) at least once per year, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto;
- (k) review and pre-approve any non-audit services provided by the Company's external auditors, subject to the following:
  - (i) the pre-approval requirement shall be satisfied with respect to the provision of non-audit services if the following criteria (as set forth in Section 2.4 of NI 52-110) are met:
    - (A) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company (and its subsidiary entities) to its external auditors during the fiscal year in which the non-audit services are provided;



- (B) such services were not recognized by the Company (or the subsidiary entity) at the time of the engagement to be non-audit services;
  - (C) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee (with such delegation being in compliance with Section 2.5 of NI 52-110); and
- (ii) the Committee may delegate to the Chair or any other independent member of the Committee the authority to pre-approve non-audit services, provided such pre-approved non-audit services are presented to the Committee at the next scheduled Committee meeting following such pre-approval.

#### **4.3 *Financial Reporting Processes***

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (j) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### **4.4 *Internal Control***

- (a) consider the effectiveness of the Company's internal control system;
- (b) understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses;
- (c) review external auditors' management letters and management's responses to such letters;
- (d) as requested by the Board, discuss with management and the external auditors the Company's major risk exposures (whether financial, operational or otherwise), the adequacy and effectiveness of the

accounting and financial controls, and the steps management has taken to monitor and control such exposures;

- (e) annually review the Company's disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures; and
- (f) discuss with the Chief Financial Officer and, as is in the Committee's opinion appropriate, the President and Chief Executive Officer, all elements of the certification required pursuant to National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*.

**4.5 Other**

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (c) set and pay compensation for any independent counsel and other advisors employed by the Committee; and
- (d) communicate directly with the internal and external auditors.

## Schedule "B"

### ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE LVL SHAREHOLDERS THAT:

1. The arrangement (the "**Arrangement**") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") involving Level 14 Ventures Ltd., a corporation existing under the laws of British Columbia ("**LVL**"), LVL shareholders, Kobe Resources Ltd. ("**Kobe**") and Green Mountain Resources Ltd. (formerly 1246931 B.C. Ltd.) ("**GMR**" and together with Kobe the "**Spinout Entities**"), each Spinout Entity a corporation existing under the laws of British Columbia, all as more particularly described and set forth in the management information circular (the "**Circular**") of LVL dated May 25, 2023 accompanying the notice of meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
2. The plan of arrangement (the "**Plan of Arrangement**"), implementing the Arrangement, the full text of which is appended to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
3. The arrangement agreement (the "**Arrangement Agreement**") between LVL and the Spinout Entities dated May 25, 2023 and all the transactions contemplated therein, the actions of the directors of LVL in approving the Arrangement and the actions of the directors and officers of LVL in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of LVL or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of LVL are hereby authorized and empowered, without further notice to, or approval of, the shareholders of LVL:
  - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
  - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any director or officer of LVL is hereby authorized and directed, for and on behalf of LVL to execute Articles of Arrangement to give effect to the Plan of Arrangement and to deliver such other documents as are necessary or desirable under the BCBCA in accordance with the Articles of Arrangement.
6. Any director or officer of LVL is hereby authorized and directed, for and on behalf and in the name of LVL, to execute and deliver, whether under the corporate seal of LVL or otherwise, all such deeds, instruments, assurances, agreements, forms, waivers, notices, certificates, confirmations and other documents and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement, the Articles of Arrangement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
  - (a) all actions required to be taken by or on behalf of LVL, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
  - (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by LVL;

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**Schedule "C"**

**PLAN OF ARRANGEMENT**

See attached.

PLAN OF ARRANGEMENT  
UNDER SECTION 288 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

ARTICLE 1  
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set forth below:

“Arrangement Agreement” means the agreement dated May 25, 2023 between LVL and LVL Subsidiaries to which this Plan of Arrangement is attached as Exhibit A, as it may be supplemented or amended from time to time;

“Arrangement Resolution” means the special resolution of LVL Shareholders to be considered, and if deemed advisable, passed at the Meeting;

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

“Board of Directors” means the duly appointed board of directors of the applicable company;

“Business Day” means a day which is not a Saturday, Sunday, or a day when commercial banks are not open for in person business in Vancouver, British Columbia;

“Circular” means the management information circular of LVL containing among other things, disclosure in respect of the Arrangement and prospectus level disclosure in respect of the LVL Subsidiaries following completion of the Arrangement, together with all appendices, distributed by LVL to the LVL Shareholders in connection with the Meeting and filed with such Authorities in Canada as are required by Section 2.5(a)(ii) of the Arrangement Agreement, or otherwise as required by applicable Law;

“Conversion Factor” means 1.00;

“Court” means the Supreme Court of British Columbia;

“Consideration” means the consideration payable by LVL pursuant to Section 3.1 of this Plan of Arrangement to a person who is, immediately before the Effective Time, a LVL Securityholder;

“Depository” means TSX Trust Company or such other person that may be appointed by LVL for the purpose of receiving deposits of certificates formerly representing LVL Common Shares;

“Dissent Procedures” has the meaning attributed to that term in Section 4.2 of this Plan of Arrangement;

“Dissent Right” has the meaning attributed to that term in Section 4.1 of this Plan of Arrangement;

“Dissent Share” has the meaning attributed to that term in Subsection 3.1(a) of this Plan of Arrangement;

“Effective Date” means the first Business Day after the date upon which the Parties have confirmed in writing (such confirmation not to be unreasonably withheld or delayed) that all conditions to the completion of the Plan of Arrangement have been satisfied or waived in accordance with Article 5 of the Arrangement Agreement and all documents and instruments required under the Arrangement Agreement, the Plan of Arrangement and the Final Order have been delivered;

“Effective Time” means 12:01 a.m. on the Effective Date;

“Final Order” means the order made after application to the Court pursuant to section 291 of the BCBCA approving the Plan of Arrangement as such order may be amended by the Court (with the consent of the Parties, acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal

is withdrawn or denied, as affirmed or as amended (with the consent of the Parties, acting reasonably) on appeal;

“GMR” means Green Mountain Resources Ltd. (formerly 1246931 B.C. Ltd.), a company incorporated under the laws of the Province of British Columbia;

“GMR Common Shares” means the common shares in the authorized share structure of GMR;

“GMR Warrants” means the common share purchase warrants of GMR that will be granted to LVL Warrantholders pursuant to the Arrangement and that will be exercisable for GMR Common Shares;

“GMR Options” means the stock options of GMR that will be granted to LVL Option Holders pursuant to the Arrangement and that will be exercisable for GMR Common Shares;

“Interim Order” means the order made after application to the Court pursuant to section 291 of the BCBCA, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of the Parties, acting reasonably);

“Kobe” means Kobe Resources Ltd., a company incorporated under the laws of the Province of British Columbia;

“Kobe Common Shares” means the common shares in the authorized share structure of Kobe;

“Kobe Warrants” means the common share purchase warrants of Kobe that will be granted to LVL Warrantholders pursuant to the Arrangement and that will be exercisable for Kobe Common Shares;

“Kobe Options” means the stock options of Kobe that will be granted to LVL Option Holders pursuant to the Arrangement and that will be exercisable for Kobe Common Shares;

“LVL” means Level 14 Ventures Ltd., a company incorporated under the laws of the Province of British Columbia;

“LVL Common Shares” means the common shares in the authorized share structure of LVL;

“LVL Class A Shares” has the meaning attributed to that term in Subsection 3.1(d) of this Plan of Arrangement

“LVL Shareholders” means the holders of LVL Common Shares;

“LVL Security” means a LVL Common Share, LVL Option, or LVL Warrant, as applicable;

“LVL Securityholder” means a holder of one or more LVL Securities;

“LVL Warrants” means common share purchase warrants of LVL, each such warrant exercisable to acquire one (1) LVL Common Share at an exercise price of \$0.10 per LVL Common Share until five (5) years from the respective LVL Warrant issue date;

“LVL Warrantholder” means a holder of one or more LVL Warrants;

“LVL Options” means stock options to purchase common shares in the capital of LVL issued pursuant to LVL’s shareholder equity plan;

“LVL Option Holder” means a holder of one or more LVL Options;

“Meeting” means the annual general and special meeting of LVL Shareholders scheduled to be held on June 22, 2023 and any adjournment(s) or postponement(s) thereof, to be called to consider, and if deemed advisable, approve the Arrangement Resolution, among other matters;

“Parties” means LVL and each of the LVL Subsidiaries and “Party” means any one of them;

“Plan of Arrangement”, “hereof”, “herein”, “hereunder” and similar expressions mean this plan of arrangement and any amendments, variations or supplements hereto made in accordance with the terms hereof and the terms of the Arrangement Agreement or made at the direction of the Court in the Final Order;

“Round Down Provision” has the meaning attributed to that term in of Section 3.2 of this Plan of Arrangement;

“Share Distribution” has the meaning attributed to that term in Subsection 3.1(b) of this Plan of Arrangement;

“Tax Act” means the Income Tax Act (Canada) and the regulations promulgated thereunder, as amended from time to time; and

“Warrant Distribution” has the meaning attributed to that term in Subsection 3.1(d) of this Plan of Arrangement.

“Option Distribution” has the meaning attributed to that term in Subsection 3.1(d) of this Plan of Arrangement.

## 1.2 Number, Gender and Persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing the use of either gender include both genders and neuter and the word person and words importing persons include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

## 1.3 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

## 1.4 Date for Any Action

If the date on which any action is required to be taken hereunder is not a Business Day, the action shall be required to be taken on the next day that is a Business Day.

## 1.5 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time in Vancouver, British Columbia unless otherwise stipulated herein.

## 1.6 Currency

Unless otherwise stated, a reference herein to an amount of money means the amount expressed in lawful money of Canada.

## 1.7 Statutory References

Any reference in this Plan of Arrangement to a statute includes all regulations and rules made thereunder, all amendments to such statute, rule or regulation in force from time to time and any statute, rule or regulation that supplements or supersedes such statute or regulation.

### 1.8 Governing Law

This Plan of Arrangement, including its validity, interpretation and effect, shall be governed by the laws of the Province of British Columbia and the laws of Canada applicable therein.

## ARTICLE 2 ARRANGEMENT AGREEMENT AND EFFECT OF ARRANGEMENT

### 2.1 Arrangement Agreement

The Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except that the sequence of steps comprising the Arrangement shall occur in the order set forth herein unless otherwise indicated.

### 2.2 Effect of Plan of Arrangement

The Plan of Arrangement will, effective at the Effective Time, become effective and be binding on (i) LVL; (ii) each of the LVL Subsidiaries; and (iii) the LVL Shareholders without any further act or formality required on the part of any person except as expressly provided herein. If there is any inconsistency or conflict between the provisions of this Plan of Arrangement and the provisions of the Arrangement Agreement, the provisions of this Plan of Arrangement shall govern.

## ARTICLE 3 ARRANGEMENT

### 3.1 Arrangement

Commencing at the Effective Time the following transactions will occur and be deemed to occur in the following sequence without further act or formality:

- (a) Each LVL Common Share in respect of which a registered LVL Shareholder has exercised Dissent Rights and for which the registered LVL Shareholder is ultimately entitled to be paid fair value (each a "Dissent Share") shall be repurchased by LVL for cancellation in consideration for a debt-claim against LVL to be paid the fair value of such Dissent Share in accordance with Article 5 of this Plan of Arrangement and such Dissent Share shall thereupon be cancelled;
- (b) LVL shall transfer approximately \$25,000 in cash to each LVL Subsidiary;
- (c) LVL will undergo a 10:1 consolidation of the LVL Common Shares;
- (d) The authorized share structure of LVL will be reorganized and altered by:
  - (i) renaming and redesignating all of the issued and unissued Common Shares as "Class A common shares without par value" and amending the special rights and restrictions attached to those shares to provide the holders thereof with two votes in respect of each share held, being the "LVL Class A Shares"; and
  - (ii) creating a new class consisting of an unlimited number of "common shares without par value" with terms and special rights and restrictions identical to those of the Common Shares immediately prior to the Effective Time, being the "New Common Shares";
- (e) The Company's Notice of Articles shall be amended to reflect the alterations in Section 2.1(d);
- (f) Each issued and outstanding LVL Class A Share outstanding on the Distribution Record Date (as defined below) shall be exchanged for: (i) one New Common Share; (ii) one a common share of Kobe Common Share, and a common share of GMR Common Share



the holders of the LVL Class A Shares will be removed from the central securities register of LVL as the holders of such and will be added to the central securities register of the LVL as the holders of the number of New Common Shares that they have received on the exchange set forth in this Section 2.1(f), and the Kobe Common Shares and the GMR Common Shares transferred to the then holders of the LVL Class A Shares will be registered in the name of the former holders of the LVL Class A Shares and the Company will provide Kobe and GMR and its registrar and transfer agent notice to make the appropriate entries in the central securities register of Kobe and GMR, respectively;

- (g) all of the issued LVL Class A Shares shall be cancelled with the appropriate entries being made in the central securities register of the LVL, and the aggregate paid-up capital (as that term is used for purposes of the Tax Act of the New Common Shares will be equal to that of the LVL Common Shares immediately prior to the Effective Time less the fair market value of the Kobe Common Shares and GMR Common Shares distributed pursuant to Section 2.1(f) of the Plan of Arrangement;
- (h) the Notice of Articles of the Company shall be amended to reflect the alterations in Section 2.1(f) and Section 2.1(g).
- (i) LVL shall distribute to each LVL Warrantholder the number of Kobe Warrants and GMR Warrants equal to the product of the number of LVL Warrants held (the "Warrant Distribution"), provided that:
  - (i) each Kobe Warrant shall entitle the holder thereof to purchase from Kobe one Kobe Common Share for every LVL Common Share that could be purchased under the LVL Warrant held by such LVL Warrantholder and that each Kobe Warrant will have an exercise price per Kobe Common Share (rounded up to the nearest whole cent) equal to the exercise price of each such LVL Warrant and the same expiry date as the expiry date of such LVL Warrant;
  - (ii) each GMR Warrant shall entitle the holder thereof to purchase from GMR one GMR Common Share for every LVL Common Share that could be purchased under the LVL Warrant held by such LVL Warrantholder and that each GMR Warrant will have an exercise price per GMR Common Share (rounded up to the nearest whole cent) equal to the exercise price of each such LVL Warrant and the same expiry date as the expiry date of such LVL Warrant;
- (j) LVL shall distribute to each LVL Option Holder the number of Kobe Options and GMR Options equal to the product of the number of LVL Options held and the Conversion Factor (the "Option Distribution"), provided that:
  - (i) each Kobe Option shall entitle the holder thereof to purchase from Kobe one Kobe Common Share for every LVL Common Share that could be purchased under the LVL Option held by such LVL Warrantholder and that each Kobe Option will have an exercise price per Kobe Common Share (rounded up to the nearest whole cent) equal to the exercise price of each such LVL Option and the same expiry date as the expiry date of such LVL Option;
  - (ii) each GMR Option shall entitle the holder thereof to purchase from GMR one GMR Common Share for every LVL Common Share that could be purchased under the LVL Option held by such LVL Option Holder and that each GMR Option will have an exercise price per GMR Common Share (rounded up to the nearest whole cent) equal to the exercise price of each such LVL Option and the same expiry date as the expiry date of such LVL Option; and
- (k) All securities of the LVL Subsidiaries held by LVL shall be cancelled for no consideration.

### 3.2 No Fractional Shares or Warrants

- (a) No fractional Kobe Common Shares or GMR Common Shares shall be distributed by LVL to a LVL Shareholder on the Share Distribution. If LVL would otherwise be required to distribute to a LVL Shareholder an aggregate number of Kobe Common Shares or GMR Common Shares, as applicable, that is not a round number, then the number of Kobe Common Shares or GMR Common Shares distributable to that LVL Shareholder shall be rounded down to the next lesser whole number (the "Round Down Provision") and that LVL Shareholder shall not receive any compensation in respect thereof. Notwithstanding the foregoing, if the Round Down Provision would otherwise result in the number of Kobe Common Shares or GMR Common Shares, as applicable, distributable to a particular LVL Shareholder being rounded down from one to nil, then the Round Down Provision shall not apply and LVL shall distribute one Kobe Common Share or one GMR Common Share, as applicable, to that LVL Shareholder.
- (b) No fractional Kobe Warrants or GMR Warrants shall be distributed by LVL to a LVL Warranthead on the Warrant Distribution. If LVL would otherwise be required to distribute to a LVL Warranthead an aggregate number of Kobe Warrants or GMR Warrants, as applicable, that is not a round number, then the number of Kobe Warrants or GMR Warrants distributable to that LVL Warranthead shall be pursuant to the Round Down Provision and that LVL Warranthead shall not receive any compensation in respect thereof. Notwithstanding the foregoing, if the Round Down Provision would otherwise result in the number of Kobe Warrants or GMR Warrants, as applicable, distributable to a particular LVL Warranthead being rounded down from one to nil, then the Round Down Provision shall not apply and LVL shall distribute one Kobe Warrant or one GMR Warrant, as applicable, to that LVL Warranthead.
- (c) No fractional Kobe Options or GMR Options shall be distributed by LVL to a LVL Option Holder on the Option Distribution. If LVL would otherwise be required to distribute to a LVL Option Holder an aggregate number of Kobe Options or GMR Options, as applicable, that is not a round number, then the number of Kobe Options or GMR Options distributable to that LVL Option Holder shall be pursuant to the Round Down Provision and that LVL Option Holder shall not receive any compensation in respect thereof. Notwithstanding the foregoing, if the Round Down Provision would otherwise result in the number of Kobe Options or GMR Options, as applicable, distributable to a particular LVL Option Holder being rounded down from one to nil, then the Round Down Provision shall not apply and LVL shall distribute one Kobe Options or one GMR Options, as applicable, to that LVL Option Holder.

### 3.3 Withholding

- (a) LVL and the LVL Subsidiaries, as the case may be, will be entitled to deduct and withhold from any amount otherwise payable to any LVL Shareholder under this Plan of Arrangement (including any payment to LVL Shareholders exercising Dissent Rights) such amounts as LVL or the LVL Subsidiaries are permitted or required to deduct and withhold with respect to such payment under the Tax Act and the rules and regulations promulgated thereunder, or any provision of any provincial, state, local or foreign tax Law as counsel may advise is permitted or required to be so deducted and withheld by LVL or the LVL Subsidiaries, as the case may be.
- (b) For the purposes of such deduction and withholding: (i) all withheld amounts shall be treated as having been paid to the person in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder; and (ii) such deducted or withheld amounts shall be remitted to the appropriate Authority in the time and manner permitted or required by the applicable Law by or on behalf of LVL or the LVL Subsidiaries, as the case may be.

### 3.4 Post-Effective Date Procedures

Following receipt of the Final Order and prior to the Effective Date, the Parties will forward or cause to be forwarded by the Depository, or otherwise, by registered mail (postage prepaid) or hand delivery to LVL Shareholders as of the Effective Date at the address specified in the register of LVL Shareholders, certificates representing the number of Kobe Common Shares or GMR Common Shares to be delivered to such LVL Shareholder under the Arrangement.

### 3.5 Deemed Fully Paid and Non-Assessable Shares

All Kobe Common Shares and GMR Common Shares issued pursuant hereto shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCBCA.

## ARTICLE 4 DISSENT RIGHTS

### 4.1 Dissent Rights

Subject to section 246 of the BCBCA and the terms, conditions, and restrictions set out in Article 4 of the Plan of Arrangement, there is hereby granted to each registered LVL Shareholder the right (the "Dissent Right"):

- (a) to dissent from the Arrangement Resolution; and
- (b) on the valid exercise of the Dissent Right in accordance with the Dissent Procedures, to be paid the fair market value of the registered LVL Shareholder's LVL Common Shares by LVL, such value to be determined at the close of business on the last Business Day before the day of the Meeting.

### 4.2 Dissent Procedures

A registered LVL Shareholder who wishes to exercise the registered LVL Shareholder's Dissent Right must:

- (a) do so in respect of all LVL Common Shares registered in the name of the registered LVL Shareholder;
- (b) comply with sections 242 and 244 of the BCBCA, as modified below; and
- (c) deliver a written notice of dissent to the office of LVL at Suite 1400 - 400 Burrard Street, Vancouver, B.C., V6C 3A6, at least two Business Days before the day of the Meeting or any adjournment thereof,

(the "Dissent Procedures").

### 4.3 Failure to Comply with Dissent Procedures

Each registered LVL Shareholder who fails to exercise the registered LVL Shareholder's Dissent Right strictly in accordance with the Dissent Procedures will be deemed for all purposes to have:

- (a) failed to exercise the Dissent Right validly, and consequently to have waived the Dissent Right; and
- (b) thereby ceased to be entitled to be paid the fair market value of the registered LVL Shareholder's LVL Common Shares.

### 4.4 Waiver of Dissent Right

Each registered LVL Shareholder who waives or is deemed to waive the registered LVL Shareholder's Dissent Right, or is otherwise for any reason ultimately not entitled to be paid the fair market value of the

LVL Common Shares registered in the name of the registered LVL Shareholder by LVL pursuant to the Dissent Right, shall be deemed to have participated in the Arrangement.

## ARTICLE 5 AMENDMENTS

### 5.1 Amendments

The Parties reserve the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is filed with the Court and, if made following the Meeting, approved by the Court.

### 5.2 Effectiveness of Amendments Made Prior to or at the Meeting

Any amendment, modification or supplement to this Plan of Arrangement may be proposed by any of the Parties at any time prior to or at the Meeting with or without any prior notice or communication, and if so proposed and accepted by the LVL Shareholders voting at the Meeting, shall become part of this Plan of Arrangement for all purposes.

### 5.3 Effectiveness of Amendments Made Following the Meeting

Any amendment, modification or supplement to this Plan of Arrangement may be proposed by any of the Parties after the Meeting but prior to the Effective Time and any such amendment, modification or supplement which is approved by the Court following the Meeting shall be effective and shall become part of the Plan of Arrangement for all purposes.

## ARTICLE 6 FURTHER ASSURANCES

### 6.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur at the time and in the manner set out in this Plan of Arrangement without any further act or formality, LVL and the LVL Subsidiaries shall make, do and execute, or cause to be made, done or executed, all such further acts, deeds, agreements, transfers, assurances, instruments, or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

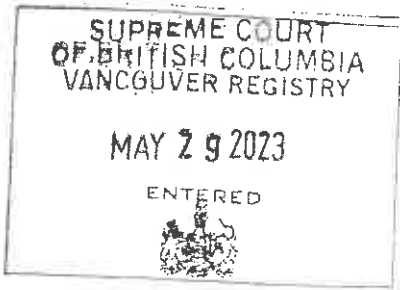
## ARTICLE 7 TERMINATION

### 7.1 Termination

Notwithstanding any prior approvals by the Court or by the LVL Shareholders, the Board of Directors of LVL may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution adopted at the Meeting without further approval of the Court or the LVL Securityholders.

**Schedule "D"**  
**COURT MATERIALS**

See attached Interim Order and Notice of Petition.



No. S233886  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTIONS 288-291 OF THE BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING  
LEVEL 14 VENTURES LTD. AND ITS SHAREHOLDERS AND  
KOBE RESOURCES LTD. AND GREEN MOUNTAIN RESOURCES LTD..

LEVEL 14 VENTURES LTD.

PETITIONER

**ORDER MADE AFTER APPLICATION  
(Interim Order)**

BEFORE ) MASTER **HUGHES** ) May 29, 2023  
 ) )

ON THE APPLICATION of the Petitioner, Level 14 Ventures Ltd. ("**Level**"), without notice coming on for hearing at 800 Smithe Street, Vancouver, British Columbia, on the 29<sup>th</sup> day of May, 2023, and on hearing Michael Lisanti, counsel for the Petitioner, AND UPON READING the Petition herein and the Affidavit #1 of Craig Rollins sworn May 25, 2023 and filed herein;

THIS COURT ORDERS that:

**DEFINITIONS**

- As used in this Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the Notice of Special Meeting of Shareholders (the "**Notice of Meeting**") and Management Information Circular of Level 14 Ventures Ltd. (collectively, the "**Circular**") attached as part of Exhibit "A" to Affidavit #1 of Craig Rollins sworn on May 25, 2023 ("**Rollins Affidavit #1**") and filed herein.

**MEETING**

- Pursuant to Sections 288 through 291 of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "**BCBCA**"), Level is authorized and directed to call, hold and conduct a special meeting (the "**Meeting**") of the holders of common shares in the capital of Level (the "**Level**

**Shareholders**") to be held on **June 22, 2023**, at 10:00 a.m. (**Pacific Time**) at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia, to:

- (a) consider and, if deemed appropriate, to pass a special resolution adopting and approving, with or without variation, the proposed arrangement (the "**Arrangement Resolution**") substantially in the form set out at Exhibit "F" to Rollins Affidavit #1;
  - (b) transact the business set out in the Notice of Meeting; and
  - (c) such other business as may properly come before the Meeting or any adjournment or postponement thereof.
3. The Meeting shall be called, held and conducted in accordance with the BCBCA, the Articles of Association of Level and the Circular subject to the terms of this Interim Order, and any further Order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order.

#### **ADJOURNMENT**

4. Level, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Level Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by press release, news release, newspaper advertisement, or by notice sent to Level Shareholders by one of the methods specified in paragraph 9 of this Interim Order.
5. The Record Date (as defined in paragraph 7 below) shall not change in respect of adjournments or postponements of the Meeting.

#### **AMENDMENTS**

6. Prior to the Meeting, Level is authorized to make such amendments, revisions or supplements to the proposed Arrangement in accordance with the Arrangement Agreement without any additional notice to the Level Shareholders, and the Arrangement as so amended, revised and supplemented shall be the Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

#### **RECORD DATE**

7. The record date for determining the Level Shareholders entitled to receive notice of, attend and vote at the Meeting shall be 5:00 p.m. (Vancouver time) on May 18, 2023 ( the "**Record Date**").

## NOTICE OF MEETING

8. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and Level shall not be required to send to the Level Shareholders any other or additional statement pursuant to Section 290(1)(a) of the BCBCA.
9. The Circular with schedules, form of proxy, and Notice of Hearing of Petition for Final Order (collectively the "**Meeting Materials**"), in substantially the same form as contained in Exhibits "A", "C" and "G" to Rollins Affidavit #1, with such deletions, amendments or additions thereto as counsel for the Petitioner may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be sent to:
  - (a) the Level Shareholders as they appear in the records of Level as at the Record Date, such Meeting Materials to be sent at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmittal and the date of the Meeting, by one or more of the following methods:
    - (i) by prepaid ordinary, first class or air mail addressed to the Level Shareholder at his, her or its address as it appears in the applicable records of Level as at the Record Date;
    - (ii) by delivery in person or by delivery to the addresses specified in paragraph 9(a)(i) above; or
    - (iii) by e-mail or facsimile transmission to any Level Shareholder who identifies himself, herself, or itself to the satisfaction of Level, acting through its representatives, who requests such e-mail or facsimile transmission;
  - (b) the directors, officers, and auditors of Level by personal delivery or by mailing the Meeting Materials by prepaid ordinary mail to such persons at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or transmittal and the date of the Meeting; and
  - (c) to non-registered Level Shareholders (those whose names do not appear in the securities register of Level), by providing the requisite number of copies of the Meeting Materials to intermediaries, and registered nominees for sending to non-registered Level Shareholders in accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators.



and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting.

10. Accidental failure of or omission by Level to give notice to any one or more of the Level Shareholders, or the non-receipt of such notice by one or more Level Shareholders, or any failure or omission to give such notice as a result of events beyond the reasonable control of Level (including, without limitation, any inability to use postal services), shall not constitute a breach of this Interim Order or, in relation to notice to Level Shareholders, a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Level, then Level shall use reasonable best efforts to rectify such failure or omission by the method and in the time most reasonably practicable in the circumstances.

#### **DEEMED RECEIPT OF NOTICE**

11. The Meeting Materials shall be deemed, for the purposes of this Order, to have been received:
  - (a) in the case of mailing, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
  - (b) in the case of delivery in person, the day of personal delivery or the day following delivery to the person's address in paragraph 9 above; and
  - (c) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch.

#### **UPDATING MEETING MATERIALS**

12. Notice of any amendments, updates or supplement to any of the information provided in the Meeting Materials may be communicated to the Level Shareholders by press release, news release, newspaper advertisement or by notice sent to the Level Shareholders by any of the means set forth in paragraph 9 herein, as determined to be the most appropriate method of communication by the Board of Directors of Level.

#### **QUORUM AND VOTING**

13. The quorum required at the Meeting shall be one person entitled to vote at the Meeting whether present in person or by proxy who, in the aggregate, hold or represent one person holding Level Shares entitled to vote at the Meeting in person or represented by proxy.

14. The votes taken at the Meeting shall be taken on the basis of one vote per each Level Share and the vote required to pass the Arrangement Resolution shall be the affirmative vote of at least two-thirds (66⅔%) of the votes cast on the Arrangement Resolution by the Level Shareholders, present in person or represented by proxy at the Meeting.
15. For the purposes of the Meeting, any spoiled votes, illegible votes, defective votes and abstentions shall be deemed not to be votes cast.
16. In all other respects, the terms, restrictions and conditions of the Articles of Level will apply in respect of the Meeting.

#### **PERMITTED ATTENDEES**

17. The only persons entitled to attend the Meeting shall be (i) the Level Shareholders or their respective proxyholders as of the Record Date, (ii) Level's directors, officers, auditors, advisors, and (iii) any other person admitted on the invitation of the Chair, and the only persons entitled to be represented and to vote at the Meeting shall be the Level Shareholders as at the close of business on the Record Date, or their respective proxyholders.

#### **SCRUTINEERS**

18. A representative of Level's registrar and transfer agent, TSX Trust Company (or any agent thereof) is authorized to act as scrutineer for the Meeting.

#### **SOLICITATION OF PROXIES**

19. Level is authorized to use the form of proxy in connection with the Meeting, in substantially the same form as attached as Exhibit "C" to Rollins Affidavit #1, and Level may in its discretion waive generally the time limits for deposit of proxies by the Level Shareholders if Level deems it reasonable to do so. Level is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.
20. The procedure for the use of proxies at the Meeting shall be as set out in the Meeting Materials.

#### **DISSENT RIGHTS**

21. Each registered Level Shareholder shall have the right to dissent in respect of the Arrangement Resolution in accordance with the provisions of sections 237-242 of the BCBCA, as modified by the terms of this Interim Order and the Plan of Arrangement. A beneficial holder of Level Shares

registered in the name of a broker, custodian, nominee or other intermediary who wishes to dissent must make arrangements for the registered Level Shareholder to dissent on behalf of the beneficial holder of Level Shares.

22. In order for a Level Shareholder to exercise such right of dissent under sections 237-242 of the BCBCA:
  - (a) a dissenting Level Shareholder shall deliver a written notice of dissent to Level, c/o DLA Piper (Canada) LLP, Suite 2800-666 Burrard Street, Vancouver BC, V6C 2Z7 Attention: Denis Silva, by 5:00 p.m. (Vancouver time) on June 20, 2023 or, in the event the Meeting is adjourned or postponed, by 5:00 p.m. (Vancouver time) on the last business day that is two full business days preceding the date that the Meeting is reconvened or held;
  - (b) delivery of a notice of dissent does not deprive such dissenting Level Shareholder of its right to vote at the Meeting, however, a vote in favour of the Arrangement Resolution will result in a loss of the dissent right;
  - (c) a vote against the Arrangement Resolution or an abstention shall not constitute the written notice of dissent required under subparagraph (a); and
  - (d) the exercise of such right of dissent must otherwise comply with the requirements of sections 237-247 of the BCBCA, as modified by this Interim Order.
23. The Supreme Court of British Columbia on hearing the application for the Final Order has the discretion to alter the dissent rights described in the Circular based on the evidence presented at such application.
24. Subject to further order of this Court, the rights available to the Level Shareholders under the BCBCA and the Arrangement to dissent from the Arrangement shall constitute full and sufficient rights of dissent for the Level Shareholders with respect to the Arrangement.
25. Notice to the Level Shareholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the BCBCA and the Arrangement, the fair value of their Level Shares shall be given by including information with respect to this right in the Circular to be sent to Level Shareholders in accordance with this Interim Order.

#### **APPLICATION FOR FINAL ORDER**

26. Upon the approval, with or without variation, by the Level Shareholders of the Arrangement, in the manner set forth in this Interim Order, Level may apply to this Court for, *inter alia*, an Order:

- (a) pursuant to BCBCA Section 291(4)(a) approving the Arrangement; and
- (b) pursuant to BCBCA Section 291(4)(c) declaring that the terms and conditions of the Arrangement are fair and reasonable

(together, the “**Final Order**”)

and that the hearing of the Final Order will be held on Tuesday, June 27, 2023 at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. (Pacific Time) or as soon thereafter as the hearing of the Final Order may be heard or at such other date and time as this Court may direct.

- 27. The form of Notice of Hearing of Petition for Final Order attached as Exhibit “G” to Rollins Affidavit #1 is hereby authorized for use for all purposes as the Notice of Hearing required by Rule 16-1 (8).
- 28. Any Level Shareholder or other party affected has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order.
- 29. Any Level Shareholder or other party affected seeking to appear at the hearing of the application for the Final Order shall:
  - (a) file and deliver a Response to Petition pursuant to Rule 16-1 (5) of, and in the form prescribed by, the Supreme Court Civil Rules, and a copy of all materials upon which they intend to rely, to the Petitioners’ solicitors at:

DLA Piper (Canada) LLP  
Suite 2800 - 666 Burrard Street  
Vancouver, B.C. V6C 2Z7  
Attention: Michael Lisanti

Email: [michael.lisanti@ca.dlapiper.com](mailto:michael.lisanti@ca.dlapiper.com)  
Fax: (604) 687-1612

by or before 4:00 p.m. (Vancouver time) on Friday, June 23, 2023 or as the Court may otherwise direct.

- 30. Sending the Notice of Hearing of Petition for Final Order and this Interim Order as herein set out shall constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings. In particular, service of the Petition herein and Rollins Affidavit #1 and additional Affidavits as may be filed, is dispensed with. Upon the written request by, or on behalf of, any Level Shareholder Level shall deliver the Petition and other materials filed herein.

- 31. Additional service of the Notice of Hearing of Petition for Final Order upon the Level Shareholders and any other persons who may wish to appear may be made by Level posting the Circular on the SEDAR website maintained by the Canadian Securities Administrators.
- 32. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered a Response in accordance with this Interim Order need be provided with written notice of the adjourned hearing date and any filed materials.
- 33. Level is at liberty to serve the Notice of Hearing of Petition for Final Order on persons outside the jurisdiction of this Honourable Court in the manner specified in this Interim Order.

**VARIANCE**

- 34. Level, or any other interested party, shall be entitled, at any time, to apply to vary this Interim Order or for such further order or orders as may be appropriate.
- 35. Rules 8-1 and 16-1(8)-(12) of the *Supreme Court Civil Rules* will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



\_\_\_\_\_  
Signature of  lawyer for the Petitioner  
DLA Piper (Canada) LLP (Michael Lisanti)

BY THE COURT

  
\_\_\_\_\_  
REGISTRAR

No. S233886  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTIONS 288-291 OF THE BRITISH  
COLUMBIA *BUSINESS CORPORATIONS ACT*, S.B.C. 2002,  
CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT  
INVOLVING  
LEVEL 14 VENTURES LTD. AND ITS SHAREHOLDERS AND  
KOBE RESOURCES LTD. AND GREEN MOUNTAIN  
RESOURCES LTD..

LEVEL 14 VENTURES.

PETITIONER

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**ORDER MADE AFTER APPLICATION  
(Interim Order)**

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Client Matter No.: 105339-00002

MOL/



No. S233886  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTIONS 288-291 OF THE BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING  
LEVEL 14 VENTURES LTD. AND ITS SHAREHOLDERS AND  
KOBE RESOURCES LTD. AND GREEN MOUNTAIN RESOURCES LTD.

LEVEL 14 VENTURES LTD..

PETITIONER

**NOTICE OF HEARING OF PETITION FOR FINAL ORDER**

TO: The Shareholders, Securityholders, Directors and Auditor of Level 14 Ventures Ltd.

TAKE NOTICE that the petition of the petitioner, dated May 25, 2023 will be heard at the courthouse at 800 Smithe Street, Vancouver, BC V6Z 2E1 on **Tuesday, June 27, 2023**, at 9:45 a.m. or soon thereafter as counsel may be heard.

**1 Date of hearing**

The petition is unopposed, by consent or without notice.

**2 Duration of hearing**

It has been agreed by the parties that the hearing will take 15 minutes.

**3 Jurisdiction**

This matter is not within the jurisdiction of a master.

NOTICE IS HEREBY GIVEN that a Petition has been filed by the Petitioner, Level 14 Ventures Ltd., ("Level"), in the Supreme Court of British Columbia (the "Court") for approval of a plan of arrangement (the "Plan of Arrangement"), pursuant to the *Business Corporations Act*, S.B.C., 2002, c. 57, as amended (the "BCBCA");

AND NOTICE IS FURTHER GIVEN that by an Interim Order of the Court, pronounced May 29, 2023, the Court has given directions as to the calling of a meeting (the "Meeting") the shareholders of Level (the "Level Shareholders"), for the purpose of, *inter alia*, considering, voting upon and approving the Plan of Arrangement;

AND NOTICE IS FURTHER GIVEN that if the Plan of Arrangement is approved at the Meeting, the Petitioner intends to apply to the Court for a final order approving the Plan of Arrangement and for a

determination that the terms of the Plan of Arrangement are procedurally and substantively fair and reasonable (the "**Final Order**"), which application shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on June 27, 2023 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard or at such other date and time as the Court may direct (the "**Final Application**").

AND NOTICE IS FURTHER GIVEN that the Court has been advised that, if granted, the Final Order approving the Plan of Arrangement and the declaration that the Plan of Arrangement is substantively and procedurally fair and reasonable to those who will receive securities of Level, Kobe Resources Ltd. and Green Mountain Resources Ltd. in exchange for their securities of Level in connection with the Plan of Arrangement, will serve as a basis of a claim for the exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, set forth in Section 3(a)(10) thereof with respect to the issuance and exchange of such securities under the proposed Plan of Arrangement.

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Final Application if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition ("**Response**") pursuant to Rule 16-1 of, and in the form prescribed by, the *Supreme Court Civil Rules* and delivered a copy of the filed Response, together with all material on which such person intends to rely at the hearing of the Final Application, including an outline of such person's proposed submissions, to the Petitioner at its address for delivery set out below by or before 4:00 p.m. (Vancouver time) on June 23, 2023.

The Petitioner's address for delivery is:

DLA PIPER (CANADA) LLP  
Barristers & Solicitors  
Suite 2800 - Park Place  
666 Burrard Street,  
Vancouver, B.C. V6C 2Z7

Attention: Michael Lisanti

Fax number: (604) 687-1612

Email address: [michael.lisanti@ca.dlapiper.com](mailto:michael.lisanti@ca.dlapiper.com)

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing and delivering the form of "Response" as aforesaid. You may obtain a form of Response at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION the Court may approve the Plan of Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

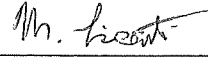
IF YOU DO NOT FILE A RESPONSE and attend either in person or by counsel at the time of such hearing, the Court may approve the Plan of Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Plan of Arrangement is approved, it will significantly affect the rights of the Level Shareholders and securityholders.



A copy of the said Petition and other documents in the proceeding will be furnished to any Level Shareholder or securityholder upon request in writing addressed to the solicitors of the Petitioner at its address for delivery set out above.

May 29, 2023

Dated



Signature of  lawyer for petitioner  
DLA Piper (Canada) LLP (Michael Lisanti)

No. S233886  
Vancouver Registry

IN THE MATTER OF SECTIONS 288-291 OF THE BRITISH  
COLUMBIA *BUSINESS CORPORATIONS ACT*, S.B.C. 2002,  
CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT  
INVOLVING LEVEL 14 VENTURES LTD. AND ITS  
SHAREHOLDERS AND  
KOBE RESOURCES LTD. AND GREEN MOUNTAIN  
RESOURCES LTD..

LEVEL 14 VENTURES LTD.

PETITIONER

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**NOTICE OF HEARING OF PETITION FOR FINAL ORDER**

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**Schedule "E"**  
**DIVISION 2 OF PART 8 OF THE BCBCA**

**Definitions and application**

237 (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

- (c) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (d) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (e) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (f) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

**Right to dissent**

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (c) under section 260, in respect of a resolution to alter the articles
  - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or
  - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;
- (d) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (e) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (f) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

- (g) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (h) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (i) in respect of any other resolution, if dissent is authorized by the resolution;
- (j) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
  - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
  - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
- (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
- (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

### **Waiver of right to dissent**

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

- (a) provide to the company a separate waiver for
  - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
  - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
- (b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to:

- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
- (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

### **Notice of resolution**

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

### **Notice of court orders**

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (d) a copy of the entered order, and
- (e) a statement advising of the right to send a notice of dissent.

**Notice of dissent**

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) ,(a), (b), (c), (d), (e) or (f) must:

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
  - (i) the date on which the shareholder learns that the resolution was passed, and
  - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1)(g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240(2) (b) or (3)(b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company

- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
- (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
- (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
  - (i) the names of the registered owners of those other shares,

- (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
- (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
  - (i) the name and address of the beneficial owner, and
  - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

### **Notice of intention to proceed**

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
  - (i) the date on which the company forms the intention to proceed, and
  - (ii) the date on which the notice of dissent was received, or
- (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1)(a) or (b) of this section must

- (a) be dated not earlier than the date on which the notice is sent,
- (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

### **Completion of dissent**

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- (b) the certificates, if any, representing the notice shares, and
- (c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1)(c) must

- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

- (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
  - (i) the names of the registered owners of those other shares,
  - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
  - (iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

- (a) the dissenter is deemed to have sold to the company the notice shares, and
- (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

### **Payment for notice shares**

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
- (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
- (c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must



- (a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
- (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),

- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
- (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

- (a) the company is insolvent, or
- (b) the payment would render the company insolvent.

#### **Loss of right to dissent**

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;

- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

**Shareholders entitled to return of shares and rights**

247 If, under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

**Schedule “F”  
INFORMATION CONCERNING KOBE RESOURCES LTD.**

The following describes the business of Kobe Resources Ltd. (“**Kobe**”), post-Plan of Arrangement.

**Name, Address and Incorporation**

Kobe was incorporated under the BCBCA on October 25, 2022 and is currently a wholly-owned subsidiary of LVL. Kobe is not currently a reporting issuer and its shares are not listed on any stock exchange. If the Plan of Arrangement is completed, Kobe will be a reporting issuer in British Columbia, Alberta and Ontario, however, Kobe’s shares will not be listed on any stock exchange following completion of the Plan of Arrangement. Kobe does not have any of its securities listed or quoted, and has not applied to list or quote any of its securities, on a U.S. marketplace.

Kobe’s head office and registered and records offices are located at Suite 1400 - 400 Burrard Street, Vancouver, B.C. V6C 3A6.

**Inter-corporate Relationships**

Kobe does not have any subsidiaries.

**Description of Business**

Despite receiving its Free Miner Certificate under the British Columbia *Mineral Tenure Act* on October 25, 2022, which allows Kobe to hold mineral titles in British Columbia, Kobe currently has no material assets and does not conduct any active business. Unless Kobe acquires a mineral title interest prior to completion of the Plan of Arrangement, upon completion of the Plan of Arrangement, Kobe will not have any operations and will not conduct any active business, other than the identification and evaluation of acquisition opportunities to permit Kobe to acquire a business or assets in order to conduct commercial operations. This will likely involve the raising of additional funds in order to carry on its business and to finance an acquisition. Kobe may use cash, bank financing, the issuance of treasury shares, public debt or equity financing or a combination thereof in order to finance its business and an acquisition.

Despite holding a Free Miner Certificate, Kobe has not selected a business sector or industry in which to pursue an acquisition as of the date hereof. Kobe will consider acquisitions of businesses operated or located both inside and outside of Canada. Kobe was only recently incorporated and has no history of earnings.

The success of Kobe is largely dependent upon factors beyond Kobe’s control. See “*Plan of Arrangement - Risk Factors*”.

**Business History**

Kobe was incorporated on October 25, 2022 and does not yet have a business history.

**Dividends**

Any decision to pay dividends on the Kobe Common Shares in the future will be made by the board of directors of Kobe on the basis of the earnings, financial requirements and other conditions existing at such time.

**Annual MD&A of Kobe**

Selected Annual Information

Please see Schedule “G” of this Circular for the audited financial statements of Kobe for the period from incorporation to December 31, 2022.

	<b>As at December 31, 2022</b>
	<b>(\$)</b>
Total Revenue	Nil
Net loss for the period	500
Loss per share	500
Total assets	1
Total long term liabilities	Nil

### Results of Operations

Kobe has no activities since incorporation and thus the results of operations were deemed not meaningful for discussion purposes.

### Liquidity and Capital Resources

Kobe is a start-up company and therefore has no regular source of income. As a result, Kobe's ability to conduct operations is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that Kobe will be able to do so.

### Related Party Transactions

Kobe has no related party transactions.

### Venture Issuers without Significant Revenue

Kobe has not incurred any expenses or costs since incorporation. It is anticipated that following completion of the Plan of Arrangement, LVL will invoice Kobe for its proportionate share of the expenses related to the completion of the Plan of Arrangement.

### **Share Capital of Kobe**

Kobe is authorized to issue an unlimited number of common shares without par value, of which one (1) Kobe Common Share is issued and outstanding as of the date of this Circular. Immediately prior to the Effective Time, LVL will own all of the outstanding Kobe Common Shares.

On completion of the Arrangement, it is anticipated that there will be 9,151,550 Kobe Common Shares, approximately 2,716,600 Kobe Common Shares reserved for issuance on exercise of Kobe Warrants, and approximately 787,500 Kobe Common Shares reserved for issuance on exercise of Kobe Options.

Kobe Shareholders are entitled to one vote for each Kobe Common Share held on all matters to be voted on by Kobe Shareholders. Kobe Shareholders are entitled to receive such dividends as may be declared by the directors of Kobe out of funds legally available for that purpose. Each Kobe Common Share is equal to every other Kobe Common Share and all Kobe Common Shares participate equally on liquidation or distribution of assets. There are no pre-emptive, redemption, purchase or conversion rights attached to the Kobe Common Shares.

### **Prior Sales of Securities of Kobe**

Kobe issued one (1) common share at a price of \$0.025 on incorporation on October 25, 2022.

### **Principal Shareholders of Kobe**

As at the date of this Circular, to the knowledge of Kobe's directors and executive officers, the only persons who, or corporations or other entities which, will beneficially own, or control or direct, directly or indirectly, Kobe Common Shares carrying 10% or more of the voting rights attaching to all issued and outstanding Kobe Common Shares, following completion of the Plan of Arrangement, are:

<b>Name of Shareholder</b>	<b>Number Kobe Common Shares Owned</b>	<b>Percentage of Outstanding Shares<sup>(1)</sup></b>
Marcel de Groot	985,190	10.8%
Marianne De Witt	1,197,730	13.1%
David De Witt	3,400,000	37.2%
Pathway Capital Ltd. <sup>(2)</sup>	20,000	0.2%

(1) Based on 9,151,550 Kobe Common Shares issued and outstanding.

(2) Pathway Capital Ltd. is a company owned by Messrs. De Witt and de Groot.

### Directors and Executive Officers of Kobe

The following table sets out the names of the current and proposed directors and officers of Kobe, the municipalities of residence of each, all offices currently held by each of them, their principal occupations within the five preceding years, the period of time for which each has been a director or executive officer of Kobe, and the number and percentage of Kobe Common Shares to be beneficially owned by each, directly or indirectly, or over which control or direction will be exercised, upon completion of the Plan of Arrangement.

<b>Name, Province, Country of Residence, and Position(s) with the Company</b>	<b>Principal Occupation, Business, or Employment for Last Five Years</b>	<b>Date First Appointed as a Director</b>	<b>Number of Kobe Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly, Immediately Following the Completion of the Arrangement<sup>(1)</sup></b>	<b>Percentage of Kobe Common Shares Issued and Outstanding Immediately Following the Completion of the Arrangement<sup>(3)</sup></b>
Marcel de Groot <sup>(2)</sup> British Columbia, Canada <i>CEO, CFO and Director</i>	Founder and President of Pathway Capital Ltd.; director of Sandbox Royalties; formerly director of Equinox Gold, Solaris Copper and Galiano Gold	October 25, 2022	985,190	10.8%
Hayley Thomasen <sup>(2)</sup> London, United Kingdom <i>Independent Director</i>	Founder of a metals and mining-focused venture capital and consultancy firm based in London; former Investment Analyst at Orion Resource Partners (UK) LLP	Proposed	559,100	6.1%
Christopher Cooper <sup>(2)</sup> British Columbia, Canada <i>Independent Director</i>	Counterpath Corporation, Director; Canadian Towers & Fiber Optics Inc., CEO	Proposed	10,700	0.1%

(1) The information as to the number of Kobe Common Shares (being the only voting securities of the Company) beneficially owned, or controlled or directed, directly or indirectly, is as of the Record Date, and has been furnished to LVL and Kobe by the respective nominees individually.

(2) Member or proposed of the Audit Committee of the Company.

(3) Based on 9,151,550 Kobe Common Shares issued and outstanding.

Upon the completion of the Arrangement, it is expected that the directors and executive officers of Kobe as a group, will beneficially own, directly or indirectly, or exercise control or direction over an aggregate of approximately

1,556,990 Kobe Common Shares, representing approximately 16.99% of the issued Kobe GMR Common Shares, assuming no LVL Warrants are exercised prior to the Effective Time.

### **Management of Kobe**

The following is a description of the individuals who will be directors and officers of Kobe following the completion of the Plan of Arrangement:

#### *Marcel de Groot, Age 50 – President, CEO and Director*

Marcel de Groot co-founded Pathway Capital Ltd., a Vancouver-based venture capital company, in September 2004. Mr. de Groot has extensive public company experience. Mr. de Groot has extensive public company experience and has served as a director of various successful public companies including Equinox Gold, Solaris Copper, Esperanza Resources and Underworld Resources. Mr. de Groot holds a Bachelor of Commerce degree from the University of British Columbia and is a Chartered Professional Accountant with the Chartered Professional Accountants of British Columbia.

#### *Hayley Thomasen, Age 38 – Director*

Hayley Thomasen founded Pathway Ventures UK Ltd., a metals and mining-focused venture capital and consultancy firm based in London, UK in 2018. Previously, she was an Investment Analyst at Orion Resource Partners (UK) LLP and has held various positions as an exploration geologist in Canada. Ms. Thomasen holds a graduate degree in Economic Geology from the University of Arizona, where she received the Newmont Scholar and SEG Foundation Graduate Student Fellowship, a BSC in EOSC (Geology) from the University of British Columbia, and a BA from McGill University. She is a holder of the Global ESG Competent Boards Designation (GCB.D), the Institute of Corporate Directors Director Designation (ICD.D), and the Investment Management Certificate (IMC), awarded by the CFA Society of the UK. Ms. Thomasen is currently a director of Sun Peak Metals Corp and Sandbox Royalties.

#### *Christopher Cooper, Age 51 – Director*

Mr. Cooper has over 20 years of business experience in various aspects of corporate development, senior management, finance and operations, in both the private and public sectors. Mr. Cooper received a B.A. from Hofstra University and an M.B.A. from Dowling College, both in New York State. Mr. Cooper has over 17 years of experience in management and finance in the oil and gas industry and other business sectors and has experience raising funds through brokered and non-brokered equity issues, as well as debt financings for various companies in which he has been involved. His experience includes implementing growth strategies, financial reporting, quarterly and annual budgets and overseeing corporate administration, while achieving company objectives and maintaining internal cost controls. Mr. Cooper has been a director of several private and public companies over the last 20 years.

### ***Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

#### Corporate Cease Trade Orders

Other than as set forth below, to the knowledge of the Company, no proposed director of the Company is, as at the date of this Circular, or within ten years prior to the date of this Circular has been, a director, chief executive officer or chief financial officer of any company (including the Company or personal holding companies of any proposed director) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer

or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

From February of 2004 until March of 2012, Mr. Cooper served as a director of Copacabana Capital Limited, a company traded on the TSXV, a financial services company incorporated under the laws of and managed in Bermuda. The BCSC issued an order on May 9, 2006 and the ASC issued an order on September 13, 2006 that Copacabana Capital Limited be cease traded due to failure to file certain financial information. Copacabana Capital Limited remains under the cease trade orders as at the date of this Circular.

Mr. Cooper is also the President and CEO of Reparo Energy Partners Corp., formerly Northern Sun Exploration Company Inc., a company traded on the TSXV. On December 23, 2008, trading in the common shares of this company was halted for failure to maintain a transfer agent, but trading of common shares on the TSXV resumed on December 23, 2008. The BCSC issued an order on March 11, 2009 and the ASC issued an order on March 6, 2009, that Reparo Energy Partners Corp. be cease traded due to failure to file certain financial information and it remains under the cease trade orders as at the date of this Circular. In August 2008, Reparo Energy Partners Corp. filed for protection under the *Bankruptcy and Insolvency Act* (British Columbia) and as at August 2009, the restructuring proposal had been fully performed.

Mr. Cooper was the President and CEO of Aroway Energy Inc., a company traded on the TSXV. A management cease trade order was issued by the BCSC on October 29, 2015 against Cooper and Aroway Energy Inc. for failing to file the Company's annual audited financial statements and related management's discussion and analysis. A second cease trade order was issued by the BCSC on January 4, 2016 against Aroway Energy Inc. for failing to file its annual audited financial statements, interim financial report and related management's discussion and analysis. Both cease trade orders remain in effect as at the date of this Circular.

Mr. Cooper was a director of StartMonday Technology Corp., a company traded on the CSE. A cease trade order was issued by the BCSC on May 1, 2019 against StartMonday Technology Corp., Mr. Cooper and another insider of StartMonday Technology Corp. for failing to file the Company's annual audited financial statements, interim financial report and related management's discussion and analysis. StartMonday Technology Corp. was subsequently delisted while the management cease trade order remains in effect.

#### Penalties or Sanctions

To the knowledge of the Company, no proposed director or personal holding companies of any proposed director of the Company:

- (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### Personal Bankruptcies

Except as set out in this Circular, to the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Circular, or within ten years prior to the date of this Circular has been, a director or executive officer of any company (including the Company or personal holding companies of any proposed director) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) has, within ten years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Executive Compensation of Kobe**

For the period from Kobe's incorporation to the date of this Circular, no compensation was paid to any of the officers or directors of Kobe. Following the completion of the Plan of Arrangement, it is anticipated that Kobe's directors and executive officers will not receive compensation until such time as Kobe completes a transaction that results in it commencing commercial operations.

Each director will be entitled to participate in any security-based compensation arrangement or other plan adopted by Kobe from time to time with the approval of the Kobe board of directors. The executive officers and directors will be reimbursed for expenses incurred on Kobe's behalf.

The board of directors of Kobe periodically review the adequacy and form of the compensation of directors and executive officers and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and executive officer, and to report and make recommendations to the board of directors of Kobe accordingly.

The proposed executive officers of Kobe (the "**Executive Officers**") will be:

Marcel de Groot – Chief Executive Officer and Chief Financial Officer

Kobe does not have an employment contract with any of its Executive Officers pursuant to which the Executive Officers will be compensated for their services as executive officers of Kobe.

### **Indebtedness of Directors and Executive Officers of Kobe**

There is no indebtedness owing to Kobe from any of its Executive Officers or directors or any former director or executive officer or any associate of such person, including indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Kobe or a subsidiary of Kobe.

### **Corporate Governance**

#### ***Kobe Board of Directors***

The board of directors of Kobe is currently comprised of three directors, of which two are independent within the meaning of 'independent' in section 1.4 of NI 52-110. The independent directors are Hayley Thomasen and Christopher Cooper. The Chief Executive Officer and Chief Financial Officer of Kobe, Marcel de Groot, is not independent by virtue of being an executive officer of Kobe. In order to facilitate independent judgment, members of the board of directors of Kobe recuse themselves from the discussion of and voting on any matters of Kobe which may be perceived to place them in a conflict of interest.

Certain of Kobe's directors are directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions, as set out below.

<b>Name of Director of the Company</b>	<b>Names of Other Reporting Issuer</b>	<b>Stock Exchange</b>
Marcel de Groot	Drummond Ventures Corp.	TSXV
Hayley Thomasen	Sun Peak Metals Corp.	TSXV
Christopher Cooper	Sweet Earth Holdings Corp.	Exchange



Name of Director of the Company	Names of Other Reporting Issuer	Stock Exchange
	Coloured Ties Capital Inc.	TSXV
	New Leaf Ventures Inc.	Exchange
	Manning Ventures Inc.	Exchange
	Alpha Lithium Corporation	TSXV
	Savannah Minerals Corp..	TSXV
	Planet Ventures Inc.	TSXV
	Reparo Energy Partners Corp.	NEX
	Global Helium Corp.	Exchange

### ***Orientation and Continuing Education***

Each new director is briefed in respect of the nature of Kobe's business, its corporate strategy, and current issues within Kobe. New directors are also required to meet with management of Kobe to discuss and better understand Kobe's business and are given the opportunity to meet with counsel to Kobe to discuss their legal obligations as directors of Kobe.

### ***Ethical Business Conduct***

The board of directors of Kobe has found that the fiduciary duties placed on individual directors by Kobe's governing corporate legislation and the common law have been sufficient to ensure that it operates independently of management and in the best interests of Kobe.

### ***Nomination of Directors***

Directors are responsible for identifying qualified individuals to become new members of the board of directors of Kobe and recommending new director nominees for the next annual meeting of Kobe Shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to Kobe, the ability to devote the time required, shown support for Kobe's mission and strategic objectives, and a willingness to serve.

### ***Compensation***

The board of directors of Kobe will conduct compensation reviews with regard to the compensation of directors and the Chief Executive Officer of Kobe once a year. In making its compensation recommendations, the board will take into account the types and amount of compensation paid to directors and Chief Executive Officers of comparable Canadian companies. During the recently completed financial year, Kobe has not paid any compensation to the Chief Executive Officer or to directors and does not anticipate doing so following completion of the Plan of Arrangement.

### ***Audit Committee***

The board of directors of Kobe has no committees other than Kobe's audit committee. Kobe's audit committee consists of Marcel de Groot, Hayley Thomasen and Christopher Cooper. Hayley Thomasen and Christopher Cooper are "Independent" and all members of the audit committee are "Financially Literate", as such terms are defined in NI 52-110. Marcel de Groot, Chief Executive Officer and Chief Financial Officer, is not independent by virtue of being a member of Kobe's management.

The form of the Kobe Audit Committee Charter is attached as [Exhibit 2](#) to this Schedule "F". Kobe is relying on the exemption set forth in section 6.1 of NI 52-110.

### *Assessments*

The Kobe board of directors has no formal process in place to assess the effectiveness of the board, its committees and individual members. However, through the regular interaction between members of the Kobe board of directors, the board satisfies itself that the board, its committees and individual members are performing effectively.

### **Risk Factors**

#### *Nature of the Securities and No Assurance of any Listing*

Kobe Common Shares are not currently listed on any stock exchange and there is no assurance that the Kobe Common Shares will be listed. Even if a listing is obtained, the holding of Kobe Common Shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Kobe Common Shares should not be held by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of Kobe should not constitute a major portion of an investor's portfolio.

#### *Possible Non-Completion of Arrangement*

There is no assurance that the Arrangement will receive regulatory, court or shareholder approval or will complete. If the Arrangement does not complete, Kobe will remain a private company. If the Arrangement is completed, Kobe Shareholders (which will consist of shareholders who receive Kobe Common Shares) will be subject to the risk factors described below relating to resource properties.

#### *Limited Operating History*

Kobe currently has no material assets and does not conduct any active business. Unless Kobe acquires a mineral title interest prior to completion of the Plan of Arrangement, upon completion of the Plan of Arrangement, Kobe will not have any operations and will not conduct any active business, other than the identification and evaluation of acquisition opportunities to permit Kobe to acquire a business or assets in order to conduct commercial operations. This will likely involve the raising of additional funds in order to carry on its business and to finance an acquisition. Kobe may use cash, bank financing, the issuance of treasury shares, public debt or equity financing or a combination thereof in order to finance its business and an acquisition.

#### *Substantial Capital Requirements and Liquidity*

It is anticipated Kobe will make substantial capital expenditures for the acquisition, exploration, development and production of natural resources in the future. Kobe may have limited ability to expend the capital necessary to undertake or complete its projects or to fulfill the Company's obligations under any applicable agreements. There can be no assurance that debt or equity financing, or cash generated by operations, will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require Kobe to alter its capitalization significantly. The inability of Kobe to access sufficient capital for its operations could have a material adverse effect on Kobe's financial condition, results of operations or prospects.

#### *Speculative Nature of Mineral Exploration*

Resource exploration, development, and operations are highly speculative and characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not mitigate or eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimately developed into producing mines.

Mining investments are also subject to the risks normally associated with any conduct of business, including uncertain political and economic environments, war, terrorism and civil disturbances, changes in laws or policies of particular countries (including those relating to imports, exports, duties and currency), cancellation or renegotiation of contracts, royalty and tax increases or other claims by government entities (including retroactive claims), risk of loss due to disease and other potential endemic health issues, risk of expropriation and nationalization, delays in obtaining or the inability to obtain or maintain necessary governmental permits, currency fluctuations, import and export regulations (including restrictions on the export of gold or other minerals) and increased financing costs.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Kobe will rely in part upon consultants and others for exploration, development, construction and operating expertise.

No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection.

The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in Kobe not receiving an adequate return on invested capital. Kobe will carefully evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Property and any other properties Kobe may acquire or its operations. Such restrictions may have a material adverse effect on Kobe 's business and results of operation.

### ***Dilution***

Kobe Common Shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Kobe Common Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, Kobe will issue additional Kobe Common Shares from time to time pursuant to the options to purchase Kobe Common Shares issued from time to time by the Board.

### ***Permits and Government Regulations***

The future operations of Kobe may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that Kobe will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities a mineral property, once acquired. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. There is no assurance that future changes to existing laws and regulations will not impact Kobe. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have material adverse impact on Kobe and cause increases in capital expenditures or require abandonment or delays in development of new mining properties.

***Environmental Risks***

All phases of the natural resource business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Kobe may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development, and production.

Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. Legislation may also require that facility sites and mines be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of tailings or other pollutants into the air, soil or water may give rise to liabilities to domestic or foreign governments and third parties and may require Kobe to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect Kobe's financial condition, results of operations or prospects.

To the extent Kobe is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on Kobe. If Kobe is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on Kobe.

In addition, certain types of operations may require the submission and approval of environmental impact assessments to be conducted before permits can be obtained and there can be no assurances that Kobe will be able to obtain or maintain all necessary permits that may be required for operations to be conducted at economically justifiable costs. The cost of compliance has the potential to reduce the profitability of operations by increasing costs and delaying production.

Governments at all levels may be moving towards enacting legislation to address climate change concerns, such as requirements to reduce emission levels and increase energy efficiency, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Where legislation has already been enacted, such regulations may become more stringent, which may result in increased costs of compliance. There is no assurance that compliance with such regulations will not have an adverse effect on Kobe's results of operations and financial condition. Furthermore, given the evolving nature of the debate related to climate change and resulting requirements, it is not possible to predict the impact on Kobe results of operations and financial condition.

***Reliance on Key Individuals***

Kobe's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in Kobe's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on Kobe.

***Key Person Insurance***

Kobe does not maintain key person insurance on any of its directors or officers, and as result Kobe would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by Kobe from such loss of any director or office

***Uninsurable Risks***

In the course of exploration, development and production of mineral properties, certain risks may occur, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased exploration costs, damage to, or destruction of, mineral properties or facilities used for exploration and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on company property, and punitive awards in connection with those claims and other liabilities. It is not always possible to fully insure against such risks and Kobe may decide not to take out insurance against such risks as a result of high premiums or other reasons.

Liabilities that Kobe incurs may exceed the policy limits of insurance coverage or may not be covered by insurance, in which event Kobe could incur significant costs that could adversely impact Kobe's business, operations, potential profitability or value. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage Kobe's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to us. These could include loss or forfeiture of mineral interests or other assets for nonpayment of fees or taxes, significant tax liabilities in connection with any tax planning effort Kobe might undertake and legal claims for errors or mistakes by Kobe's personnel. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Kobe Common Shares.

### ***Aboriginal Title and Land Claims***

Properties that may be owned or optioned by Kobe in the future, may be the subject of First Nations land claims. The legal nature of Aboriginal and Indigenous land claims is a matter of considerable complexity. The impact of any such claim on Kobe's ownership interest in the properties optioned or owned by Kobe cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of Aboriginal and Indigenous rights in the area in which the properties optioned or purchased by Kobe are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on Kobe's activities.

Even in the absence of such recognition, Kobe may at some point be required to negotiate with First Nations in order to facilitate exploration and development work on the properties optioned or owned by Kobe.

On June 26, 2014, the Supreme Court of Canada (the "SCC") released the decision of *Tsilhqot'in Nation v. British Columbia* (the "**William Decision**"), pursuant to which the SCC upheld First Nations' claim to Aboriginal title and rights over a large area of land in central British Columbia, including rights to decide how the land will be used, occupancy and economic benefits. The court ruling held that while the provincial government had the constitutional authority to regulate certain activity on Aboriginal title lands, it had not adequately consulted with the Tsilhqot'in. The SCC also held that provincial laws of general application apply to land held under Aboriginal title if the laws are not unreasonable, impose no undue hardship, and do not deny the Aboriginal title holders their preferred means of exercising their rights. The William Decision has potential application with respect to Aboriginal land claims in British Columbia, the province in which the Property is located. While Kobe will endeavour to manage its operations within the existing legal framework while paying close attention to the direction provided by the applicable provincial regulatory authorities and First Nations regarding the application of this ruling, the risks and uncertainties remain consistent with those referenced herein.

### ***Competition***

The mining industry is intensely competitive in all its phases. Kobe competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than Kobe. The competition in the mineral exploration and development business could have an adverse effect on Kobe's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

***Management***

The success of Kobe is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on Kobe's business and prospects. There is no assurance Kobe can maintain the services of its directors, officers or other qualified personnel required to operate its business.

***Financing Risks***

Kobe has no history of significant earnings and, due to the nature of its business, there can be no assurance that Kobe will be profitable. Kobe has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to Kobe is through the sale of its securities. Even if the results of exploration are encouraging, Kobe may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by Kobe. While Kobe may generate additional working capital through further equity offerings or through the sale or possible syndication of the property owned by Kobe, there is no assurance that any such funds will be available. At present it is impossible to determine what amounts of additional funds, if any, may be required.

***Resale of Kobe Common Shares***

The continued operation of Kobe will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If Kobe is unable to generate such revenues or obtain such additional financing, any investment in Kobe may be lost. In such event, the probability of resale of the Kobe Common Shares purchased would be diminished.

***Price Volatility of Publicly Traded Securities***

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Kobe Common Shares will be subject to market trends generally, notwithstanding any potential success of Kobe in creating revenues, cash flows or earnings.

There is currently no public trading market for the Kobe Common Shares. If a market does not continue to develop or is not sustained, it may be difficult to sell Kobe Common Shares at an attractive price or at all. Kobe cannot predict the prices at which its Kobe Common Shares will trade.

***Risks Relating to the Kobe Common Shares***

Securities of microcap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. If the Kobe Common Shares are listed, the price of the Kobe Common Shares is also likely to be significantly affected by short-term changes in gold or other mineral prices or in Kobe's financial condition or results of operations.

Other factors unrelated to Kobe's performance that may affect the price of the Kobe Common Shares include the following: the extent of analytical coverage available to investors concerning Kobe's business may be limited if investment banks with research capabilities do not follow Kobe; lessening in trading volume and general market interest in the Kobe Common Shares may affect an investor's ability to trade significant numbers of Common Kobe Shares; the size of Kobe's public float may limit the ability of some institutions to invest in Kobe Common Shares; and a substantial decline in the price of the Kobe Common Shares that persists for a significant period of time could cause the Kobe Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Kobe Common Shares at any given point in time may not accurately reflect Kobe's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Kobe may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Kobe Common Shares may affect the pricing of the Kobe Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Kobe Common Shares. The market price of the Kobe Common Shares is affected by many other variables which are not directly related to the success of Kobe and are, therefore, not within Kobe's control. These include other developments that affect the market for all resource sector securities, the breadth of the public market for Kobe's Kobe Common Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Kobe Common Shares is expected to make the Share price volatile in the future, which may result in losses to investors.

### ***Shortages of Critical Parts, Equipment and Skilled Labour***

Kobe's ability to acquire critical resources such as input commodities, drilling equipment, tires and skilled labour in the future due to increased worldwide demand, may cause unanticipated cost increases and delays in delivery times, thereby impacting capital expenditures and exploration schedules.

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

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with Kobe. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia). Some of the directors and officers of Kobe are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to Kobe and their duties to the other companies on whose boards they serve, the directors and officers of Kobe have agreed to the following:

- Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
- No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to Kobe except on the same or better terms than the basis on which they are offered to third party participants.

### ***Principal Shareholders***

On completion of the Plan of Arrangement, four shareholders of Kobe, being Marianne De Witt, David De Witt, Marcel de Groot and Pathway Capital own approximately 61.30% of the issued and outstanding Kobe Common Shares. Further, Marcel de Groot and David De Witt own Pathway Capital Ltd., a corporation which provides management services to Kobe and is the registered holder of 20,000 Common Shares.

Accordingly, each of these shareholders will be in a position to exert significant influence on the corporate actions that Kobe may take, particularly when shareholder approval is required. These shareholders' controlling interests could have the effect of delaying or preventing a change of control of Kobe or entrenching the Board or management, which could conflict with the interests of the other shareholders and, consequently, could adversely affect the market price of Kobe's securities.

### ***Claims and Legal Proceedings***

Kobe may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including claims relating to ex-employees. These matters may give rise to legal uncertainties or have unfavourable results. Kobe will carry liability insurance coverage and mitigate risks that can be reasonably

estimated. In addition, Kobe may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact Kobe's financial position, cash flow and results of operations.

### ***Local Resident Concerns***

Exploration, development and mining of a mineral property in the future could be subject to resistance from local residents that could either prevent or delay exploration and development of such property.

### ***Tax Issues***

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of Kobe.

### ***Dividends***

Kobe does not anticipate paying any dividends on the Kobe Common Shares in the foreseeable future.

### **Legal Proceedings and Regulatory Actions**

To the best of Kobe's knowledge, following due enquiry there are no legal proceedings or regulatory actions material to Kobe to which Kobe is a party, or has been a party since its incorporation. To the best of Kobe's knowledge, following due enquiry there have been no penalties or sanctions imposed against Kobe by a court relating to federal, state, provincial and territorial Securities Legislation or by a securities regulatory authority since Kobe's incorporation, nor have there been any other penalties or sanctions imposed by a court or regulatory body against Kobe and it has not entered into any settlement agreements before a court relating to provincial and territorial Securities Legislation or with a securities regulatory authority.

### **Interest Of Management And Others In Material Transactions**

No director, executive officer or greater than 10% shareholder of Kobe and no associate or affiliate of the foregoing persons has or had any material interest, direct or indirect, in any transaction since incorporation or in any proposed transaction which in either such case has materially affected or will materially affect Kobe save as described herein.

### **Promoter**

Level 14 Ventures Ltd. ("LVL") took initiative in founding and organizing Kobe and, accordingly, may be considered to be a promoter of Kobe. The number and percentage of Kobe Common Shares beneficially owned or controlled, directly or indirectly, by LVL, and the nature and amount of anything of value, including money, property, contracts, options or rights of any kind, received or to be received by LVL directly or indirectly from Kobe, are set out in this Circular.

### **Auditors, Transfer Agent and Registrar**

Kobe's auditors are Dale Matheson Carr-Hilton Labonte LLP, having an address at #1500 – 1140 West Pender Street, Vancouver, BC V6E 4G1.

The transfer agent and registrar for the Kobe Common Shares is TSX Trust at its office in Vancouver, British Columbia.



**Interest of Experts**

The audited financial statements of each of the Spinout Entities included in Schedules “F” through “G” of this Circular have been included in reliance upon the report of Dale Matheson Carr-Hilton Labonte LLP, also included herein, and upon the authority of such firm as experts in accounting and auditing.

Dale Matheson Carr-Hilton Labonte LLP, are independent of Kobe within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

**Material Contracts**

The only agreements or contracts that Kobe will be a party to and which may be reasonably regarded as being currently material to Kobe are:

- (a) The Arrangement Agreement dated May 25, 2023 made between LVL and each of the Spinout Entities as described under “The Plan of Arrangement” in this Circular; and
- (b) The Transfer Agency and Registrarship Agreement to be dated on or about June 30, 2023 between Kobe and TSX Trust Company.

A copy of any material contract or report may be inspected at any time up to the commencement of the Meeting during normal business hours at Kobe’s registered office.

**Schedule "G"**  
**KOBE RESOURCES LTD. – AUDITED FINANCIAL STATEMENTS**

# **Kobe Resources Ltd.**

## **FINANCIAL STATEMENTS**

**Period from Incorporation on  
October 25, 2022 to December 31, 2022**

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP  
 CHARTERED PROFESSIONAL ACCOUNTANTS

# Independent Auditor's Report

To the Shareholders of Kobe Resources Ltd.

## Opinion

We have audited the financial statements of Kobe Resources Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2022, and the statements of loss and comprehensive loss, changes in shareholder's deficiency and cash flows for the period from incorporation on October 25, 2022 to December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the period from incorporation on October 25, 2022 to December 31, 2022 in accordance with International Financial Reporting Standards.

## Basis for Opinion

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

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that a material uncertainty exists that may cause significant doubt on the Corporation'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 International Financial Reporting Standards, 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.

### Vancouver

1500 - 1140 West Pender St.  
 Vancouver, BC V6E 4G1  
 604.687.4747

### Surrey

200 - 1688 152 St.  
 Surrey, BC V4A 4N2  
 604.531.1154

### Tri-Cities

700 - 2755 Lougheed Hwy  
 Port Coquitlam, BC V3B 5Y9  
 604.941.8266

### Victoria

320 - 730 View St.  
 Victoria, BC V8W 3Y7  
 250.800.4694

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*DMCL*

DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, BC

May 30, 2023

**KOBE RESOURCES LTD.**  
STATEMENT OF FINANCIAL POSITION  
(Expressed in Canadian dollars)

AS AT		December 31, 2022
<b>ASSETS</b>	<b>Note</b>	<b>\$</b>
<b>Current</b>		
Cash		1
<b>Total assets</b>		<b>1</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities		8,000
Due to parent company	6	500
<b>Total liabilities</b>		<b>8,500</b>
<b>SHAREHOLDER'S DEFICIENCY</b>		
Share capital	5(b)	1
Deficit		(8,500)
<b>Total shareholder's deficiency</b>		<b>(8,499)</b>
<b>Total liabilities and shareholder's deficiency</b>		<b>1</b>

Nature of operations and going concern (Note 1)

Approved by the Board of Directors on May 30, 2023:

"Marcel de Groot"

*Director*

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

**KOBE RESOURCES LTD.**  
STATEMENT OF LOSS AND COMPREHENSIVE LOSS  
(Expressed in Canadian dollars)

Period from incorporation on  
October 25, 2022 to December 31, 2022  
\$

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<b>Expenses</b>	
General and administrative	500
Professional fees	8,000
<hr/>	
<b>Loss and comprehensive loss for the period</b>	<b>8,500</b>
<hr/>	
<b>Loss per share</b>	
Basic and diluted	8,500
<hr/>	
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>1</b>

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

**KOBE RESOURCES LTD.**

## STATEMENT OF CHANGES IN SHAREHOLDER'S DEFICIENCY

(Expressed in Canadian dollars)

	Share capital	Share capital	Deficit	Total
		\$	\$	\$
<b>Balance, Incorporation date, October 25, 2022</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
Loss for the period	-	-	(8,500)	(8,500)
<b>Balance, December 31, 2022</b>	<b>1</b>	<b>-</b>	<b>(8,500)</b>	<b>(8,499)</b>

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



**KOBE RESOURCES LTD.**

## STATEMENT OF CASH FLOWS

(Expressed in Canadian dollars)

For the period from incorporation on  
October 25, 2022 to December 31, 2022  
\$

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<b>Cash flows used in:</b>	
<b>Operating activities</b>	
Net loss	(8,500)
Changes in non-cash working capital:	
Due to parent company	500
Accounts payable and accrued liabilities	8,000
	-
<b>Financing activities</b>	
Issuance of share	1
	1
<b>Net change for the period</b>	1
Cash - beginning of period	-
<b>Cash - end of period</b>	1

---

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

# **KOBE RESOURCES LTD.**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON OCTOBER 25, 2022 TO DECEMBER 31, 2022

(Expressed in Canadian dollars unless otherwise stated)

## **1. Nature of operations and going concern**

### *Nature of operations*

Kobe Resources Ltd. (the “Company” or “Kobe”) was incorporated under the British Columbia *Business Corporations Act* on October 25, 2022 and is a subsidiary of Level 14 Ventures Ltd. (“Level 14”). The principal business of the Company is the exploration and evaluation of mining properties.

The head office and registered records office address of the Company is located at Suite 1400, 400 Burrard Street, Vancouver, BC, V6C 3A6.

### *Going Concern*

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to generate positive cash flows from its operations. At December 31, 2022, the Company had not yet achieved profitable operations, had an accumulated deficit of \$8,500 since inception, and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

## **2. Basis of presentation and significant accounting policies**

### *Statement of compliance*

The financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the interpretations issued by the IFRS Interpretations Committee (“IFRIC”).

The financial statements were authorized for issuance by the Board of Directors on May 30, 2023.

### *Basis of Presentation*

These financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value, as explained in the accounting policies set out below. The financial statements are presented in Canadian Dollars, which is also the Company’s functional currency

### *Cash*

Cash comprises deposits in banks that are readily convertible into a known amount of cash.

## **KOBE RESOURCES LTD.**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON OCTOBER 25, 2022 TO DECEMBER 31, 2022

(Expressed in Canadian dollars unless otherwise stated)

### **2. Basis of presentation and significant accounting policies (continued)**

#### *Financial instruments*

Financial Instruments are accounted for in accordance with IFRS 9 Financial instruments: Classification and Measurement. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The following table shows the classification under IFRS 9:

<b>Financial assets/ liabilities</b>	<b>Classification</b>
Cash	Amortized cost
Due to parent	Amortized cost

#### Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

#### Impairment of financial assets

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company’s receivables.

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

#### Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable, due to shareholder, and convertible debentures are classified under other financial liabilities and carried on the statement of financial position at amortized cost.

## **KOBE RESOURCES LTD.**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON OCTOBER 25, 2022 TO DECEMBER 31, 2022

(Expressed in Canadian dollars unless otherwise stated)

### **2. Basis of presentation and significant accounting policies (continued)**

#### *Financial instruments (continued)*

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

#### *Loss per share*

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants, RSUs, and similar instruments outstanding that may add to the total number of common shares. As at December 31, 2022, the Company's diluted loss per share does not include the effect of stock options, warrants and RSUs as they are anti-dilutive.

#### *Income taxes*

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## **KOBE RESOURCES LTD.**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON OCTOBER 25, 2022 TO DECEMBER 31, 2022

(Expressed in Canadian dollars unless otherwise stated)

### **3. Significant accounting judgments**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Company's significant accounting judgments have been applied in these financial statements:

#### *Judgments*

- The Company's ability to continue as a going concern involves critical judgement based on historical experience. Significant judgements are used in the Company's assessment of its ability to continue as a going concern which is described in Note 1.

Management makes judgments related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities

### **4. Income taxes**

A reconciliation of expected income tax recovery to the actual income tax recovery is as follows:

	<b>Period from incorporation on October 25, 2022 to December 31, 2022</b>
	<b>\$</b>
Net loss before income taxes	(8,500)
Statutory income tax rate	27.00%
Income tax recovery	2,295
Tax effect of net deferred tax assets not recognized	(2,295)
Total income tax recovery	-

#### *Unrecognized Deferred Income Tax Asset*

Deferred tax assets are recognized for the carry-forward or unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the unused tax losses/credits can be utilized. The Company has the following deferred tax assets and liabilities that have not been included on the statement of financial position.

	<b>December 31, 2022</b>
	<b>\$</b>
Non-capital losses	2,295
Unrecognized deferred tax asset	(2,295)
Net deferred income tax assets	-

## **KOBE RESOURCES LTD.**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON OCTOBER 25, 2022 TO DECEMBER 31, 2022

(Expressed in Canadian dollars unless otherwise stated)

### **4. Income taxes (continued)**

The Company's deductible temporary differences are estimated as follows:

	<b>December 31, 2022</b>	<b>Expiry date</b>
	<b>\$</b>	
Non-capital loss carry-forward	8,500	2042

### **5. Share Capital**

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding:

On October 25, 2022, the sole director of the Company was issued one share for consideration of \$0.025.

As of December 31, 2022, there was 1 common share of the Company outstanding.

### **6. Related party transactions**

Related parties of the Company include the members of the board of directors, officers of the Company and close family members of these individuals. In addition, companies controlled by these individuals are also related parties of the Company.

Key management personnel consist of officers and directors of the Company. No compensation was paid to key management personnel in the period from incorporation on October 25, 2022 to December 31, 2022.

As of December 31, 2022, there was \$500 owed to Level 14. The loan is currently interest-free and due on demand.

## **KOBE RESOURCES LTD.**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON OCTOBER 25, 2022 TO DECEMBER 31, 2022

(Expressed in Canadian dollars unless otherwise stated)

### **7. Financial instruments and risk management**

As at December 31, 2022, the Company's financial instruments consist of cash and due to parent company. The Company classifies cash as a financial asset held at amortized cost. The Company classifies due to parent company as financial liabilities, and these are held at amortized cost. The fair value of all of the Company's financial instruments approximates their carrying value.

All of the Company's financial instruments are considered to be Level 1 within the fair value hierarchy (as discussed below).

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

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

The Company determined that the carrying values of its short-term financial asset and liability approximate the corresponding fair value because of the relatively short term nature to maturity of these instruments.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the period from Incorporation on October 25, 2022 to December 31, 2022.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial asset is cash. Credit risk is assessed as low.

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings. Liquidity risk is assessed as high.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation and until December 31, 2022; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

### **8. Capital management**

In the management of capital, the Company includes the components of shareholder's deficiency. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral projects for the benefit of its stakeholders. As the Company is in the exploration stage, it has no income from operations, and its principal source of funds is from the issuance of its common shares.

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, enter into joint venture arrangements, or dispose of assets. The Company's investment practice is to invest its excess cash in highly liquid short-term interest-bearing investments selected with regards to expected timing of its expenditures. The Company is not subject to any externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged for the period.

**Schedule “H”**  
**INFORMATION CONCERNING GREEN MOUNTAIN RESOURCES LTD.**

The following describes the business of Green Mountain Resources Ltd. (“GMR”), post-Plan of Arrangement.

**Name, Address And Incorporation**

GMR was incorporated under the BCBCA on April 9, 2020 under the name “1246931 B.C. Ltd.” and changed its name to “Green Mountain Resources Ltd.” on February 24, 2023. GMR is currently a wholly-owned subsidiary of LVL. Other than the name change, no material amendments have been made to GMR’s articles or other constating documents since its incorporation.

GMR is not currently a reporting issuer and its shares are not listed on any stock exchange. If the Plan of Arrangement is completed, GMR will be a reporting issuer in British Columbia, Alberta and Ontario, however, GMR’s shares will not be listed on any stock exchange following completion of the Plan of Arrangement. GMR does not have any of its securities listed or quoted, and has not applied to list or quote any of its securities, on a U.S. marketplace.

GMR’s head office and registered and records offices are located at Suite 1400 - 400 Burrard Street, Vancouver, B.C. V6C 3A6.

**Intercorporate Relationships**

GMR currently has no subsidiaries.

**Description of Business**

The principal business carried on and intended to be carried on by GMR is mineral exploration, focusing initially on the exploration and development of the Green Mountain Property. GMR will continue to consider other opportunities to acquire and explore mining claims as they arise.

GMR owns the Green Mountain Property, which is located in the Province of British Columbia and consists of 3 contiguous Mineral Titles Online digitally registered mineral tenures. The claims comprising the property were staked on behalf of GMR on April 17, 2020, and then transferred to GMR on September 24, 2020. See “*General Description of the Business – History of GMR*” and “*Material Property*”.

**History of the GMR**

GMR was incorporated under the BCBCA on April 9, 2020. The claims comprising the property were staked on behalf of GMR on April 17, 2020, and then transferred to GMR on September 24, 2020. On October 14, 2020, LVL acquired GMR and on October 22, 2020, GMR issued 33,333 common shares to LVL on a “flow-through” basis at a price of \$3.00 per common share for aggregate consideration of \$100,000.

Beginning in May 2020, GMR performed exploration work with respect to the Green Mountain Property. See “*Material Property*”.

**Stated Business Objectives**

GMR’s Green Mountain Property is in the exploration stage. GMR intends to use its available funds to carry out the Phase II of the exploration program for the Green Mountain Property, which is budgeted for \$177,050 as follows:

Activity	Scope	Cost (\$CDN)
IP survey	21 Line Km of IP, Soil	\$91,800.00
Field Crews-Soil Samples		\$10,000.00
Assaying		\$17,500.00



Activity	Scope	Cost (\$CDN)
Drill and IP Permits	Sampling, Drill & IP Permits	\$57,500.00
Shipping and transport		\$250.00
<b>Grand Total</b>		<b>\$177,050.00</b>

The following proposed budget shows Phase II surveys designed to provide additional soil sample coverage and initial induced polarization surveys over soil anomalies and hydrothermal alteration on the east and west sides of Green Mountain Road. The total budget excludes any provision for corporate support services and activities.

### **Competitive Conditions**

GMR competes with other entities in the search for and acquisition of mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources, GMR may be unable to acquire attractive properties in the future on terms it considers acceptable. GMR also competes for financing with other resource companies, many of whom have more advanced properties. There is no assurance that additional capital or other types of financing will be available to GMR if needed or that, if available, the terms of such financing will be favourable to GMR. See “*Risk Factors*”.

### **Business Cycle**

GMR is an exploration and evaluation stage company, focused on mining. As a result, prices of mineral and other metals will have a direct impact on its business. Declining prices can, for example, impact operations by requiring a re-assessment of the feasibility of a particular project, and they can also impact GMR’s ability to raise capital. See “*Risk Factors*”.

### **Environmental Policies**

GMR will conduct its activities in accordance with high environmental standards, including compliance with environmental laws, policies and regulations.

### **Material Property- The Green Mountain Property**

The Green Mountain Property is located in the southern interior region of British Columbia, approximately 250 km east of Vancouver, and 20 km southwest of the city of Penticton. The Green Mountain Property lies at the eastern end of the historic Hedley mining camp, which hosts past producing gold mines, including the Mascot, Nickel Plate and French mines. Access to the Green Mountain Property is provided via the paved Green Mountain and Apex Mountain roads, which respectively traverse the central and northern parts of the Green Mountain Property. Networks of variably maintained unpaved roads provide good access to the remainder of the Green Mountain Property. The claims are approximately centered at latitude 49°23’47” N, longitude 119°50’10” W or, in the local North American Datum 83 (NAD 83) coordinate system, Zone 11N, at 294402E, 5475621N, on National Topographic System (NTS) Map Sheet 082E/05.

The Green Mountain Property is the subject of a NI 43-101 compliant report entitled “*NI 43-101 Technical Report on the Green Mountain Property*” prepared by Darwin Green, M.Sc. P.Geo. with an effective date of May 25, 2023. The information in this Circular with respect to the Green Mountain Property is derived from the Technical Report.

A summary of the Technical Report containing the relevant technical disclosure on the Green Mountain Property is attached as Schedule “J” to this Circular. For readers to fully understand the technical information in this Circular, they should read the Technical Report in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this Circular. The Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in the Technical Report is subject to the assumptions and qualifications contained in the report.

The full text of the Technical Report is available for review at the registered office of GMR at Suite 1400 – 400 Burrard Street, Vancouver BC V6C 3A6 and if the proposed Arrangement is approved, will also be accessible online, under GMR’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### GMR Selected Financial Information

The following tables set out selected financial information from GMR’s audited financial statements for years ended December 31, 2021 and December 31, 2022 that are appended as Schedule “J” to the Circular. All currency amounts are stated in Canadian dollars. All currency amounts are stated in Canadian dollars and the financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

	As at December 31, 2022 (\$)	As at December 31, 2021 (\$)
Current assets	41,712	58,652
Total assets	52,284	69,224
Total liabilities .	74,440	52,499
GMR Shareholders' equity	(22,156)	16,725

	As at December 31, 2022 (\$)	As at December 31, 2021 (\$)
Operating income	Nil	Nil
Net loss and comprehensive loss	(38,881)	(36,600)
Net loss per share (based and diluted)	0.34	0.36

### Description of the GMR Common Shares

The authorized capital of GMR consists of an unlimited number of common shares. On completion of the Arrangement, it is anticipated that there will be 9,259,884 common shares (the "**GMR Common Shares**") outstanding (assuming no GMR Warrants are exercised prior to the Effective Time), approximately 2,716,600 GMR Common Shares reserved for issuance on exercise of GMR Warrants, and approximately 787,500 GMR Common Shares reserved for issuance on exercise of GMR Options.

### Dividend Policy

GMR has not paid dividends since its incorporation. GMR currently intends to retain all available funds, if any, for use in its business and does not anticipate paying any dividends for the foreseeable future.

### Voting and Other Rights

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

### Consolidated Capitalization

There have not been any material changes in the share and loan capital of GMR since December 31, 2022. For further information, see the balance sheet of GMR in its audited financial statements for the years ended December 31, 2022 and December 31, 2022, appended as Schedule "I" to the Circular.

### Options And Other Rights To Purchase Shares

The board of directors of GMR (the "**GMR Board**") has adopted an equity incentive plan (the "**GMR Plan**"). The purpose of the GMR Plan is to allow GMR to grant awards to directors, officers, employees and consultants, as

additional compensation, and as an opportunity to participate in the success of GMR. The granting of such awards is intended to align the interests of such persons with that of the shareholders.

No awards have been granted under the GMR Plan or otherwise since incorporation. As the date hereof, there is no current market for the GMR Common Shares. As such, the market value of the GMR Common Shares underlying the GMR Options has not been determined.

The full text of the GMR Plan is available for viewing at GMR's offices at Suite 1400 - 400 Burrard Street, Vancouver, B.C. V6C 3A6.

### **Prior Sales**

GMR issued one (1) incorporator GMR Share on April 9, 2020 for aggregate consideration of \$0.05 and 75,000 GMR Shares on a "flow-through" basis on April 20, 2020 for aggregate consideration of \$75,000, all of which were acquired by LVL on October 14, 2020 for \$1.00 per GMR Share. On October 22, 2020, GMR also issued 33,333 GMR Shares to LVL on a "flow-through" basis at a price of \$3.00 per GMR Share for aggregate consideration of \$100,000.

### **Escrowed Securities And Securities Subject To Contractual Restriction On Transfer**

There are no GMR Common Shares currently held in escrow or that are subject to a contractual restriction on transfer. On completion of the Arrangement, no GMR Common Shares will be held in escrow by the Transfer Agent.

### **Resale Restrictions**

See "Canadian Securities Laws and Resale of Securities" in the Circular.

There is currently no market through which the GMR Common Shares may be sold and, unless the GMR Common Shares are listed on a stock exchange, Shareholders may not be able to resell the GMR Common Shares.

### **Principal Securityholders**

As at the date of this Circular, to the knowledge of GMR's directors and executive officers, the only persons who, or corporations or other entities which, will beneficially own, or control or direct, directly or indirectly, GMR Common Shares carrying 10% or more of the voting rights attaching to all issued and outstanding GMR Common Shares, following completion of the Plan of Arrangement, are:

<b>Name of Shareholder</b>	<b>Number GMR Common Shares Owned</b>	<b>Percentage of Outstanding Shares<sup>(1)</sup></b>
Marcel de Groot	985,190	10.8%
Marianne De Witt	1,197,730	13.1%
David De Witt	3,400,000	37.2%
Pathway Capital Ltd. <sup>(2)</sup>	2,0000	0.2%

(1) Based on 9,259,884 GMR Common Shares issued and outstanding.

(2) Pathway Capital Ltd. is a company owned by Messrs. De Witt and de Groot.

### **Directors And Officers**

The following table sets out the names of the current and proposed directors and officers of GMR, the municipalities of residence of each, all offices currently held by each of them, their principal occupations within the five preceding years, the period of time for which each has been a director or executive officer of GMR, and the number and percentage of GMR Common Shares to be beneficially owned by each, directly or indirectly, or over which control or direction will be exercised, upon completion of the Plan of Arrangement.

Name, Province, Country of Residence, and Position(s) with the Company	Principal Occupation, Business, or Employment for Last Five Years	Date First Appointed as a Director	Number of GMR Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly, Immediately Following the Completion of the Arrangement <sup>(1)</sup>	Percentage of GMR Common Shares Issued and Outstanding Immediately Following the Completion of the Arrangement <sup>(3)</sup>
Marcel de Groot <sup>(2)</sup> British Columbia, Canada <i>CEO, CFO and Director</i>	Founder and President of Pathway Capital Ltd.; director of Sandbox Royalties; formerly director of Equinox Gold, Solaris Copper and Galiano Gold	October 25, 2022	985,190	10.64%
Hayley Thomasen <sup>(2)</sup> London, United Kingdom <i>Independent Director</i>	Founder of a metals and mining-focused venture capital and consultancy firm based in London; former Investment Analyst at Orion Resource Partners (UK) LLP	Proposed	559,100	6.04%
Christopher Cooper <sup>(2)</sup> British Columbia, Canada <i>Independent Director</i>	Counterpath Corporation, Director; Canadian Towers & Fiber Optics Inc., CEO	Proposed	10,700	0.12%

<sup>(1)</sup> The information as to the number of GMR Common Shares (being the only voting securities of the Company) beneficially owned, or controlled or directed, directly or indirectly, is as of the Record Date, and has been furnished to LVL and Kobe by the respective nominees individually.

<sup>(2)</sup> Member or proposed of the Audit Committee of the Company.

<sup>(3)</sup> Based on 9,259,884 Kobe Common Shares issued and outstanding.

Upon the completion of the Arrangement, it is expected that the directors and executive officers of GMR as a group, will beneficially own, directly or indirectly, or exercise control or direction over an aggregate of approximately 1,554,990 GMR Common Shares, representing approximately 16.79% of the issued GMR Common Shares, assuming no LVL Warrants are exercised prior to the Effective Time.

The principal occupations of each of the proposed directors and executive officers of GMR within the past five years are disclosed in the brief biographies set forth below.

*Marcel de Groot, Age 50 – President, CEO and Director*

Marcel de Groot co-founded Pathway Capital Ltd., a Vancouver-based venture capital company, in September 2004. Mr. de Groot has extensive public company experience. Mr. de Groot has extensive public company experience and has served as a director of various successful public companies including Equinox Gold, Solaris Copper, Esperanza Resources and Underworld Resources. Mr. de Groot holds a Bachelor of Commerce degree from the University of British Columbia and is a Chartered Professional Accountant with the Chartered Professional Accountants of British Columbia.

*Hayley Thomasen, Age 38 – Director*

Hayley Thomasen founded Pathway Ventures UK Ltd., a metals and mining-focused venture capital and consultancy firm based in London, UK in 2018. Previously, she was an Investment Analyst at Orion Resource Partners (UK) LLP and has held various positions as an exploration geologist in Canada. Ms. Thomasen holds a graduate degree in Economic Geology from the University of Arizona, where she received the Newmont Scholar and SEG Foundation Graduate Student Fellowship, a BSC in EOSC (Geology) from the University of British Columbia, and a BA from

McGill University. She is a holder of the Global ESG Competent Boards Designation (GCB.D), the Institute of Corporate Directors Director Designation (ICD.D), and the Investment Management Certificate (IMC), awarded by the CFA Society of the UK. Ms. Thomasen is currently a director of Sun Peak Metals Corp and Sandbox Royalties.

*Christopher Cooper, Age 51 – Director*

Mr. Cooper has over 20 years of business experience in various aspects of corporate development, senior management, finance and operations, in both the private and public sectors. Mr. Cooper received a B.A. from Hofstra University and an M.B.A. from Dowling College, both in New York State. Mr. Cooper has over 17 years of experience in management and finance in the oil and gas industry and other business sectors and has experience raising funds through brokered and non-brokered equity issues, as well as debt financings for various companies in which he has been involved. His experience includes implementing growth strategies, financial reporting, quarterly and annual budgets and overseeing corporate administration, while achieving company objectives and maintaining internal cost controls. Mr. Cooper has been a director of several private and public companies over the last 20 years.

***Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

Corporate Cease Trade Orders

Other than as set forth below, to the knowledge of the Company, no proposed director of the Company is, as at the date of this Circular, or within ten years prior to the date of this Circular has been, a director, chief executive officer or chief financial officer of any company (including the Company or personal holding companies of any proposed director) that:

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

From February of 2004 until March of 2012, Mr. Cooper served as a director of Copacabana Capital Limited, a company traded on the TSXV, a financial services company incorporated under the laws of and managed in Bermuda. The BCSC issued an order on May 9, 2006 and the ASC issued an order on September 13, 2006 that Copacabana Capital Limited be cease traded due to failure to file certain financial information. Copacabana Capital Limited remains under the cease trade orders as at the date of this Circular.

Mr. Cooper is also the President and CEO of Reparo Energy Partners Corp., formerly Northern Sun Exploration Company Inc., a company traded on the TSXV. On December 23, 2008, trading in the common shares of this company was halted for failure to maintain a transfer agent, but trading of common shares on the TSXV resumed on December 23, 2008. The BCSC issued an order on March 11, 2009 and the ASC issued an order on March 6, 2009, that Reparo Energy Partners Corp. be cease traded due to failure to file certain financial information and it remains under the cease trade orders as at the date of this Circular. In August 2008, Reparo Energy Partners Corp. filed for protection under the *Bankruptcy and Insolvency Act* (British Columbia) and as at August 2009, the restructuring proposal had been fully performed.

Mr. Cooper was the President and CEO of Aroway Energy Inc., a company traded on the TSXV. A management cease trade order was issued by the BCSC on October 29, 2015 against Cooper and Aroway Energy Inc. for failing to file the Company's annual audited financial statements and related management's discussion and analysis. A second cease trade order was issued by the BCSC on January 4, 2016 against Aroway Energy Inc. for failing to file its annual audited financial statements, interim financial report and related management's discussion and analysis. Both cease trade orders remain in effect as at the date of this Circular.

Mr. Cooper was a director of StartMonday Technology Corp., a company traded on the CSE. A cease trade order was issued by the BCSC on May 1, 2019 against StartMonday Technology Corp., Mr. Cooper and another insider of StartMonday Technology Corp. for failing to file the Company's annual audited financial statements, interim financial report and related management's discussion and analysis. StartMonday Technology Corp. was subsequently delisted while the management cease trade order remains in effect.

#### Penalties or Sanctions

To the knowledge of the Company, no proposed director or personal holding companies of any proposed director of the Company:

- (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### Personal Bankruptcies

Except as set out in this Circular, to the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Circular, or within ten years prior to the date of this Circular has been, a director or executive officer of any company (including the Company or personal holding companies of any proposed director) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within ten years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

#### **Indebtedness of Directors, Executive Officers and Senior Officers**

There is and has been no indebtedness of any director, executive officer or senior officer or associate of any of them, to or guaranteed or supported by GMR during the period from incorporation.

#### **STATEMENT OF EXECUTIVE COMPENSATION**

##### **Compensation Discussion and Analysis**

GMR has not yet developed a compensation program. GMR anticipates that it will adopt a compensation program that reflects its stage of development, the main elements of which are expected to be comprised of base salary, option-based awards and annual cash incentives, which elements are similar to those paid by LVL and described in the Circular.

##### **Summary Compensation**

The board of directors of GMR will conduct compensation reviews with regard to the compensation of directors and the Chief Executive Officer of GMR once a year. In making its compensation recommendations, the board will take into account the types and amount of compensation paid to directors and Chief Executive Officers of comparable

Canadian companies. During the recently completed financial year, GMR has not paid any compensation to the Chief Executive Officer or to directors and does not anticipate doing so following completion of the Plan of Arrangement.

The GMR Board has adopted the GMR Plan. The GMR Plan will allow for the granting of incentive stock options to its officers, employees and directors. The purpose of granting such options would be to assist GMR in compensating, attracting, retaining and motivating the directors of GMR and to closely align the personal interests of such persons to that of the shareholders of GMR.

#### **Option-Based Awards**

The purpose of the GMR Plan is to allow GMR to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of GMR. The granting of such options is intended to align the interests of such persons with that of the shareholders. The GMR Plan, once implemented, will be used to provide awards which will be awarded based on the recommendations of the directors of GMR, taking into account the level of responsibility of such person, as well as his or her past impact on or contribution to, and/or his or her ability in future to have an impact on or to contribute to the longer-term operating performance of GMR. In determining the number of awards to be granted, the GMR Board will take into account the number of awards, if any, previously granted, and the exercise price of any outstanding awards to ensure that such grants are in accordance with the policies of the Exchange and to closely align the interests of such person with the interests of shareholders. The GMR Board will determine the vesting provisions of all award grants.

#### **Outstanding Option-Based Awards**

Upon completion of the Arrangement, GMR will have 787,500 Kobe Common Shares reserved for issuance on exercise of Kobe Options.

#### **Incentive Plan Awards**

GMR does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to its Named Executive Officers. Other than the GMR Options that the Named Executive Officers will receive on completion of the Arrangement, GMR has made no option-based or share-based awards to any of its Named Executive Officers.

#### **Pension Plan Benefits**

GMR does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

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

GMR has no employment contracts between it and either of its Named Executive Officers. Further, it has no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of GMR or its subsidiaries, if any, or a change in responsibilities of a Named Executive Officer following a change of control. GMR will consider entering into contracts with its Named Executive Officers following completion of the Arrangement.

#### **Defined Benefit or Actuarial Plan Disclosure**

GMR has no defined benefit or actuarial plans.

#### **Director Compensation**

GMR currently has no arrangements, standard or otherwise, pursuant to which directors are compensated by GMR for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert since its incorporation and up to and including the date of the Circular.

## Aggregate Options Exercised and Option Values

No stock options have been granted by GMR or exercised since the date of its incorporation.

## AUDIT COMMITTEE AND CORPORATE GOVERNANCE

### Audit Committee

GMR will appoint an audit committee (the "**GMR Audit Committee**") following the completion of the Arrangement. Each member of the GMR Audit Committee to be appointed will have adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by GMR's financial statements.

It is intended that the GMR Audit Committee will establish a practice of approving audit and non-audit services provided by the external auditor. The GMR Audit Committee intends to delegate to its Chair the authority, to be exercised between regularly scheduled meetings of the GMR Audit Committee, to pre-approve audit and non-audit services provided by the independent auditor. All such preapprovals would be reported by the Chair at the meeting of the GMR Audit Committee next following the pre-approval.

The charter to be adopted by the GMR Audit Committee is expected to be substantially similar to that of LVL's Audit Committee charter, which is appended to the Circular as Schedule "A".

To date, GMR has paid no fees to its external auditor.

### Corporate Governance

#### *Board of Directors*

The board of directors of GMR will be comprised of three directors, of which two will be independent within the meaning of "independent" in section 1.4 of NI 52-110. The independent directors are Hayley Thomasen and Christopher Cooper. The Chief Executive Officer and Chief Financial Officer of GMR, Marcel de Groot, is not independent by virtue of being an executive officer of GMR. In order to facilitate independent judgment, members of the board of directors of GMR recuse themselves from the discussion of and voting on any matters of GMR which may be perceived to place them in a conflict of interest.

Certain of GMR's directors are directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions, as set out below.

<b>Name of Director of the Company</b>	<b>Names of Other Reporting Issuer</b>	<b>Stock Exchange</b>
Marcel de Groot	Drummond Ventures Corp.	TSXV
Hayley Thomasen	Sun Peak Metals Corp.	TSXV
Christopher Cooper	Sweet Earth Holdings Corp.	Exchange
	Coloured Ties Capital Inc.	TSXV
	New Leaf Ventures Inc.	Exchange
	Manning Ventures Inc.	Exchange
	Alpha Lithium Corporation	TSXV
	Savannah Minerals Corp..	TSXV



Name of Director of the Company	Names of Other Reporting Issuer	Stock Exchange
	Planet Ventures Inc.	TSXV
	Reparo Energy Partners Corp.	NEX
	Global Helium Corp.	Exchange

#### *Orientation and Continuing Education*

Each new director is briefed in respect of the nature of GMR's business, its corporate strategy, and current issues within GMR. New directors are also required to meet with management of GMR to discuss and better understand GMR's business and are given the opportunity to meet with counsel to GMR to discuss their legal obligations as directors of GMR.

#### *Ethical Business Conduct*

The board of directors of GMR has found that the fiduciary duties placed on individual directors by GMR's governing corporate legislation and the common law have been sufficient to ensure that it operates independently of management and in the best interests of GMR.

#### *Nomination of Directors*

Directors are responsible for identifying qualified individuals to become new members of the board of directors of GMR and recommending new director nominees for the next annual meeting of GMR Shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to GMR, the ability to devote the time required, shown support for GMR's mission and strategic objectives, and a willingness to serve.

#### *Compensation*

The board of directors of GMR will conduct compensation reviews with regard to the compensation of directors and the Chief Executive Officer of GMR once a year. In making its compensation recommendations, the board will take into account the types and amount of compensation paid to directors and Chief Executive Officers of comparable Canadian companies. During the recently completed financial year, GMR has not paid any compensation to the Chief Executive Officer or to directors and does not anticipate doing so following completion of the Plan of Arrangement.

#### *Other Board Committees*

Other than the GMR Audit Committee, it is not anticipated that GMR will have any additional board committees immediately following the completion of the Arrangement. The GMR Board may, however, establish additional committees after the completion of the Arrangement, depending on the needs of GMR.

#### *Assessments*

The GMR board of directors has no formal process in place to assess the effectiveness of the board, its committees and individual members. However, through the regular interaction between members of the GMR board of directors, the board satisfies itself that the board, its committees and individual members are performing effectively.

#### **Risk Factors**

In addition to the other information contained in the Circular, the following factors should be considered carefully when considering risk related to GMR's proposed business.

***Nature of the Securities and No Assurance of any Listing***

GMR Common Shares are not currently listed on any stock exchange and there is no assurance that the GMR Common Shares will be listed. Even if a listing is obtained, the holding of GMR Common Shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. GMR Common Shares should not be held by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of GMR should not constitute a major portion of an investor's portfolio.

***Possible Non-Completion of Arrangement***

There is no assurance that the Arrangement will receive regulatory, court or shareholder approval or will complete. If the Arrangement does not complete, GMR will remain a private company. If the Arrangement is completed, GMR Shareholders (which will consist of Shareholders who receive GMR Common Shares) will be subject to the risk factors described below relating to resource properties.

***Limited Operating History***

GMR was incorporated on April 9, 2020 and has a limited operating history and no operating revenues.

***Dependence on Management***

GMR will be very dependent upon the personal efforts and commitment of its directors and officers. If one or more of GMR's proposed executive officers become unavailable for any reason, a severe disruption to the business and operations of GMR could result, and GMR may not be able to replace them readily, if at all. As GMR's business activity grows, GMR will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that GMR will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If GMR is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on GMR's future cash flows, earnings, results of operations and financial condition.

***No History of Earnings***

GMR has no history of earnings or of a return on investment, and there is no assurance that any property or business that GMR may acquire or undertake will generate earnings, operate profitably or provide a return on investment in the future. GMR has no plans to pay dividends for some time in the future. The future dividend policy of GMR will be determined by the GMR Board.

***Substantial Capital Requirements and Liquidity***

It is anticipated GMR will make substantial capital expenditures for the acquisition, exploration, development and production of natural resources in the future. GMR may have limited ability to expend the capital necessary to undertake or complete its projects or to fulfill the Company's obligations under any applicable agreements. There can be no assurance that debt or equity financing, or cash generated by operations, will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require GMR to alter its capitalization significantly. The inability of GMR to access sufficient capital for its operations could have a material adverse effect on GMR's financial condition, results of operations or prospects.

***Speculative Nature of Mineral Exploration***

Resource exploration, development, and operations are highly speculative and characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not mitigate or eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimately developed into producing mines.

Mining investments are also subject to the risks normally associated with any conduct of business, including uncertain political and economic environments, war, terrorism and civil disturbances, changes in laws or policies of particular countries (including those relating to imports, exports, duties and currency), cancellation or renegotiation of contracts, royalty and tax increases or other claims by government entities (including retroactive claims), risk of loss due to disease and other potential endemic health issues, risk of expropriation and nationalization, delays in obtaining or the inability to obtain or maintain necessary governmental permits, currency fluctuations, import and export regulations (including restrictions on the export of gold or other minerals) and increased financing costs.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. GMR will rely in part upon consultants and others for exploration, development, construction and operating expertise.

No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection.

The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in GMR not receiving an adequate return on invested capital. GMR will carefully evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Property and any other properties GMR may acquire or its operations. Such restrictions may have a material adverse effect on GMR 's business and results of operation.

### ***Dilution***

GMR Common Shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into GMR Common Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, GMR will issue additional GMR Common Shares from time to time pursuant to the options to purchase GMR Common Shares issued from time to time by the Board.

### ***Permits and Government Regulations***

The Property and the future operations of GMR may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that GMR will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities a mineral property, once acquired. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. There is no assurance that future changes to existing laws and regulations will not impact GMR. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have material adverse impact on

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

### ***Environmental Risks***

All phases of the natural resource business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. GMR may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development, and production.

Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. Legislation may also require that facility sites and mines be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of tailings or other pollutants into the air, soil or water may give rise to liabilities to domestic or foreign governments and third parties and may require GMR to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect GMR's financial condition, results of operations or prospects.

To the extent GMR is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on GMR. If GMR is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on GMR.

In addition, certain types of operations may require the submission and approval of environmental impact assessments to be conducted before permits can be obtained and there can be no assurances that GMR will be able to obtain or maintain all necessary permits that may be required for operations to be conducted at economically justifiable costs. The cost of compliance has the potential to reduce the profitability of operations by increasing costs and delaying production.

Governments at all levels may be moving towards enacting legislation to address climate change concerns, such as requirements to reduce emission levels and increase energy efficiency, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Where legislation has already been enacted, such regulations may become more stringent, which may result in increased costs of compliance. There is no assurance that compliance with such regulations will not have an adverse effect on GMR's results of operations and financial condition. Furthermore, given the evolving nature of the debate related to climate change and resulting requirements, it is not possible to predict the impact on GMR results of operations and financial condition.

### ***Reliance on Key Individuals***

GMR's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in GMR's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on GMR.

### ***Key Person Insurance***

GMR does not maintain key person insurance on any of its directors or officers, and as result GMR would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by GMR from such loss of any director or office

### *Uninsurable Risks*

In the course of exploration, development and production of mineral properties, certain risks may occur, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased exploration costs, damage to, or destruction of, mineral properties or facilities used for exploration and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on company property, and punitive awards in connection with those claims and other liabilities. It is not always possible to fully insure against such risks and GMR may decide not to take out insurance against such risks as a result of high premiums or other reasons.

Liabilities that GMR incurs may exceed the policy limits of insurance coverage or may not be covered by insurance, in which event GMR could incur significant costs that could adversely impact GMR's business, operations, potential profitability or value. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage GMR's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to us. These could include loss or forfeiture of mineral interests or other assets for nonpayment of fees or taxes, significant tax liabilities in connection with any tax planning effort GMR might undertake and legal claims for errors or mistakes by GMR's personnel. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the GMR Common Shares.

### *Aboriginal Title and Land Claims*

The Property, and properties that may be owned or optioned by GMR in the future, may be the subject of First Nations land claims. The legal nature of Aboriginal and Indigenous land claims is a matter of considerable complexity. The impact of any such claim on GMR's ownership interest in the properties optioned or owned by GMR cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of Aboriginal and Indigenous rights in the area in which the properties optioned or purchased by GMR are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on GMR's activities.

Even in the absence of such recognition, GMR may at some point be required to negotiate with First Nations in order to facilitate exploration and development work on the properties optioned or owned by GMR. On June 26, 2014, the Supreme Court of Canada (the "SCC") released the decision of *Tsilhqot'in Nation v. British Columbia* (the "**William Decision**"), pursuant to which the SCC upheld First Nations' claim to Aboriginal title and rights over a large area of land in central British Columbia, including rights to decide how the land will be used, occupancy and economic benefits. The court ruling held that while the provincial government had the constitutional authority to regulate certain activity on Aboriginal title lands, it had not adequately consulted with the Tsilhqot'in. The SCC also held that provincial laws of general application apply to land held under Aboriginal title if the laws are not unreasonable, impose no undue hardship, and do not deny the Aboriginal title holders their preferred means of exercising their rights. The William Decision has potential application with respect to Aboriginal land claims in British Columbia, the province in which the Property is located. While GMR will endeavour to manage its operations within the existing legal framework while paying close attention to the direction provided by the applicable provincial regulatory authorities and First Nations regarding the application of this ruling, the risks and uncertainties remain consistent with those referenced herein.

### *Competition*

The mining industry is intensely competitive in all its phases. GMR competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than GMR. The competition in the mineral exploration and development business could have an adverse effect on GMR's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

***Management***

The success of GMR is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on GMR's business and prospects. There is no assurance GMR can maintain the services of its directors, officers or other qualified personnel required to operate its business.

***Financing Risks***

GMR has no history of significant earnings and, due to the nature of its business, there can be no assurance that GMR will be profitable. GMR has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to GMR is through the sale of its securities. Even if the results of exploration are encouraging, GMR may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by GMR. While GMR may generate additional working capital through further equity offerings or through the sale or possible syndication of the property owned by GMR, there is no assurance that any such funds will be available. At present it is impossible to determine what amounts of additional funds, if any, may be required.

***Resale of GMR Common Shares***

The continued operation of GMR will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If GMR is unable to generate such revenues or obtain such additional financing, any investment in GMR may be lost. In such event, the probability of resale of the GMR Common Shares purchased would be diminished.

***Price Volatility of Publicly Traded Securities***

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the GMR Common Shares will be subject to market trends generally, notwithstanding any potential success of GMR in creating revenues, cash flows or earnings.

There is currently no public trading market for the GMR Common Shares. If a market does not continue to develop or is not sustained, it may be difficult to sell GMR Common Shares at an attractive price or at all. GMR cannot predict the prices as which its GMR Common Shares will trade.

***Risks Relating to the GMR Common Shares***

Securities of microcap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. If the GMR Common Shares are listed, the price of the GMR Common Shares is also likely to be significantly affected by short-term changes in gold or other mineral prices or in GMR's financial condition or results of operations.

Other factors unrelated to GMR's performance that may affect the price of the GMR Common Shares include the following: the extent of analytical coverage available to investors concerning GMR's business may be limited if investment banks with research capabilities do not follow GMR; lessening in trading volume and general market interest in the GMR Common Shares may affect an investor's ability to trade significant numbers of Common GMR Shares; the size of GMR's public float may limit the ability of some institutions to invest in GMR Common Shares; and a substantial decline in the price of the GMR Common Shares that persists for a significant period of time could cause the GMR Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the GMR Common Shares at any given point in time may not accurately reflect GMR's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. GMR may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the GMR Common Shares may affect the pricing of the GMR Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the GMR Common Shares. The market price of the GMR Common Shares is affected by many other variables which are not directly related to the success of GMR and are, therefore, not within GMR's control. These include other developments that affect the market for all resource sector securities, the breadth of the public market for GMR's GMR Common Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the GMR Common Shares is expected to make the Share price volatile in the future, which may result in losses to investors.

### ***Shortages of Critical Parts, Equipment and Skilled Labour***

GMR's ability to acquire critical resources such as input commodities, drilling equipment, tires and skilled labour in the future due to increased worldwide demand, may cause unanticipated cost increases and delays in delivery times, thereby impacting capital expenditures and exploration schedules.

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

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with GMR. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia). Some of the directors and officers of GMR are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to GMR and their duties to the other companies on whose boards they serve, the directors and officers of GMR have agreed to the following:

- Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
- No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to GMR except on the same or better terms than the basis on which they are offered to third party participants.

### ***Dividend Policy***

No dividends on GMR Common Shares have been paid by GMR to date. GMR anticipates that it will retain all earnings and other cash resources for the foreseeable future for the operation and development of its business. Lot 49 does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the GMR Board after taking into account many factors, including GMR's operating results, financial condition and current and anticipated cash needs.

### **Promoter**

Level 14 Ventures Ltd. ("LVL") took initiative in founding and organizing GMR and, accordingly, may be considered to be a promoter of GMR. The number and percentage of GMR Common Shares beneficially owned or controlled, directly or indirectly, by LVL, and the nature and amount of anything of value, including money, property, contracts, options or rights of any kind, received or to be received by LVL directly or indirectly from the Company, are set out in this Circular.

### **Legal Proceedings**

GMR is not a party to any material legal proceedings and GMR is not aware of any such proceedings known to be contemplated.

### **Interest Of Management And Others In Material Transactions**

No director, executive officer or greater than 10% shareholder of GMR and no associate or affiliate of the foregoing persons has or had any material interest, direct or indirect, in any transaction since incorporation or in any proposed transaction which in either such case has materially affected or will materially affect GMR save as described herein.

### **Auditors, Transfer Agent And Registrar**

GMR's auditors are Dale Matheson Carr-Hilton Labonte LLP, having an address at #1500 – 1140 West Pender Street, Vancouver, BC V6E 4G1.

The transfer agent and registrar for the GMR Common Shares is TSX Trust at its office in Vancouver, British Columbia.

### **Interest of Experts**

The audited financial statements of each of the Spinout Entities included in Schedules "F" through "G" of this Circular have been included in reliance upon the report of Dale Matheson Carr-Hilton Labonte LLP, also included herein, and upon the authority of such firm as experts in accounting and auditing.

Dale Matheson Carr-Hilton Labonte LLP, are independent of GMR within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The Technical Report was prepared by Darwin Green, M.Sc., P.Geo. Mr. Green has no interest in the Company, the Company's securities or the Property and has not held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when the Technical Report was prepared or thereafter.

### **Material Contracts**

The only agreements or contracts that GMR will be a party to and which may be reasonably regarded as being currently material to GMR are:

- (c) The Arrangement Agreement dated May 25, 2023 made between LVL and each of the Spinout Entities as described under "The Plan of Arrangement" in this Circular; and
- (d) The Transfer Agency and Registrarship Agreement to be dated on or about June 30, 2023 between GMR and TSX Trust Company.

A copy of any material contract or report may be inspected at any time up to the commencement of the Meeting during normal business hours at GMR's registered office.



**Schedule "T"**  
**GREEN MOUNTAIN RESOURCES LTD. – AUDITED FINANCIAL STATEMENTS**

**Green Mountain Resources Ltd.**  
(formerly 1246931 BC Ltd.)

**FINANCIAL STATEMENTS**

**For the years ended December 31, 2022 and 2021**

(Expressed in Canadian dollars)



**DALE MATHESON CARR-HILTON LABONTE LLP**  
 CHARTERED PROFESSIONAL ACCOUNTANTS

# Independent Auditor's Report

To the Shareholders of Green Mountain Resources Ltd. (formerly 1246931 BC Ltd.)

## Opinion

We have audited the financial statements of Green Mountain Resources Ltd. (the “Company”), which comprise of the statements of financial position as at December 31, 2022 and 2021, and the statements of loss and comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

## Basis for Opinion

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

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates a material uncertainty exists that may cause significant doubt on 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 International Financial Reporting Standards, 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.

### Vancouver

1500 – 1140 West Pender St.  
 Vancouver, BC V6E 4G1  
 604.687.4747

### Surrey

200 – 1688 152 St.  
 Surrey, BC V4A 4N2  
 604.531.1154

### Tri-Cities

700 – 2755 Lougheed Hwy  
 Port Coquitlam, BC V3B 5Y9  
 604.941.8266

### Victoria

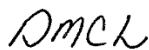
320 – 730 View St.  
 Victoria, BC V8W 3Y7  
 250.800.4694

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, BC

May 30, 2023

**Green Mountain Resources Ltd.****(formerly 1246931 BC Ltd.)**

STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

<b>AS AT</b>		<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>ASSETS</b>	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Current</b>			
Cash		<b>40,392</b>	<b>58,375</b>
Receivables		<b>1,320</b>	<b>277</b>
		<b>41,712</b>	<b>58,652</b>
<b>Non-current</b>			
Exploration and evaluation asset	4	<b>10,572</b>	<b>10,572</b>
<b>Total assets</b>		<b>52,284</b>	<b>69,224</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		<b>26,190</b>	<b>-</b>
Due to parent company	7	<b>37,750</b>	<b>37,750</b>
<b>Total liabilities</b>		<b>63,940</b>	<b>37,750</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	6	<b>175,000</b>	<b>175,000</b>
Deficit		<b>(186,656)</b>	<b>(143,526)</b>
<b>Total shareholders' equity (deficiency)</b>		<b>(11,656)</b>	<b>31,474</b>
<b>Total liabilities and shareholders' equity (deficiency)</b>		<b>52,284</b>	<b>69,224</b>

Nature of operations and going concern (Note 1)

Approved by the director on May 30, 2023

"Marcel de Groot"*Director*

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

**Green Mountain Resources Ltd.**  
**(formerly 1246931 BC Ltd.)**  
 STATEMENTS OF LOSS AND COMPREHENSIVE LOSS  
 (Expressed in Canadian dollars)

	Note	For the year ended December 31, 2022 \$	For the year ended December 31, 2021 \$
<b>Expenses</b>			
Exploration and evaluation expenses	4	35,030	46,188
General and administrative		100	102
Professional fees		8,000	669
<b>Loss</b>		<b>43,130</b>	<b>46,959</b>
<b>Loss per share</b>			
Basic and diluted		0.40	0.43
<b>Weighted average number of common shares outstanding - basic and diluted</b>			
	6	108,333	108,333

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

**Green Mountain Resources Ltd.**  
**(formerly 1246931 BC Ltd.)**  
 STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)  
 (Expressed in Canadian dollars)

	Number of common shares	Share capital \$	Deficit \$	Total \$
<b>Balance, December 31, 2020</b>	<b>108,334</b>	<b>175,000</b>	<b>(96,567)</b>	<b>78,433</b>
Loss for the year	-	-	(46,959)	(46,959)
<b>Balance, December 31, 2021</b>	<b>108,334</b>	<b>175,000</b>	<b>(143,526)</b>	<b>31,474</b>
Loss for the year	-	-	(43,130)	(43,130)
<b>Balance, December 31, 2022</b>	<b>108,334</b>	<b>175,000</b>	<b>(186,656)</b>	<b>(11,656)</b>

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

**Green Mountain Resources Ltd.**  
**(formerly 1246931 BC Ltd.)**

STATEMENT OF CASH FLOWS  
(Expressed in Canadian dollars)

	For the year ended December 31, 2022	For the year ended December 31, 2021
	\$	\$
<hr/>		
<b>Cash flows provided by (used in)</b>		
<b>Operating activities</b>		
Net loss	(43,130)	(46,959)
Changes in non-cash working capital:		
Receivables	(1,043)	327
Accounts payable and accrued liabilities	26,190	-
	<hr/>	<hr/>
	(17,983)	(46,632)
<hr/>		
<b>Net change in cash</b>	(17,983)	(46,632)
Cash - beginning of year	58,375	105,007
	<hr/>	<hr/>
<b>Cash - end of year</b>	40,392	58,375
<hr/>		

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



**Green Mountain Resources Ltd.  
(formerly 1246931 BC Ltd.)**

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

Expressed in Canadian dollars unless otherwise stated

**1. Nature of operations and going concern**

*Nature of operations*

Green Mountain Resources Ltd. (formerly 1246931 B.C. Ltd.), (the “Company”) was incorporated under the British Columbia *Business Corporations Act* on April 9, 2020 and is a subsidiary of Level 14 Ventures Ltd (“Level 14”). The principal business of the Company is the exploration and evaluation of mining properties in Canada.

The head office & principal address of the Company is located at Suite 1400, 400 Burrard Street, Vancouver, BC, V6C 3A6.

*Going Concern*

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to generate positive cash flows from its operations. At December 31, 2022, the Company had not yet achieved profitable operations, had an accumulated deficit of \$186,656 since inception, and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material

**2. Basis of presentation and significant accounting policies**

*Statement of compliance*

The financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the interpretations issued by the IFRS Interpretations Committee (“IFRIC”).

The financial statements were authorized for issuance by the Board of Directors on May 30, 2023.

*Basis of Presentation*

These financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value, as explained in the accounting policies set out below. The financial statements are presented in Canadian Dollars, which is also the Company’s functional currency.

*Cash*

Cash comprises deposits in banks that are readily convertible into a known amount of cash.

**Green Mountain Resources Ltd.**  
**(formerly 1246931 BC Ltd.)**

NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
Expressed in Canadian dollars unless otherwise stated

**2. Basis of presentation and significant accounting policies (continued)**

*Financial instruments*

Financial Instruments are accounted for in accordance with IFRS 9 Financial instruments: Classification and Measurement. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The following table shows the classification under IFRS 9:

<b>Financial assets/ liabilities</b>	<b>Classification</b>
Cash	Amortized cost
Accounts payable	Amortized cost
Due to parent company	Amortized cost

*Financial assets*

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

*Impairment of financial assets*

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company’s receivables.

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

*Financial liabilities*

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable, due to shareholder, and convertible debentures are classified under other financial liabilities and carried on the statement of financial position at amortized cost.

**Green Mountain Resources Ltd.**  
**(formerly 1246931 BC Ltd.)**

NOTES TO THE FINANCIAL STATEMENTS  
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Expressed in Canadian dollars unless otherwise stated

**2. Basis of presentation and significant accounting policies (continued)**

*Financial instruments (continued)*

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

*Exploration and evaluation assets*

Acquisition costs of mineral claims are initially capitalized as exploration and evaluation assets as incurred and include cash consideration and the fair market value of shares issued on the acquisition of mineral properties. Exploration and pre-extraction expenditures are expensed as incurred until such time as technical feasibility and commercial viability of the mineral properties is demonstrable, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment, then transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash generating units or “CGUs”).

If an indicator of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

*Flow-through shares*

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of flow-through shares, any premium received in excess of the market price of the Company’s common shares is initially recorded as a liability (“flow-through share premium liability”). Provided that the Company has renounced the related expenditures, or that there is a reasonable expectation that it will do so, the flow-through share premium liability is reduced on a pro-rata basis as the expenditures are incurred. If such expenditures are capitalized, a deferred tax liability is recognized. To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.

Proceeds received from the issuance of flow-through shares are restricted and are to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the

**Green Mountain Resources Ltd.**  
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**2. Basis of presentation and significant accounting policies (continued)**

*Flow-through shares (continued)*

Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

*Loss per share*

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants, RSUs, and similar instruments outstanding that may add to the total number of common shares. As at December 31, 2022 and 2021, the Company's diluted loss per share does not include the effect of stock options, warrants and RSUs as they are anti-dilutive.

*Income taxes*

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**Green Mountain Resources Ltd.**  
**(formerly 1246931 BC Ltd.)**

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

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**3. Significant accounting estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Company's significant accounting judgments have been applied in these financial statements:

*Judgments*

- The Company's ability to continue as a going concern involves critical judgement based on historical experience. Significant judgements are used in the Company's assessment of its ability to continue as a going concern which is described in Note 1.
- Management makes judgments related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

*Estimates*

- The assessment of indicators of impairment for the mineral properties and the related determination of the recoverable amount and write-down of the properties where applicable. To the extent that these estimates are not correct, the value of the mineral properties may differ.

**4. Exploration and evaluation asset**

The Company's exploration and evaluation asset, Green Mountain Property, consist of 3 mineral claims located in British Columbia. These claims were staked on April 17, 2020 for \$10,572. The acquisition costs of this mineral claim are classified as exploration and evaluation assets.

The breakdown of exploration and evaluation expenses incurred is as follows:

	2022	2021
	\$	\$
Exploration	10,435	28,767
Field expenses	24,595	5,066
Sample processing	-	12,355
	35,030	46,188

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**5. Income taxes**

A reconciliation of expected income tax recovery to the actual income tax recovery is as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Net loss before income taxes	<b>43,130</b>	46,959
Statutory income tax rate	<b>27.00%</b>	27.00%
Income tax recovery	<b>11,645</b>	12,679
Change in unrecognized deductible temporary differences	<b>(11,645)</b>	(12,679)
Total income tax expense	<b>-</b>	-

***Unrecognized Deferred Income Tax Asset***

Deferred tax assets are recognized for the carry-forward or unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the unused tax losses/credits can be utilized. The Company has the following deferred tax assets and liabilities that have not been included on the statement of financial position.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Non-capital losses	<b>5,010</b>	2,823
Exploration and evaluation asset	<b>6,291</b>	4,610
Total deferred tax assets	<b>11,301</b>	7,433

The Company's deductible temporary differences are estimated as follows:

		<b>2022</b>	<b>2021</b>	<b>Expiry dates</b>
		<b>(\$)</b>	<b>(\$)</b>	
Non-capital losses:	2019	5,029	5,029	2039
	2020	5,324	5,324	2040
	2021	102	102	2041
	2022	8,100	-	2042
		18,555	10,455	
Exploration and evaluation asset		23,301	17,075	No expiry

**6. Share Capital**

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding:

During the year ended December 31, 2022, nil shares (2021 – nil) were issued.

**Green Mountain Resources Ltd.  
(formerly 1246931 BC Ltd.)**

NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
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**7. Related party transactions**

Related parties of the Company include the members of the board of directors, officers of the Company and close family members of these individuals. In addition, companies controlled by these individuals are also related parties of the Company.

Key management personnel consist of officers and directors of the Company. No compensation was paid to key management personnel in the year ended December 31, 2022 or 2021.

As of December 31, 2022, there was \$37,750 (2021 - \$37,750) owed to Level 14. The loan is currently interest-free and due on demand.

**8. Financial instruments and risk management**

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

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

The Company determined that the carrying values of its short-term financial asset and liability approximate the corresponding fair value because of the relatively short-term nature to maturity of these instruments.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the year ended December 31, 2022.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial asset is cash. The Company's maximum exposure to credit risk, as at period end, is the carrying value of its financial asset, being \$40,392 as at December 31, 2022. The Company holds its cash in a bank account with a highly rated Canadian financial institution, therefore minimizing the Company's credit risk.

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings. Liquidity risk is assessed as high.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation and until December 31, 2022; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks at present.

**Green Mountain Resources Ltd.**  
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NOTES TO THE FINANCIAL STATEMENTS  
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**9. Capital management**

In the management of capital, the Company includes the components of shareholder's deficiency. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral projects for the benefit of its stakeholders. As the Company is in the exploration stage, it has no income from operations, and its principal source of funds is from the issuance of its common shares.

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, enter into joint venture arrangements, or dispose of assets.

The Company's investment practice is to invest its excess cash in highly liquid short-term interest-bearing investments selected with regards to expected timing of its expenditures. The Company is not subject to any externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged for the period.



**Schedule "J"**  
**GREEN MOUNTAIN RESOURCES LTD. – TECHNICAL REPORT SUMMARY**

# NI 43-101 TECHNICAL REPORT

ON THE

## GREEN MOUNTAIN PROPERTY

**Project Location:**

Osoyoos Mining Division, British Columbia, Canada  
Latitude 49° 23' North, Longitude 119° 50' West  
NAD 83, Zone 11N, 294402E, 547562N  
NTS Map Sheet 082E/05

**Prepared for:**

Level 14 Ventures Ltd.  
1400, 400 Burrard Street  
Vancouver, BC V6C 3A6

**Prepared by:**

**Darwin Green, M.Sc, P.Ge**

**Effective Date: May 24, 2023**



*Cu-Au bearing skarn mineralization*

**DATE AND SIGNATURE PAGE**

# NI 43-101 TECHNICAL REPORT

ON THE

# GREEN MOUNTAIN PROPERTY

**Project Location:**

Osoyoos Mining Division, British Columbia, Canada  
Latitude 49° 23' North, Longitude 119° 50' West  
NAD 83, Zone 11N, 294402E, 547562N  
NTS Map Sheet 082E/05

**Prepared for:**

Level 14 Ventures Ltd.  
1400, 400 Burrard Street  
Vancouver, BC V6C 3A6

/s/ "Darwin Green"  
B.C., May 24, 2023

Darwin Green, M.Sc., P.Geo. (EGBC no. 27345)  
(signed and sealed original on file)

Signed at North Vancouver ,

## CERTIFICATE OF QUALIFIED PERSON

I, Darwin Green, am a professional geologist residing at 307 – 4390 Gallant Ave, North Vancouver, British Columbia, Canada, V7G 1L2, and do hereby certify that:

1. I am the lead author of the report entitled "*NI 43-101 Technical Report on the Green Mountain Property*", dated May 24, 2023;
2. I am a Registered Professional Geoscientist (P.Ge.), Practising, with Engineers and Geoscientists British Columbia (licence # 27345).
3. I obtained a B.Sc. degree in geological sciences (1995) from the University of British Columbia, and a M.Sc. degree in geological sciences (2001) from Carleton University;
4. I have practiced my profession continuously since graduation, concentrating in early through advanced stage precious and base metal exploration throughout the Americas;
5. I visited the Green Mountain property on June 21, 2020;
6. I have had no previous involvement with the Property until contracted to write this Technical Report;
7. I am responsible for all sections of this Report entitled "*NI 43-101 Technical Report on the Green Mountain Property*", dated May 24, 2023;
8. I am independent of each of Level 14 Ventures Ltd., as independence is described in Section 1.5 of NI 43-101. I have not received, nor do I expect to receive, any interest (direct, indirect, or contingent), in the property described herein or in Level 14 Ventures Ltd. for the services rendered in the preparation of this Report;
9. I was retained by Level 14 Ventures Ltd. to prepare an exploration and technical summary and provide recommendations on the Green Mountain Property, in accordance with National Instrument 43-101. This Technical Report is based on my review of Project files and information provided by Level 14 Ventures Ltd. personnel;
10. I have read National Instrument 43-101 and Form 43-101F1 and, by reason of education and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101. This Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;
11. As of the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed in order to make this Technical Report not misleading;
12. I, the undersigned, prepared this Report entitled "*NI 43-101 Technical Report on the Green Mountain Property*", dated May 24, 2023, in support of the public disclosure of the exploration potential of the Green Mountain property by Level 14 Ventures Ltd.

Effective Date: May 24, 2023

Signed this 24<sup>th</sup> day of May, 2023 in North Vancouver, British Columbia:

/s/ "*Darwin Green*" \_\_\_\_\_

Darwin Green, M.Sc., P.Ge. (EGBC no. 27345)  
(signed and sealed original on file)

# 1 SUMMARY

## 1.1 Introduction

The Green Mountain Property (the Property) covers potential Au-Ag-Cu-Mo mineralization located in the Hedley District, a historic mining camp in south-central British Columbia, Canada (Figure 1.1). The Property is underlain by Paleozoic and Mesozoic stratified and intrusive rocks that host many known mineral deposits and occurrences in the region. These include past-producing replacement skarn deposits such as the nearby Nickel Plate mine in the Hedley Camp (nearly 2.5 million ounces Au), the Phoenix mine near Greenwood (>800,000 ounces Au, >5 million ounces Ag, >250,000 tonnes Cu), and Kinross Gold Corporation's recently mined-out Buckhorn Au-Ag deposit in the Republic District of northern Washington State (Figure 1.1).

At the request of Level 14 Ventures Ltd. ("Level 14 Ventures" or the "Company"), the author carried out an independent review of the Property, which included an on-site examination on June 21, 2020, a review of available historical documentation and recent exploration results, and preparation of this report in accordance with the formatting requirements of *National Instrument 43-101 and Form 43-101F1 Standards of Disclosure for Mineral Properties*.

It is the author's understanding that the Company intends to list its Common Shares (the "Listing") on the Canadian Securities Exchange ("CSE"). It is the author's opinion that the Green Mountain Property is a property of merit and that the use of this Technical Report in support of the Company's planned Listing is appropriate.

## 1.2 Property Description and Ownership

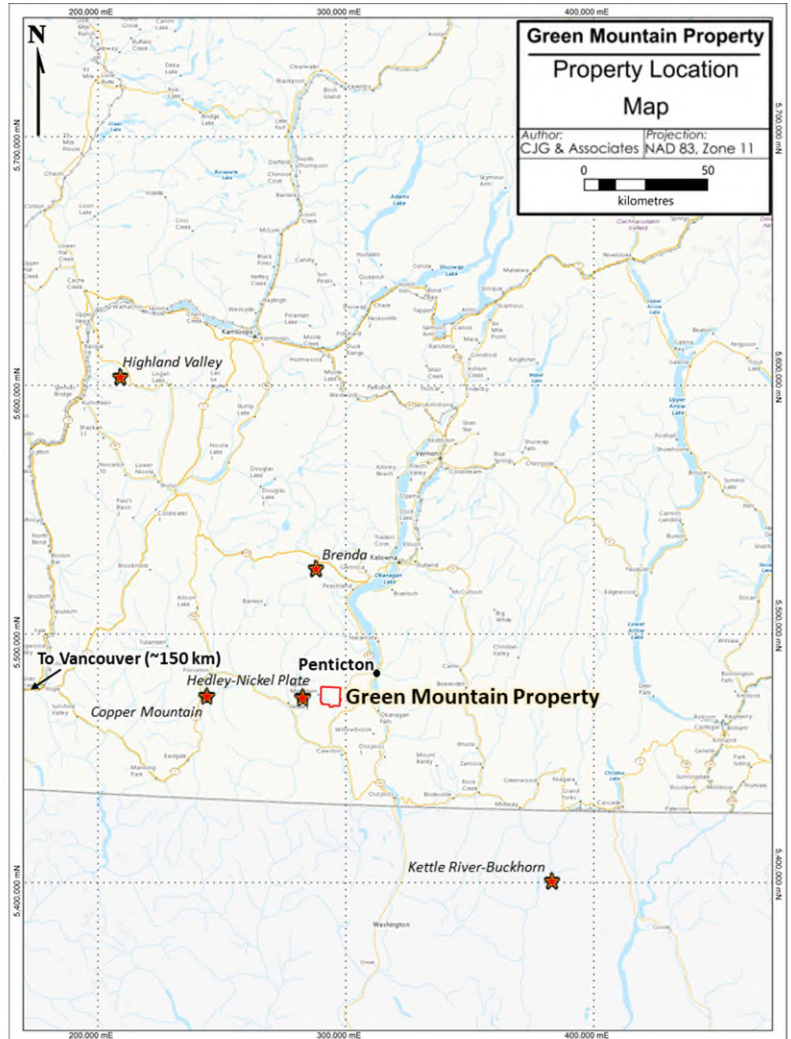


Figure 1.1 Green Mountain Property location map



The Green Mountain Property consists of 3 contiguous Mineral Titles Online (MTO) digitally registered mineral tenures totalling 5,593.5 hectares. The mineral tenures (effective May 17, 2020) are listed in Table 1.1 and are shown in Figure 4.2.

Table 1.1 Green Mountain Property information

<b>Tenure No.</b>	<b>Claim Name</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Expiry Date</b>	<b>Area (ha)</b>
1075773	VERDE	1246931 B.C. LTD.	2020-04-17	2024-11-24	1,661.9228
1075772	VERT	1246931 B.C. LTD.	2020-04-17	2024-11-24	2,081.276
1075771	GREEN	1246931 B.C. LTD.	2020-04-17	2024-11-24	1,850.3266
				<b>Total:</b>	<b>5,593.5254</b>

The tenures comprising the Project were staked for 1246931 B.C. Ltd. (now a wholly-owned subsidiary of the Company) on April 17, 2020 in the name of James Mitchell Aubie and then transferred to 1246931 B.C. Ltd. on September 24, 2020.

The author has determined, by viewing British Columbia Mineral Titles Online records, that the mineral tenures are in good standing as of the writing of this report, with expiration dates shown in Table 1.1.

### 1.2.1 Description of the Transaction

The Company acquired 100% of the issued and outstanding common shares (the 1246931 Shares”) of 1246931 B.C. Ltd., the registered holder of the Green Mountain Property, on October 14, 2020 pursuant to a share purchase agreement (the ‘Purchase Agreement’) between the Company and David De Witt. As consideration for the 1246931 Shares, the Company paid \$28,000 in cash and issued 4,000,000 common shares of the Company to Mr. De Witt, as well as granted a 1.5% net smelter returns royalty to Mr. De Witt with respect to the Green Mountain Property.

### 1.3 Accessibility and Physiography

The Green Mountain Property is in the Osoyoos Mining Division of south-central British Columbia, approximately 20 km southwest of the city of Penticton and 250 km east of the city of Vancouver. Access to the Property is provided via the paved Green Mountain and Apex Mountain roads, which respectively traverse the central and northern parts of the Property. Networks of variably maintained unpaved roads provide good access to the remainder of the Property.

A 230kV powerline crosses the easternmost part of the Property in a north-south direction and could provide a potential future supply of readily accessible power (Figure 5.4).

Terrain in the area of the Green Mountain Property is diverse, ranging from moderately steep rolling mountainsides to steep rocky bluffs and the eastern part of the Project area is transected by a prominent north-south, deeply incised valley. Elevations range from 800 metres at the valley bottom to over 2109 metres above sea level at the top of Green Mountain. Vegetation on the Property is characterized by open forests populated by fir, pine, balsam fir, and spruce, although

open grassy clearings are common on south-facing slopes. Sufficient water for camp and drilling purposes can be collected from lakes and ponds, and from creeks draining the Property.

Further details of Property accessibility and physiography can be found in Section 5.0.

## 1.4 History

The earliest known recorded exploration on the Property took place in 1901 at the Lookout and Dividend mineral showings, on the west and southwest parts of the Property, where several small shafts were sunk to explore skarn style copper-gold mineralization, similar to mineralization in the nearby Nickel Plate and Mascot deposits.

The earliest documented work was done by Cominco Limited in 1966, consisting of magnetometer and electromagnetic surveys over the Dividend Showing, as well as reconnaissance geological mapping and prospecting. Old hand trenches and shafts dating back to the 1900's were identified within an area covering approximately 300 m by 600 m. Lenses of massive pyrrhotite and pyrite were detected in the historical trenches; however, a geophysical survey failed to indicate with any certainty the continuity of sulphide lenses over more than 10 metres of length (EMPR Report 00803).

In 1968, Apex Exploration Ltd. flew 47.25 line-kilometres of airborne magnetometer surveys, over the west-central part of the current Green Mountain Property. The survey identified a prominent ellipsoidal magnetic high, measuring approximately 700 m by 365 m (EMPR Report 01803).

In 1972, Lantern Gas and Oil Ltd. carried out soil and ground-based magnetometer surveys over the central part of the Property, with a grid of 341 samples. A single, strongly anomalous zone of Cu-in-soil (> 200 ppm) measuring about 300 m x 100 m in size, was located along what magnetic data suggest is a contact between quartz monzonite, and a chert and greenstone sequence (EMPR Report 03918).

In 1984, Grand National Resources Inc. collected a total of 179 soil samples and completed 10.3 line-kilometres of VLF-EM surveys over the central part of the Property. A 600 m long, north striking, anomalous Au trend associated with a subparallel VLF-EM anomaly was identified (EMPR Report 12699).

In 1984, Placer Development Ltd. conducted a soil sampling program consisting of 69 samples along an elevation contour, located in the south-central part of the Green Mountain Property. Sporadic gold highs (>100 ppb) with some associated anomalous arsenic, copper and molybdenum were identified (EMPR Report 13199).

In 1985, Grand National Resources Inc. conducted additional geological mapping, soil sampling, prospecting and VLF-EM surveying to overlap and extend coverage to the north of their 1984 grid. A total of 319 soil samples and 26 rock samples were collected. The soil sampling outlined a broad gold-in-soil anomaly, oriented approximately north-south, with a strike length of 1050 m and a maximum width of 250 m. (EMPR Report 13906).

In 1985, Siemont Resources Ltd. conducted reconnaissance geological, geochemical, VLF-EM and magnetometer surveys, and trenching over the northwestern part of the Green Mountain Property. A total of 599 soil and 61 rock samples were analyzed, showing sporadic gold anomalies, some with elevated arsenic. A rock sample taken from an outcrop returned 4.1 g/t Au.

Siemont concluded that gold is somewhat correlative with the presence of magnetic pyrrhotite based on high magnetic and conductivity responses (EMPR Report 14743).

In 1987, QPX Minerals Inc. collected 164 rock samples and 496 soil samples from the southeastern part of the current Property. Gold anomalies from soil sampling were sporadic, and high gold values showed a strong correlation with arsenic. Rock sampling confirmed the presence of gold hosted in arsenopyrite stringer veins found in cliff faces located above the soil sampling area. It was also reported that a historical adit (about 10 m long) and bulldozer trenches were excavated "some years ago", and casing from an inclined diamond drill hole indicated previous drilling (no published records of this work) (EMPR Report 16674).

In 1988, QPX Minerals Inc. conducted additional geological mapping, geochemical and geophysical surveys, and diamond drilling. A large grid to the east of the 1987 work provided 3,005 soil samples. Gold-in-soil anomalies were sporadic, but generally conformed to northwest-southeast narrow linear trends, commonly paralleling faults in the region. Three diamond drill holes totalling 524 m were collared in Tertiary sedimentary units and targeted the underlying Shoemaker Formation contact, which hosts gold mineralization in the region. Although only sub-economic gold values were encountered in the three holes, drilling confirmed an episode of Tertiary mineralization, where some of the best grades were returned from the highly altered tuff above the Shoemaker Formation basement contact (EMPR Report 18251).

Between 1987 and 1996, Grand National Resources Inc. collected a total of 1395 soil samples and completed 80.5 line-kilometres of VLF-EM and 8.5 line-kilometres of IP surveys in the south and central parts of the current Property (EMPR Reports 18327, 19643, 20747, 22661, 23223, 24206 and 24749). Soil sample grids outlined several copper and zinc anomalies with sporadic accompanying silver, lead and gold highs. The analytical techniques used between 1993 and 1996 had a detection limit for gold of >2 ppm - too high for this area to determine if significant gold was associated with the copper and zinc anomalies. During the course of the 1995 field program, an old adit was located and a sample comprising massive pyrite returned 644 ppm Cu, 2.4 g/t Ag and 0.12% W (EMPR Report 24206). North-northwest directed conductive zones were identified and generally coincided with the broad zinc and copper geochemical anomalies. A number of anomalous areas were also identified by the IP survey (EMPR Report 18327).

## **1.5 Geological Setting**

The Green Mountain Property is dominantly underlain by upper Paleozoic to Triassic volcanic and sedimentary rocks, assigned to basement units of the Quesnel Terrane. Common to most areas within the Quesnel terrane, rocks generally young in an east to west direction. From east to west, stratigraphic units on the Property have been assigned to Permian to Triassic Shoemaker Formation, Triassic Apex Mountain Complex/Old Tom Formation, Triassic Independence Formation, and Upper Triassic Nicola Group. Quesnel Terrane rocks are overlain in the southeast part of the Property by Eocene Penticton Group siltstone, conglomerate, and volcanic rocks. Two granodiorite stocks intruding the Paleozoic rocks have been mapped on the south-central part of the property by the BC Geological Survey, while several dykes and sills of diorite were historically noted in the north-central part of the Property.

Structurally, in the northwest, a prominent northeast trending fault juxtaposes Nicola Group rocks northwest of the fault against older Independence Formation rocks to the southeast. In the east



part of the Property, north-south trending faults juxtapose Eocene Penticton Group rocks to the east, against Permian-Triassic Shoemaker Formation rocks to the west.

Further details of regional and property geology can be found in Sections 7.1 and 7.2.

## 1.6 Mineralization

Previous workers and, recently, crews from C.J. Greig & Associates Ltd. have identified the potential for different styles of precious and base metals mineralization. Three types of mineralization occur at the Green Mountain Road Project: 1) gold-bearing quartz veins; 2) replacement style skarn with potential to host base and precious metals mineralization; and 3) fracture hosted, gold-bearing pyrrhotite-arsenopyrite stringer veinlets.

Two British Columbia Minfile occurrences are documented on the Green Mountain Property – the Lookout and Dividend showings.

The Lookout Showing (MINFILE No. 082ESW053), located on the southwest flank of Green Mountain, was first explored in 1901. Reports detailing the precise nature of the geology and style of mineralization are limited. Between 1901 and 1926, development work consisted of a series of open cuts, and a shaft over 12 vertical metres deep with 61 metres of drift along strike on the zone. In 1931, a 33-metre tunnel was driven, 13 metres below the shaft collar. In 1964, trenches were excavated along the vein structure. In 1986 four samples of mildly to moderately silicified diorite from the Lookout Showing were assayed. Two samples returned negligible values of gold (50 ppb and 100 ppb Au) and two samples returned elevated gold grades (2.19 g/t and 2.16 g/t Au). To the knowledge of the authors, no additional follow up work has been conducted on this showing.

The Dividend Showing (MINFILE No. 082ESW124) is located at about 1900 metres elevation on the western slopes of Dividend Mountain, near the southwest corner of the Property. The Dividend occurrence was staked in 1900 and has seen work intermittently up until 1991 consisting primarily of several shafts, open cuts and pits developed over a 457 m long pyrrhotite oxidation cap. Mineralization at the Dividend Showing consists of massive pyrrhotite lenses with disseminations of chalcopyrite, magnetite, pyrite, scheelite and wolframite. Pyrrhotite lenses vary from a few centimetres to 3 metres wide and 15 metres long, occurring as en-echelon lenses over 30 to 50 metres. The strikes of the lenses range from 300° to 030° with a vertical dip. Historically, mineralization has been traced intermittently over a total strike length of 2400 metres and reported to occur within a stratigraphic interval possibly 500 metres thick.

The southeastern part of the Green Mountain Property hosts gold-bearing arsenopyrite-pyrrhotite stringer veins within Shoemaker Formation cherts. Research of historical work shows that a rock sample collected during a 1987 field program by QPX Minerals Ltd. returned 31.3 g/t Au (EMPR Assessment Report 16674). The authors of the 1987 report concluded that the zone was too narrow to be of economic significance, but suggest that given the broad extent of similar, albeit lower grade mineralization in the area, coupled with a robust soil geochemical anomaly, that a significant gold mineralized system may be present. As well, a north-striking and shallowly dipping mineralized skarn horizon approximately 5-10m thick hosted by Shoemaker Formation was located in an open cut in the vicinity of the auriferous arsenopyrite-pyrrhotite-quartz veins. The exposure is strongly manganese stained (dark brown-purple), and covered with a conspicuous white mineral precipitate. The skarn is dark green and comprises fine grained pyroxene +/- garnet

(purple/pink) hosting semi-massive, fine to medium grained pyrite and pyrrhotite, with lesser chalcopyrite. The mineralized skarn horizon is covered along trend by soil and talus to the north-northeast and by a grassy west-facing slope to the southwest.

Three diamond drill holes totalling 524 m in 1988 by QPX minerals were collared in Tertiary rocks and targeted the underlying Shoemaker Formation contact. Although only sub-economic gold values were encountered in the three holes, drilling confirmed the presence of Tertiary mineralization, where some of the better grades were returned from the highly altered tuff (Springbrook Formation) above the Shoemaker Formation basement contact, suggesting that fluids may have travelled up major faults and fractures in the basement rocks, and moved out along porous units and contacts (EMPR Report 18251).

Further details of Property mineralization can be found in Section 7.2.1.

## 1.7 Recent Exploration

Since acquiring the Property in 2020, Level 14 Ventures' now wholly-owned subsidiary, 1246931 B.C. Ltd., has spent over \$75,000 conducting the following exploration activities:

In April, 2020 a total of 5,593.5 hectares of claims overlying the Dividend and Lookout mineral occurrences, in addition to historically prospective areas farther to the east, were acquired by 1246931 and historical datasets were compiled, digitized and evaluated. This was followed in the same year by a field program consisting of geological reconnaissance, prospecting, grid and elevation contour soil and rock geochemical sampling, along with data modelling and interpretation, focused on areas with historically strong rock and soil geochemistry. A total of 62 rock and 522 soil samples were collected during the exploration campaign covering and expanding outward from areas of known mineralization.

In 2021, a total of total of 14 rock and 443 soil samples were collected, and sent to ALS Global Laboratories in North Vancouver, B.C. for preparation and analysis. Samples comprising blank material was inserted every 20th sample to check for laboratory discrepancies. Furthermore, 595-line kilometers of airborne magnetics were completed by Peter E. Walcott & Associates Ltd.

Additionally, 18 soil and 16 rock samples were collected in 2022, however, only the 18 soil samples were sent to ALS Global Laboratories in North Vancouver, B.C, while the remaining 16 rock samples are being stored at the offices of C.J. Greig and Associates in Penticton, BC, for future inspection and/or analysis. Further details on these exploration programs can be found in Section 9.0.

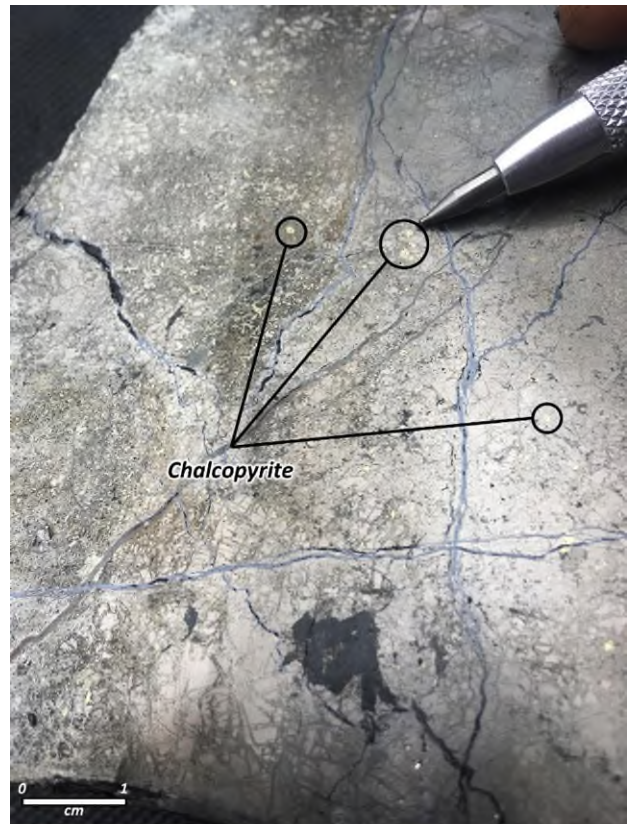


Figure :: Semi-massive pyrrhotite skarn with trace

chalcopyrite. Samples comprising blank material was inserted every 20th sample to check for laboratory discrepancies. Furthermore, 595-line kilometers of airborne magnetics were completed by Peter E. Walcott & Associates Ltd.

## 1.8 Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing have been completed on mineralization from the Property by previous operators or by Level 14 Ventures.

## 1.9 Mineral Resources

No estimates of mineral resources or reserves have been undertaken for the Green Mountain Property.

## 1.10 Interpretations and Conclusions

The Green Mountain Property has been shown to host broad areas of alteration and precious and base metals-enriched mineralization characteristic of intrusion related systems; including fracture hosted gold-bearing pyrrhotite-arsenopyrite stringer veinlets, skarn replacement styles and potential for Cu-Mo±Ag±Au porphyry-style mineralization. These targets are as follows:

- **Target A**, which includes a northwest-southeast trending copper-molybdenum-silver soil geochemical anomaly of strong tenor. The anomaly is associated with mapped diorite to granodiorite stocks and dykes in the southern part of the property.
- **Target B**, located immediately east-southeast of Target A consists of pyrrhotite-arsenopyrite stringers within heavily argillic altered cherts with minor interbedded lenses of copper-gold pyroxene-garnet-pyrrhotite skarn.
- **Target C**, situated approximately 1 km north of Target A comprises a strong silver, arsenic, zinc geochemical anomaly with weak to moderate copper, gold and molybdenum support.

### 1.10.1 Target A

At Target A, soil sampling conducted over mapped diorite to granodiorite intrusions outlined a 1200 by 200 m wide northwest-southeast trending strong copper-molybdenum-silver geochemical anomaly. Molybdenum extends beyond the copper-silver core, covering an approximately 1500 by 700 m ellipsoidal area. Zinc geochemistry appears to form a halo around the centre of the anomaly. Elevated gold is spotty.

Only cursory prospecting was done during soil sampling traverses; however, rock samples of limonitic/goethitic chert and argillite returned elevated values for copper, molybdenum and zinc. No intrusive rocks were collected along the traverses.

### 1.10.2 Target B

The Target B area covers a >2.5 km long trend of strong gold, arsenic, silver, copper, zinc and molybdenum soil anomalies. The northern part of the target area returned lower molybdenum values compared to those in the south. Soil samples were collected along elevation contours downslope from and crossing strongly argillic altered chert of the Shoemaker Formation.

Mineralization is associated with pyrrhotite-arsenopyrite stringers filling fractures, as well as lenses of copper-gold bearing pyroxene-garnet-pyrrhotite skarn. The observed mineralization and alteration suggest that Target B is relatively close to a large hydrothermal system, which may be sourced in Target A area or at depth.

### 1.10.3 Target C

Target C is characterized by a 1500 by 800 m strong silver, copper, molybdenum and zinc soil anomaly containing sporadically elevated gold. This strong multi-element anomaly is located in an area commonly underlain by argillite, which may have higher background levels for these particular elements. That being said, elevated gold-in-soil may be related to a nearby mineralized hydrothermal system.

## 1.11 Recommendations and Proposed Exploration Budget

The authors are of the opinion that the Green Mountain Property has considerable merit, offers strong discovery potential in the target areas, and warrants further work. The next phase of work should focus primarily on delineating Targets A, B and C in preparation for drilling. Work should include airborne magnetic and LiDAR surveys over the entire property, coupled with additional soil geochemical sampling and Induced Polarization geophysical surveys, along with expansion of reconnaissance exploration elsewhere on the Property. Property-scale and target specific recommendations for exploration are described in more detail in Section 18.0.

### 1.12 Proposed Exploration Budget

The following proposed budget shows Phase II surveys designed to provide additional soil sample coverage and initial induced polarization surveys over soil anomalies and hydrothermal alteration on the east and west sides of Green Mountain Road.

Table 1.2 Proposed exploration budget, Phase II Programs

Activity	Scope	Cost (\$CDN)
IP survey	21 Line Km of IP, Soil Sampling, Drill & IP Permits	\$91,800.00
Field Crews-Soil Samples		\$10,000.00
Assaying		\$17,500.00
Drill and IP Permits		\$57,500.00
Shipping and transport		\$250.00

<b>Grand Total</b>	<b>\$177,050.00</b>

The total budget excludes any provision for corporate support services and activities.

Phase III would be contingent upon the success of Phase II and expand upon results achieved. It would also be predominantly oriented to drilling and encompass 1,500 metres of drilling.

Table 1.3 Proposed exploration budget, Phase III program

Activity	Scope	Cost (\$CDN)
Drill services		\$450,000.00
Drill Core Sampling		\$55,000.00
Core cutting, logging		\$42,000.00
Aircraft rental		\$120,000.00
Fuel		\$40,000.00
Shipping and transport		\$5,000.00
Camp		\$50,000.00
LiDAR Survey		\$40,000.00
<b>Grand Total</b>		<b>\$802,000.00</b>

## 2 2.0 INTRODUCTION

### 2.1 Introduction and Terms of Reference

At the request of Level 14 Ventures Ltd. (“Level 14 Ventures” or the “Company”), the author, Darwin Green, P.Geo, carried out an independent review of the Green Mountain Property (the “Property”), located in the Osoyoos Mining Division of northwestern British Columbia, Canada. The author also reviewed available historical and recent exploration results, studied reports of nearby mineral occurrences, carried out a site visit to the Property on June 21, 2020, and prepared this independent Technical Report (the “Report”). The Report was prepared in accordance with the formatting requirements of *National Instrument (“NI”) 43-101 and Form 43-101F1 Standards of Disclosure for Mineral Properties* to be a comprehensive review of the results of exploration activities on the Property to date and, if warranted, to provide recommendations for future work. This Report is intended to be read in its entirety.

### 2.2 Site Visit

The author (D. Green) is an independent Qualified Person as such term is defined by NI 43-101, and visited the Green Mountain property on June 21, 2020. The Property’s key target area – the GMR prospect – encompassing an area of approximately 7.75 X 7.0 km (5,593.5 hectares) was examined briefly by the author. The author reviewed all aspects of exploration work within the Project area with C.J. Greig & Associates personnel, including results from historical trenching,

drilling, local lithological and structural features, sampling and shipping procedures, geophysical surveying methods and data, and available project documentation. The Property is considered an early-to-middle-stage exploration project based on the geological, geochemical and geophysical exploration work completed and approximately 524 m of recorded historical drilling. Results and photographs from the site visit are provided in Section 12 with data verification.

## 2.3 Sources of Information

The author has reviewed previous exploration activities on the Property, including assessment reports on file through the BC Government's Ministry of Mines, Energy & Petroleum Resources ARIS database, with work undertaken in the period from the early 1900's to 1996. This Report refers to the past work undertaken by other qualified geologists and professional field personnel. Other non-project specific reports by qualified personnel have been referenced whenever possible. The information, conclusions, opinions and recommendations in this Report are based upon:

- information available to the authors at the time of the preparation of this Report;
- assumptions, conditions and qualifications as set forth in this Report;
- data, reports and other information provided by other third-party sources; and
- published reports from the operating mines in the region, plus other published government reports and scientific papers.

During the site work and while preparing this Report, the authors reviewed all of the readily available historical exploration and technical reports pertaining to the Property. The historical exploration information is of good quality, and there is no reason to believe that any of the information is inaccurate.

Information concerning the purchase of mineral tenures that comprise the Property was provided by C.J. Greig & Associates Ltd. and has not been independently verified by the author. Statistics, weather and local information for the Project area were obtained from various government sources, historical assessment reports and personal knowledge of the Property area. A detailed list of references and sources of information is provided in the References section (19.0) of this Report.

## 2.4 Abbreviations and Units of Measure

Metric units are used throughout this Report and currencies are in Canadian Dollars (C\$) unless otherwise stated. Market gold or silver metal prices are reported in US\$ per troy ounce. A list of abbreviations that may be used in this Report is provided in Table 2.1.

*Table 2.1 Abbreviations used in this report*

Abbreviation	Description	Abbreviation	Description
AA	atomic absorption	li	limonite

Ag	silver	m	metre
ASL	above sea level	m <sup>2</sup>	square metre
As, aspy	Arsenic, arsenopyrite	m <sup>3</sup>	cubic metre
Au	gold	Ma	million years ago
AuEQ	gold equivalent grade	mg	magnetite
AgEQ	silver equivalent grade	mm	millimetre
Az	azimuth	mm <sup>2</sup>	square millimetre
Bi	bismuth	M oz	million troy ounces
b.y.	billion years	ser	sericite
C\$ or \$	Canadian dollar	Mt	million tonnes
Ca	calcite	mu	muscovite
Cl	chlorite	m.y.	million years
Cm	centimetre	NI43-101	National Instrument 43-101
cm <sup>2</sup>	square centimetre	opt	ounces per short ton
Cp	chalcopyrite	oz	troy ounce (31.1035 grams)
Cu	copper	Pb	lead
Cy	clay	pf	plagioclase feldspar
°C	degree Celsius	po	pyrrhotite
°F	degree Fahrenheit	ppb	parts per billion
DDH	diamond drill hole	ppm	parts per million
Ep	epidote	py	pyrite
Ft	feet	QA	Quality Assurance
ft <sup>2</sup>	square feet	QC	Quality Control
ft <sup>3</sup>	cubic feet	qz	quartz
G	gram	RQD	rock quality designation
Gl	galena	Sb	antimony
Go	goethite	SEDAR	System for Electronic Document Analysis and Retrieval
GPS	Global Positioning System	SG	specific gravity

gpt, g/t	grams per tonne	sph	sphalerite
Ha	hectare	t	tonne (1,000 kg or 2,204.6 lbs)
Hg	mercury	Te	Tellurium
Hm	hematite	to	tourmaline
ICP	inductively coupled plasma	ton	short ton (2,000 pounds)
Kf	potassium feldspar	um	micron
Kg	kilogram	US\$	United States dollar
Km	kilometre	VMS	Volcanogenic massive sulphide
km <sup>2</sup>	square kilometre	Zn	zinc
L	litre	%	percent

## 2.5 Acknowledgements

The author wishes to thank the officers and personnel of C.J. Greig & Associates Ltd. for providing the technical materials and assistance required to prepare this Report.

## 3 RELIANCE ON OTHER EXPERTS

On July 15th, 2020, the author confirmed the status and registration of the subject mineral tenures with information available through the web page of the Mineral Titles Branch, Ministry of Energy, Mines and Petroleum Resources of the Government of British Columbia at: <https://www2.gov.bc.ca/gov/content/industry/mineral-exploration-mining/mineral-titles/mineral-placer-titles/mineraltitlesonline>. This British Columbia government agency records tenure information for all mineral claims in the province.

The British Columbia Ministry of Energy, Mines and Petroleum Resources geological library was accessed for geological maps and reports found at: <http://www.empr.gov.bc.ca/MINING/GEOSCIENCE/PUBLICATIONSCATALOGUE/Pages/default.aspx>, and

<https://www2.gov.bc.ca/gov/content/industry/mineral-exploration-mining/british-columbia-geological-survey/geology>.

Except as set out above, the author has not performed an independent verification of land titles and tenures, nor did he verify the legality of any underlying agreements, including the Purchase Agreement and the net smelter returns royalty on the Green Mountain Property. The author relied on information provided by the issuer for the Purchase Agreement and the net smelter returns royalty on the Green Mountain Property. While title documents were reviewed for the report, it



does not constitute, nor is it intended to represent, a legal, or any other opinion as to title. Except for the purposes legislated under provincial securities laws, any use of this report by any third party is at that party's sole risk.

## **4 PROPERTY DESCRIPTION AND LOCATION**

### **4.1 Property Location**

The Green Mountain Property is located in the southern interior region of British Columbia, approximately 250 km east of Vancouver, and 20 km southwest of the city of Penticton (Figure 4.1). The property lies at the eastern end of the historic Hedley mining camp, which hosts past producing gold mines, including the Mascot, Nickel Plate and French mines. Access to the property is provided via the paved Green Mountain and Apex Mountain roads, which respectively traverse the central and northern parts of the property. Networks of variably maintained unpaved roads provide good access to the remainder of the property. The claims are approximately centered at latitude 49°23'47" N, longitude 119°50'10" W or, in the local North American Datum 83 (NAD 83) coordinate system, Zone 11N, at 294402E, 5475621N, on National Topographic System (NTS) Map Sheet 082E/05.

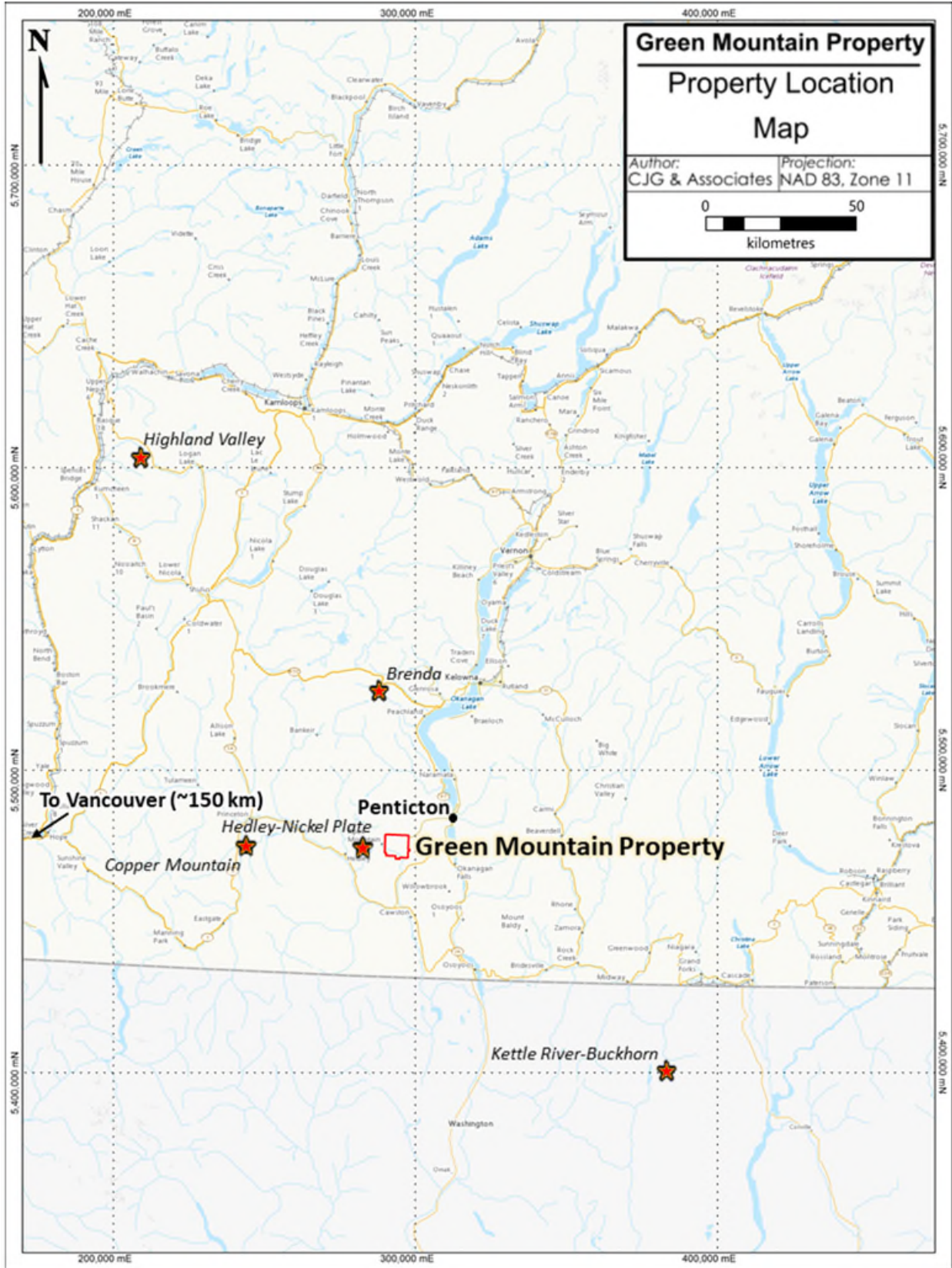


Figure 4.1 Location of the Green Mountain Property with significant mines

## 4.2 Property Description

The Green Mountain Property consists of 3 contiguous Mineral Titles Online (MTO) digitally registered mineral tenures totaling 5,593.5 hectares. The mineral tenures are listed in Table 4.1 and are shown on Figure 4.1.

*Table 4.1 Green Mountain Property mineral tenures*

<b>Tenure No.</b>	<b>Claim Name</b>	<b>Owner</b>	<b>Issue Date</b>	<b>Expiry Date</b>	<b>Area (ha)</b>
1075773	VERDE	1246931 B.C. LTD.	2020-04-17	2024-11-24	1,661.9228
1075772	VERT	1246931 B.C. LTD.	2020-04-17	2024-11-24	2,081.276
1075771	GREEN	1246931 B.C. LTD.	2020-04-17	2024-11-24	1,850.3266
				<b>Total:</b>	<b>5,593.5254</b>

The tenures that comprise the Green Mountain Property were staked under the name of James Mitchell Aubie and transferred to 1246931 B.C. LTD. on September 24, 2020. The tenures are currently registered with Mineral Titles Online as 100% ownership by 1246931 B.C. LTD, a wholly owned subsidiary of Level 14 Ventures Ltd.

The author has determined, by viewing British Columbia Mineral Titles Online records, that the mineral tenures are in good standing as of the writing of this Report, with expiration dates shown in the above table. Applications for an exploration permit for 2023 has not been submitted to the BC Ministry of Mines; however, in the opinion of the author, the granting of such a permit is considered probable.

## 4.3 Green Mountain Property Agreement

Level 14 Ventures Ltd. purchased a 100% interest in the claims comprising the Green Mountain Property by purchasing 100% of the issued and outstanding common shares of 1246931 B.C. Ltd (the "1246931 Shares") the beneficial holder of the Green Mountain Property, on or about October 14, 2020, pursuant to a share purchase agreement (the "Purchase Agreement") between the Company and David De Witt, the owner of 1246931 B.C. Ltd. As consideration for the 1246931 Shares, the Company paid \$28,000 in cash, issued 4,000,000 common shares of the Company and granted a 1.5% net smelter returns royalty to Mr. De Witt, as more particularly described above.



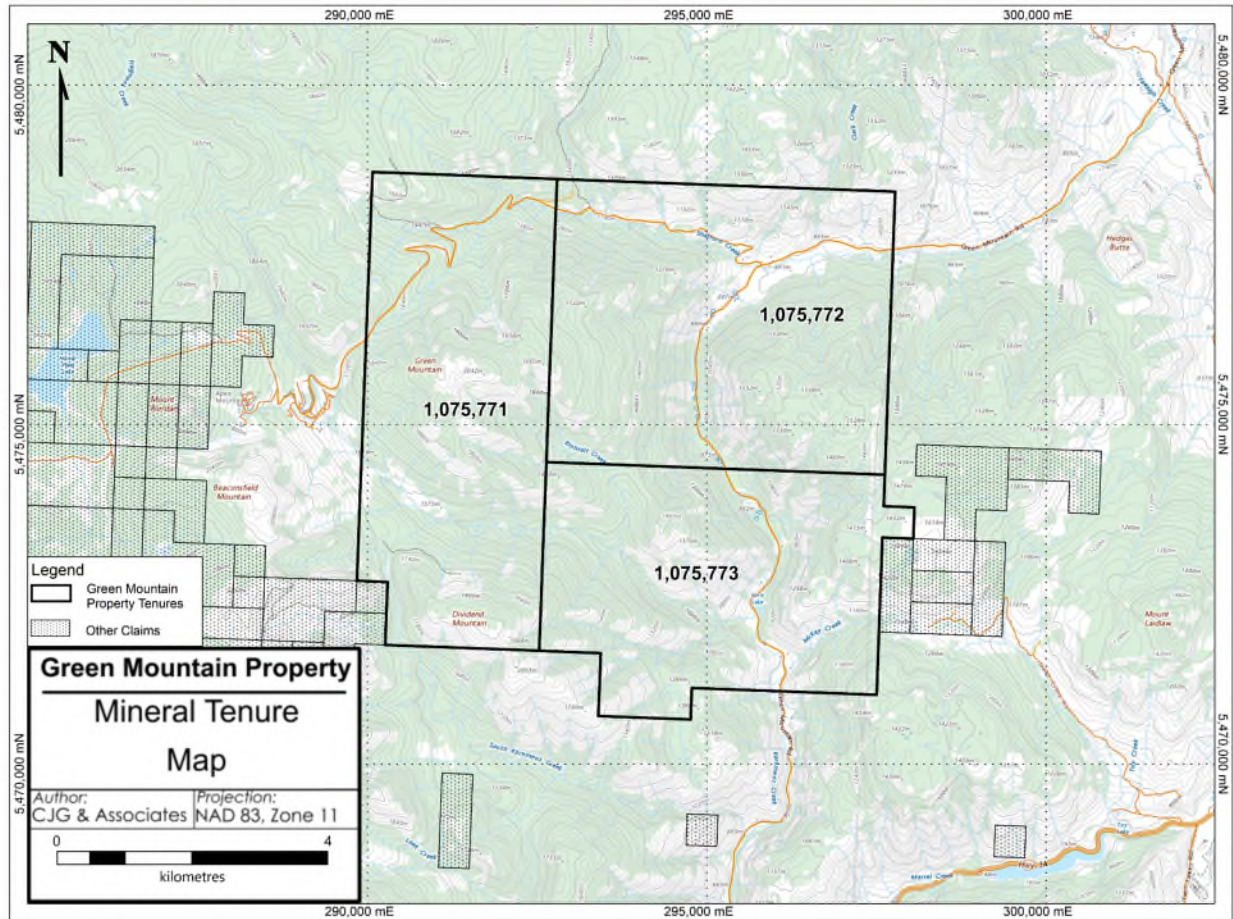


Figure 4.2 Tenure map of the Green Mountain Property claims

#### 4.4 Mineral Tenure Ownership in British Columbia

In British Columbia, the owner of a mineral claim is granted 100% ownership of all sub-surface minerals. A valid Free Miner Certificate (“FMC”) is required to record a claim or acquire a recorded claim or interest in a recorded claim by transfer, and to conduct exploration for minerals on mineral claims within British Columbia. A company FMC is available to any registered corporation in good standing for a fee of \$500, and to individuals for \$25, renewable annually.

Mineral titles in British Columbia are acquired and maintained through Mineral Titles Online, a computerized system that provides map-based staking. Acquisition costs for claims are \$1.75 per hectare. This confers ownership of the claim for one year beyond the date of staking. To continue to hold the claims beyond the first year, the owner must complete assessment work, either physical or technical, on the property. A report must be filed detailing the work performed and the results of the work. These assessment reports remain confidential for one year and then become available for public access. If assessment work or cash in lieu is not filed by the required date the claims will automatically forfeit. For years 1 and 2 of claim existence the work requirement is \$5 per hectare per year, for years 3 and 4 it is \$10 per year, years 5 and 6 it is \$15 per year, and thereafter \$20 per year. Rather than work on the property, cash in lieu may be paid to hold the

claims, at a rate twice that of exploration work. The Green Mountain Property tenures are all in their 1<sup>st</sup> year, thereby requiring \$5 per hectare in exploration costs for each of the next two years applied for assessment or \$10 per hectare cash in lieu for each year.

Crown Land occupies 92.8% of the Property, where the province of British Columbia owns all surface rights. There are approximately 777 ha of privately held surface rights within the area of the Property, accounting for 7.2 % of the property area (Figure 4.3).

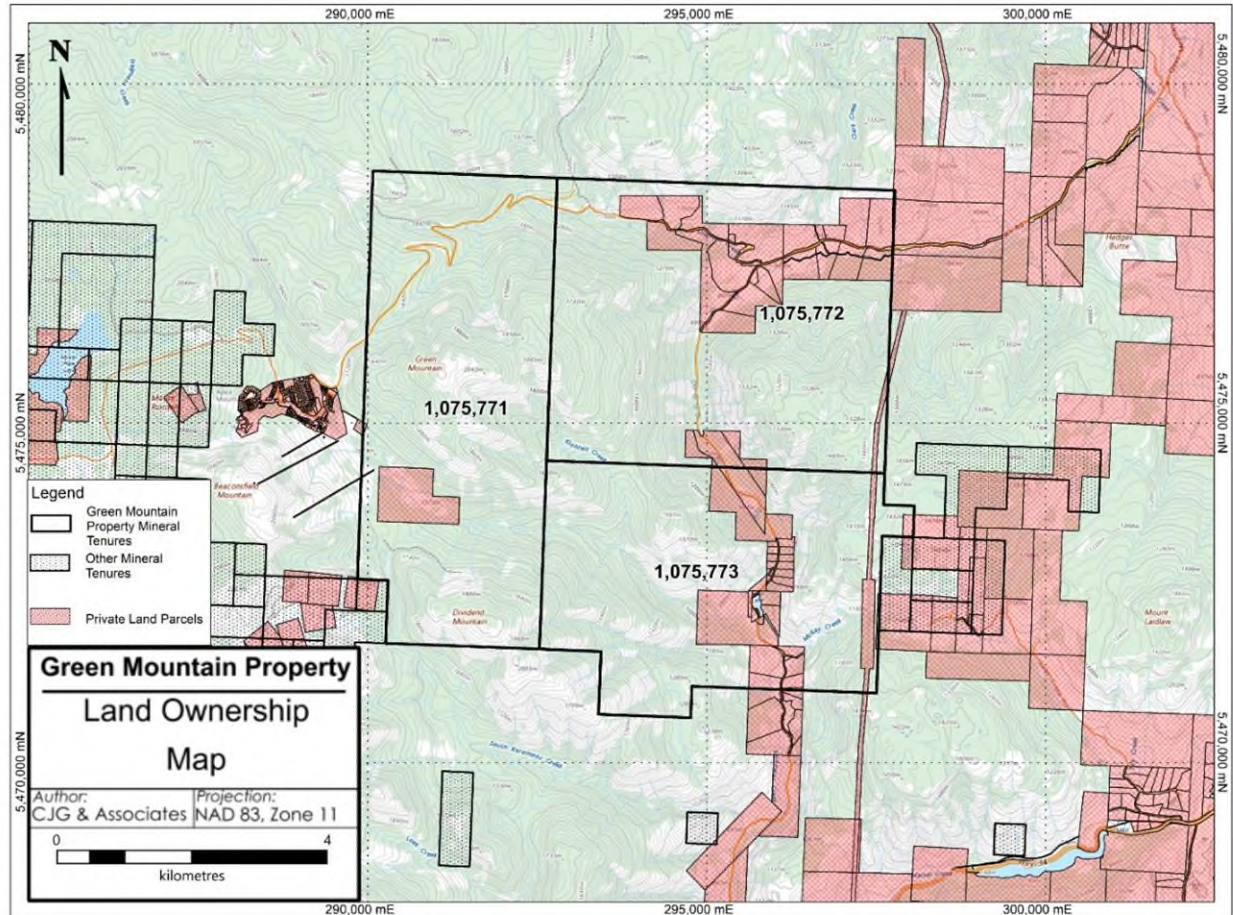


Figure 4.3 Land Ownership map underlying the Green Mountain Property claims

#### 4.5 Environmental Regulations and Exploration Permits

A reclamation bond or security is required to be posted with the government of British Columbia as part of the exploration permitting process to pay for the cost of reclamation of surface disturbance in the case that a company defaults on its obligation to perform any required remediation. Permits and reclamation security are required for any type of exploration work that may cause disturbance or possible environmental damage to the land. These include, but are not limited to, the following:

- construction of drill sites and helicopter pads
- camp construction



- construction of roads or trails
- cutting of geophysical cut-lines
- drilling and blasting
- trenching
- use of wheeled or other mobile equipment
- fuel storage

The bond, or security, can be recovered by the company upon remediation of any environmental disturbance on the Property caused by exploration activities.

A Multi-Year (5 year) Area-Based (“MYAB”) permit can be obtained from the BC Ministry of Mines which provides flexibility for a range of property exploration activities, including specified levels of diamond drilling, geophysical surveys, camp site, fuel storage, road building and other disturbances, by making application to the Ministry of Mines office in Osoyoos, BC. The permit process generally takes from 3 to 5 months to complete. The permitting process also may require that baseline archaeological and environmental studies (water quality, flora, fauna) be carried out over the areas proposed for exploration, the development of flight plans to minimize disturbance to wildlife, and consultation with affected First Nations.

#### **4.6 Environmental Considerations**

To the best of the author’s knowledge, there are no environmental considerations or other significant factors or risks that may affect access, title, or the right or ability to perform work on the Property.

## **5 ACCESSIBILITY, CLIMATE, PHYSIOGRAPHY, LOCAL RESOURCES AND INFRASTRUCTURE**

### **5.1 Accessibility**

The Green Mountain Property is easily accessed by Green and Apex Mountain Roads. These roads are paved and maintained year-round (Figure 5.1 to Figure 5.4). The property is most easily accessed from the community of Penticton, where Green Mountain Road intersects B.C. Highway 97 (Figure 5.1). Access to the Property is gained by travelling west along Green Mountain Road for approximately 20 km. Apex Mountain Road spurs off of Green Mountain Road in the Northeast part of the property and provides access to the northern and western parts of the property. Alternatively, the property can be accessed from the south, by travelling north for approximately 20 km from the community of Keremeos, initially along B.C. Hwy 3, then exiting onto the south end of the Green Mountain Road. Numerous unpaved logging and recreational roads provide good access to much of the Property.

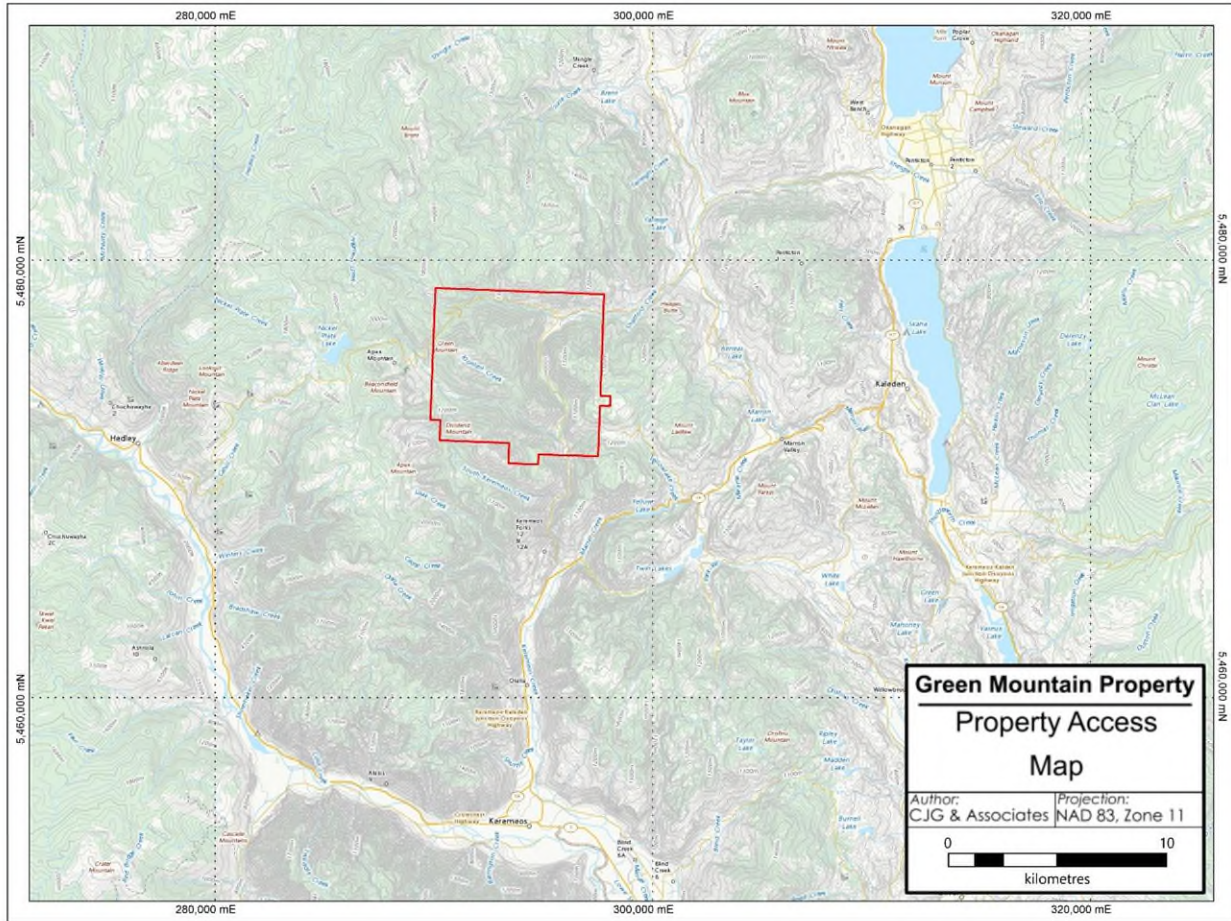


Figure 5.1 Property Access map showing paved roads and nearby communities





Figure 5.2 Green Mountain Road looking south



## 5.2 Climate and Vegetation

The Green Mountain Property has a semi-arid climate, typical of the South Okanagan and Similkameen River Valley. Average climate data from the nearby community of Keremeos indicates that spring and summer months receive the lowest levels of precipitation, with moderately higher levels in summer and winter months. Average precipitation for the year is 325 mm (Environment Canada). Higher elevations on the Property receive significant amounts of snowfall during the winter months. Data from the nearby Apex Mountain ski resort indicates that an average of 600 cm of snow falls during the winter months, with snowpack reaching up to 300 cm. Personal knowledge of the area confirms that snowpack at elevations over 1500 m can remain until early June in some years, particularly in areas sheltered by tree cover. Vegetation on the property is characterized by open forests populated by fir, pine, balsam fir, and spruce, although open, grassy clearings are common on south-facing slopes.

## 5.3 Physiography

The Green Mountain Property is characterized by moderately rugged, mountainous terrain (Figure 5.2 and Figure 5.4). Elevations range from 2106 m ASL at the summit of Green Mountain, to 800 m, at the southern border of the Property. Green Mountain, which occupies the west-central part of the Property, has a broad, gently sloping, partially forested summit, with steep southern slopes leading down to the east-west trending Keremeos Creek Valley, which intersects the north-south trending Green Mountain Road valley. Steep rocky cliffs and bluffs are present along both the east and west sides of Green Mountain Road, which give way at higher elevations to broad, gently undulating slopes and local plateaus. Drainage on the property is largely seasonal, with many streams only active during the spring melt; although several creeks are active year-round, with sufficient volume to supply water for drilling.



Figure 5.3 Apex Mountain and Old Apex Mountain Road

## 5.4 Local Resources and Infrastructure

The city of Penticton, with a population of approximately 35,000, is located 20 km east-northeast of the Property. Paved roads and high voltage electrical transmission lines are located near key targets on the Property (Figure 5.4), which is approximately 10 km from BC's Highway 3, and 300 km to the east of the nearest deep-water port at Vancouver BC. Penticton and Keremeos, 25, and 20 km away by road, respectively, are the nearest full-service communities where food, exploration supplies, skilled exploration and mining personnel, drilling and construction contractors, and accommodations can be found.

Water for exploration and drilling can be drawn from numerous ponds and creeks on the Property. Later advanced exploration and mining would require a water use permit from the BC Government.



Figure 5.4 High Voltage Powerlines and Green Mountain Road - looking south

## 6 HISTORY

### 6.1 Property Exploration History

The earliest known recorded exploration on the Property took place in 1901 at the Lookout and Dividend mineral showings, on the west and southwest parts of the Property, where several small shafts were sunk to explore skarn style copper-gold mineralization, similar to mineralization in the nearby Nickel Plate and Mascot deposits. Since then, numerous operators have conducted a series of geochemical, geophysical, and geological surveys within the area of the Property.

The earliest recorded work was performed by Cominco Limited in 1966, consisting of magnetometer and electromagnetic surveys over the Dividend Showing (southwest corner of the Property), as well as reconnaissance geological mapping and prospecting. Old hand trenches and shafts dating back to the 1900's were re-located within an area covering approximately 300 m by 600 m, mapped as cherty argillite and limestone of the Shoemaker Formation. Lenses of massive pyrrhotite and pyrite were identified in the historical trenches; however, a geophysical survey failed to indicate with any certainty the continuity of sulphide lenses over more than 10 metres of length (EMPR Report 00803).

In 1968, Apex Exploration Ltd. flew 47.25 line-kilometres of airborne magnetometer surveys, over the west-central part of the current Green Mountain Property. The survey outlined a northeast trending magnetic fabric which was thought to follow the strike of major lithological units and identified a prominent ellipsoidal magnetic high, measuring approximately 700 m by 365 m (EMPR Report 01803).

In 1972, Lantern Gas and Oil Ltd. carried out soil and ground-based magnetometer surveys over the central part of the present-day Property, with a grid of 341 samples laid out over the eastern flank of Green Mountain. A single, strongly anomalous zone of Cu-in-soil (> 200 ppm) measuring about 300 m x 100 m in size, was located along what magnetic data suggest was a contact between quartz monzonite and a chert and greenstone sequence (EMPR Report 03918).

In 1984, Grand National Resources Inc. collected a total of 179 soil samples and completed 10.3 line kilometres of VLF-EM surveys over the central part of the Property, on the west side of Green Mountain Road. A 600 m long, north striking, anomalous Au trend associated with a subparallel VLF-EM anomaly was identified along the eastern part of the survey grid (EMPR Report 12699).

In 1984, Placer Development Ltd. conducted a soil sampling program located within the south-central part of the Green Mountain Property. This program consisted of 69 samples collected along an elevation contour, on the east side of Green Mountain Road. Sporadic gold highs (> 100 ppb) with some associated anomalous arsenic, copper and molybdenum were identified in the central portion of the soil line (EMPR Report 13199).

In 1985, Grand National Resources Inc. conducted additional geological mapping, soil sampling, prospecting and VLF-EM surveying to overlap and extend coverage to the north of their 1984 grid. A total of 319 soil samples and 26 rock samples were collected. The soil sampling outlined a broad gold-in-soil anomaly, oriented approximately north-south, with a strike length of 1050 m and a maximum width of 250 m. It was concluded that the metasedimentary rocks in contact with diorite intrusions are anomalous in gold, however the areas of diorite did not return anomalous values (EMPR Report 13906).

In 1985, Siemont Resources Ltd. conducted reconnaissance geological, geophysical, and geochemical surveys, and trenching over the northwestern part of the Green Mountain Property. A total of 1400 soil (only 599 were assayed) and 61 rock samples were collected, and VLF-EM and magnetometer surveys were conducted. Soil analyses returned sporadic gold anomalies, some with elevated arsenic. A rock sample taken from an outcrop returned 4.1 g/t Au. Siemont concluded that gold is somewhat correlative with the presence of magnetic pyrrhotite (high magnetic and conductivity responses), and that in soil, arsenic and gold values were moderately to strongly correlative (EMPR Report 14743).

In 1987, QPX Minerals Inc. collected a total of 164 rock samples and 496 soil samples from the southeastern part of the current Property. Gold anomalies from soil sampling were sporadic, and high gold values showed a strong correlation with arsenic. Rock sampling confirmed the presence of gold hosted in arsenopyrite stringer veins found in cliff faces located above the soil sampling area. It was interpreted in the report that anomalous soil samples in this area were the result of downslope dispersion of Au-As mineralization from the overlying cliffs. It was also reported that a historical adit (about 10 m) and bulldozer trenches were excavated "some years ago", and casing from an inclined diamond drill hole indicated previous drilling (no published records of this work) (EMPR Report 16674).

In 1988, QPX Minerals Inc. followed up their 1987 program with additional geological mapping, geochemical sampling, geophysical surveying, and diamond drilling. A large, tightly spaced soil grid (10 m sample intervals taken along lines spaced 100 m apart) was sampled to the east of the 1987 work, as were several north-south oriented sample lines, yielding 3,005 soil samples. Gold-in-soil anomalies were sporadic, but generally conformed to northwest-southeast narrow linear trends, commonly paralleling faults in the region. Three diamond drill holes totalling 524 m were



collared in Tertiary sedimentary units and targeted the underlying Shoemaker Formation, which hosts gold mineralization in the region. Drilling was reported to be very slow, and difficult due to cobbly, inhomogeneous composition of the overlying Tertiary conglomerate. Although only sub-economic gold values were encountered in the three holes, drilling confirmed an episode of Tertiary mineralization, where some of the best grades were returned from the highly altered tuff (Springbrook Formation) above the Shoemaker Formation basement contact, suggesting that fluids travelled up major faults and fractures in the basement rocks, moving out along porous units and contacts (EMPR Report 18251).

In 1987, Grand National Resources Inc. conducted 8.5 kilometres of induced polarization (IP) surveying in the south-central part of the current Property. A number of anomalous zones were identified, with recommendations for trenching to test for the source of one of the chargeability highs (EMPR Report 18327).

In 1988, Grand National Resources Inc. completed two soil grids to extend a previous soil survey area to the north and south, as well as 6.45 line kilometres of VLF-EM surveys in the southeastern part of the current Property. A total of 140 soil samples were collected at 50 m intervals on lines spaced 100 m apart. A copper-zinc geochemical anomaly was outlined on the north grid. Spotty gold highs were identified in both the north and south grids (EMPR Report 18327).

In 1989, Grand National Resources Inc. collected 176 soil samples and performed 8.7 line kilometres of VLF-EM surveys over the central part of the Green Mountain Property. Large areas of anomalous values for copper, gold, arsenic, silver, zinc and lead were identified in the north and south grids. Anomalous gold-in-soil results were mostly sporadic, generally correlated well with arsenic, and included a single spot high of 400 ppb Au (EMPR Report 19643).

In 1990, Grand National Resources Inc. conducted a soil geochemical survey totalling 279 samples over two grids in the central part of the Green Mountain Property, to the northwest of the 1989 sampling. A large anomalous trend of zinc was discovered in the south grid, with sparse spotty anomalous gold values. A VLF-EM survey was completed and identified three weak northeast-trending conductors thought to represent mineralized veins or water filled open fractures, which should be followed up for potential mineralization (EMPR Report 20747). In 1992 Grand National Resources Inc. performed additional soil sampling, collecting 117 samples to the west of the 1990 south grid. No significant values for gold were returned. Two samples returned >100 ppm for copper, but this was considered weakly anomalous given the 50 ppm average background for copper. A 5.0 line-kilometre VLF-EM survey was completed over the soil grid and no conductors were identified (EMPR Report 22661).

In 1993, Grand National Resources Inc. collected 260 soil geochemical samples, largely to the immediate south of the 1989 grid, in the central part of the Green Mountain Property. A moderately strong, approximately 500 m by 400 m (open to the east), north-south trending copper anomaly (including values over 400 ppm) was outlined in the eastern part of the grid. The analytical techniques used for the program had a detection limit of >2 ppm Au, which was too high to identify any gold-in-soil anomalies that typically fall within the range from 0.05 to 2 ppm Au. A 12.3 line-kilometre VLF-EM survey was carried out over the same soil grid lines, and identified a number of strong crossovers, indicating conductive rocks trending in a north-northwest direction (EMPR Report 23223).

In 1995, Grand National Resources Inc. conducted soil geochemical (196 samples) and VLF-EM (19.5 line-kilometres) surveys to the west and south of the 1993 grid, located centrally within the

Green Mountain Property. A broad copper-zinc anomaly was outlined; however, the detection limit for gold was >2 ppm, too high to determine if anomalous gold was associated with the copper and zinc. The VLF-EM survey mapped two strong conductors, extending anomalies from past surveys by 200 and 500 m, and these appear to be associated with areas of copper, or copper and zinc soil geochemical anomalies. During the course of the field program an old adit was located, and a sample from the adit dump comprising massive pyrite returned 644 ppm Cu, 2.4 g/t Ag, 0.12% W and 36.42% Fe (EMPR Report 24206).

In 1996, Grand National Resources Inc. undertook soil sampling and VLF-EM surveying on two grids. One grid was centered to the southeast of the 1995 work, and the other grid was approximately 1.5 km to the north, overlapping work done in 1984 and 1985. A total of 227 soil samples were collected, outlining a broad Cu- and Zn-in-soil anomaly with spotty silver support within the northern grid, and a broad Zn-in-soil anomaly with sporadic copper and silver spot highs within the southern grid. The detection limit for the gold analysis was >2 ppm, likely too high to identify any potential gold anomalies (EMPR Report 24749).

Digitized historical soil samples, rock samples, drill hole collars, and geological mapping are presented in Figure 6.1 to Figure 6.6.

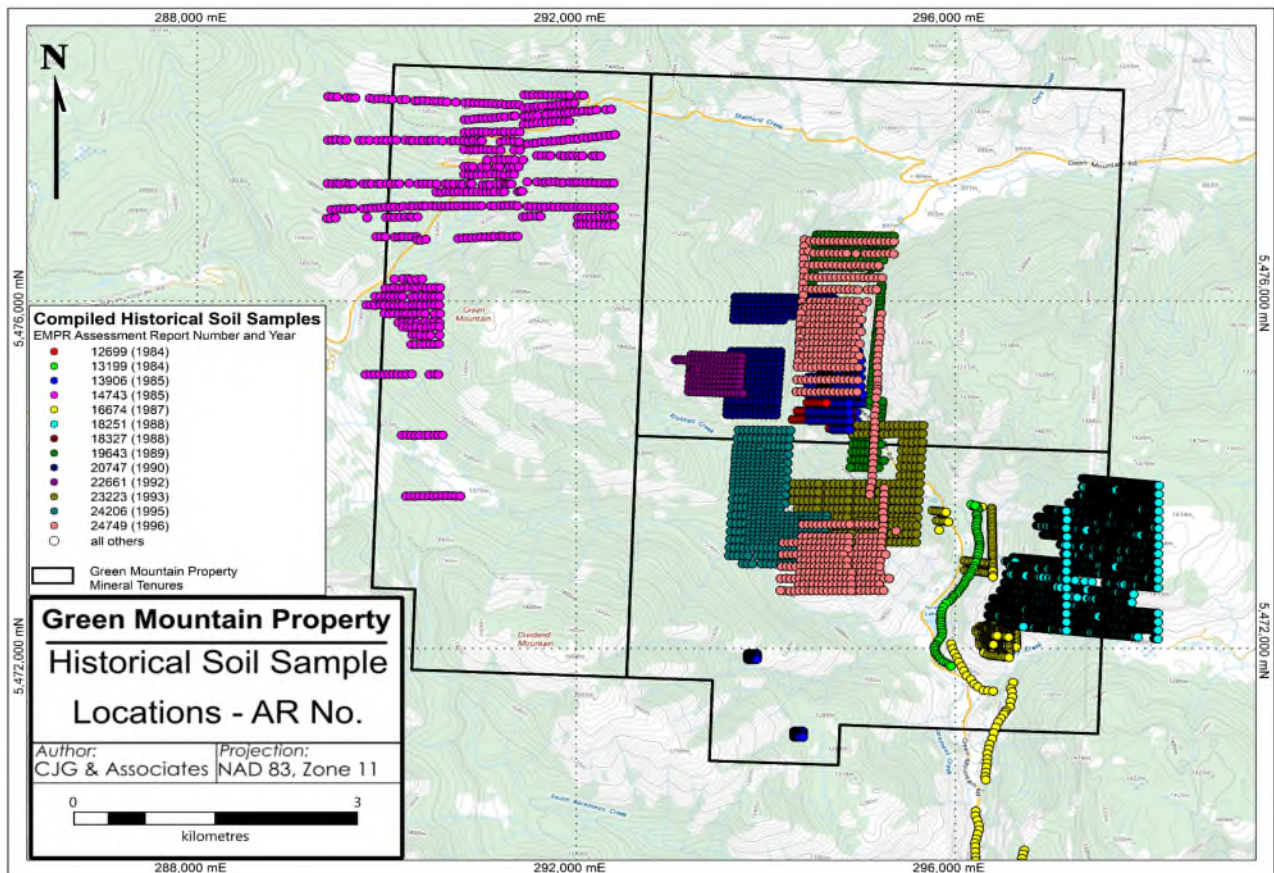


Figure 6.1 Historical soil sample locations by BC Assessment Report

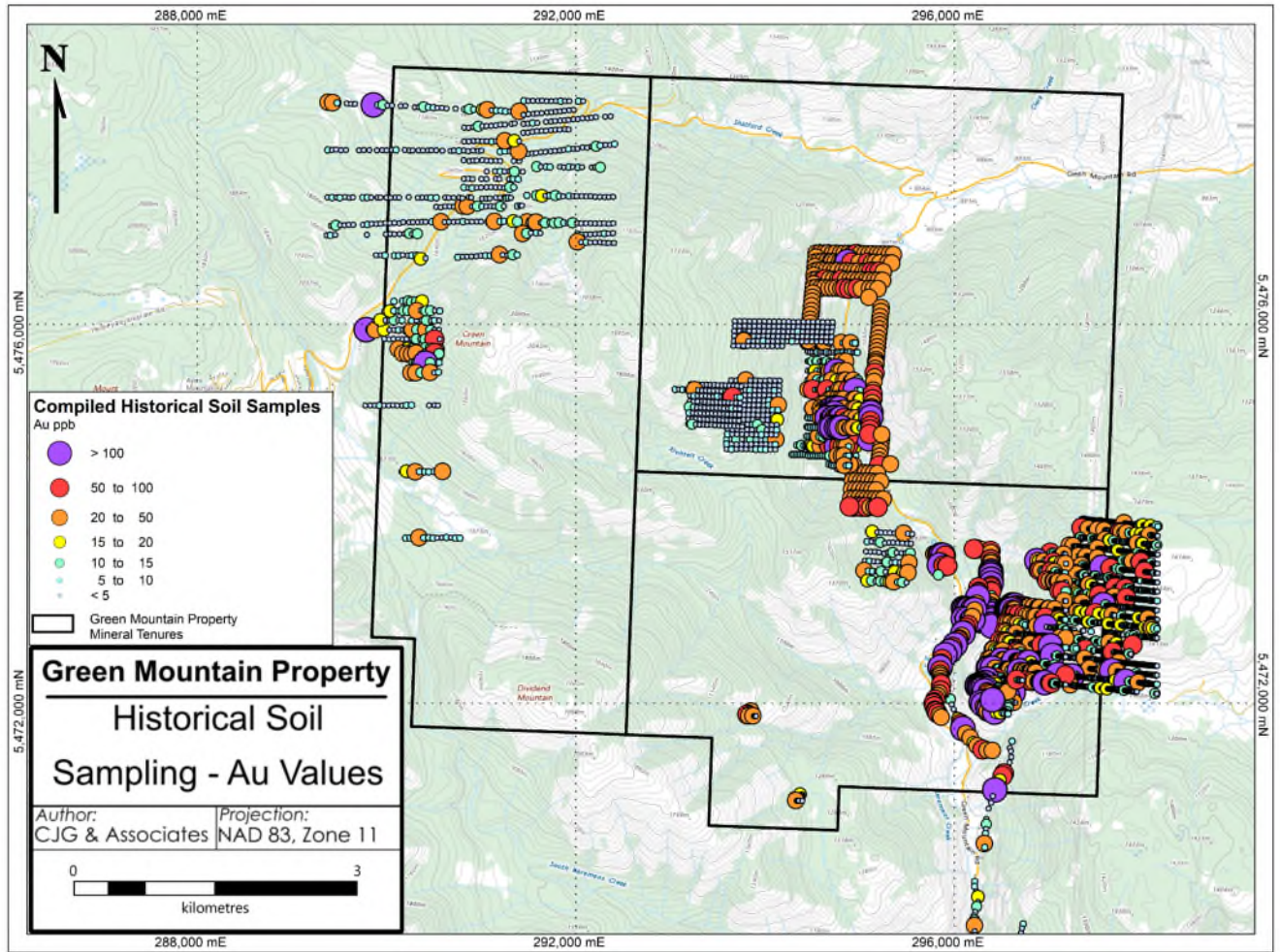


Figure 6.2 Historical gold-in-soil sample results. Central grid appears anomalous due to a lower detection limit of 20 ppb



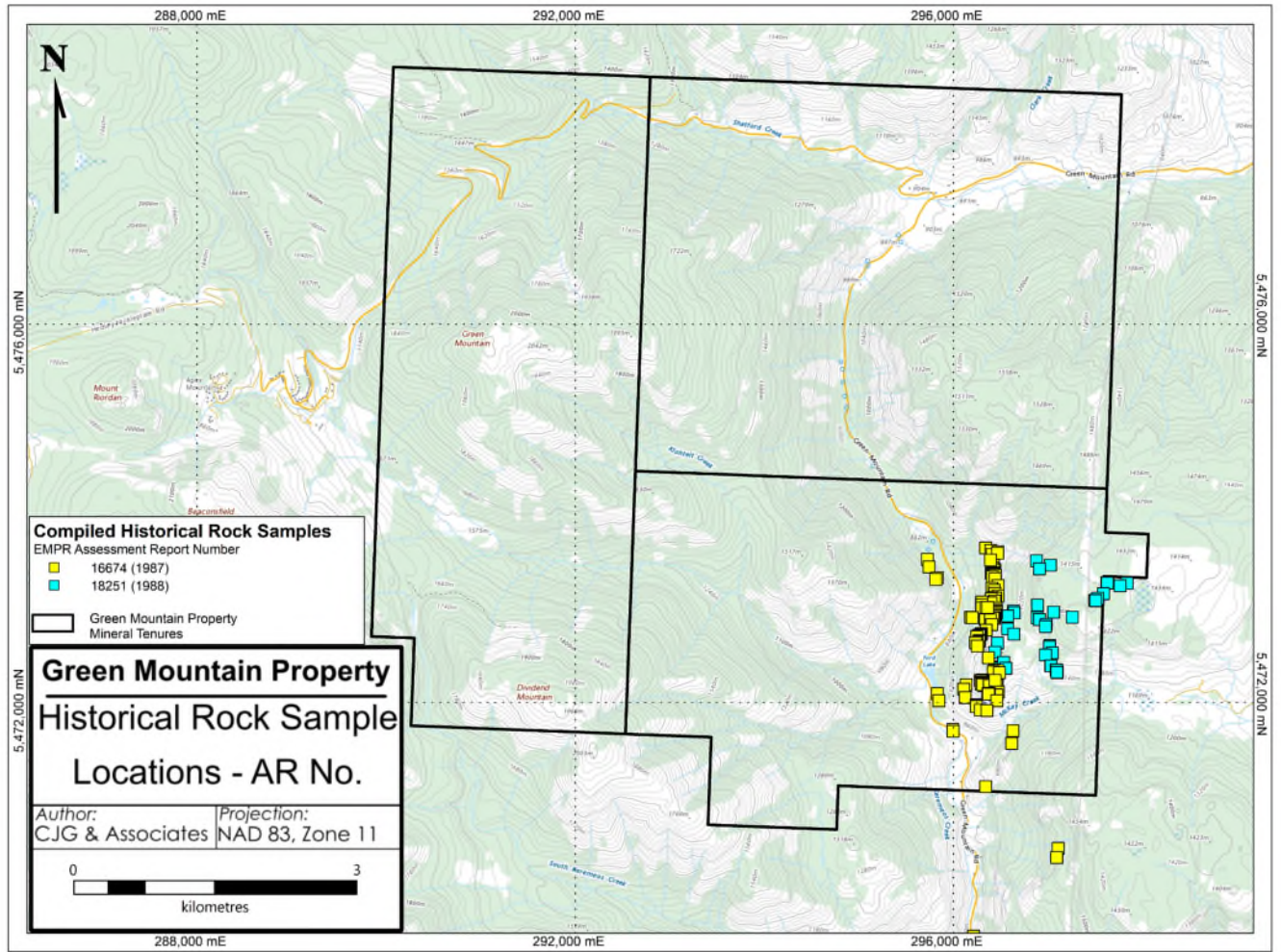


Figure 6.3 Historical rock sample locations



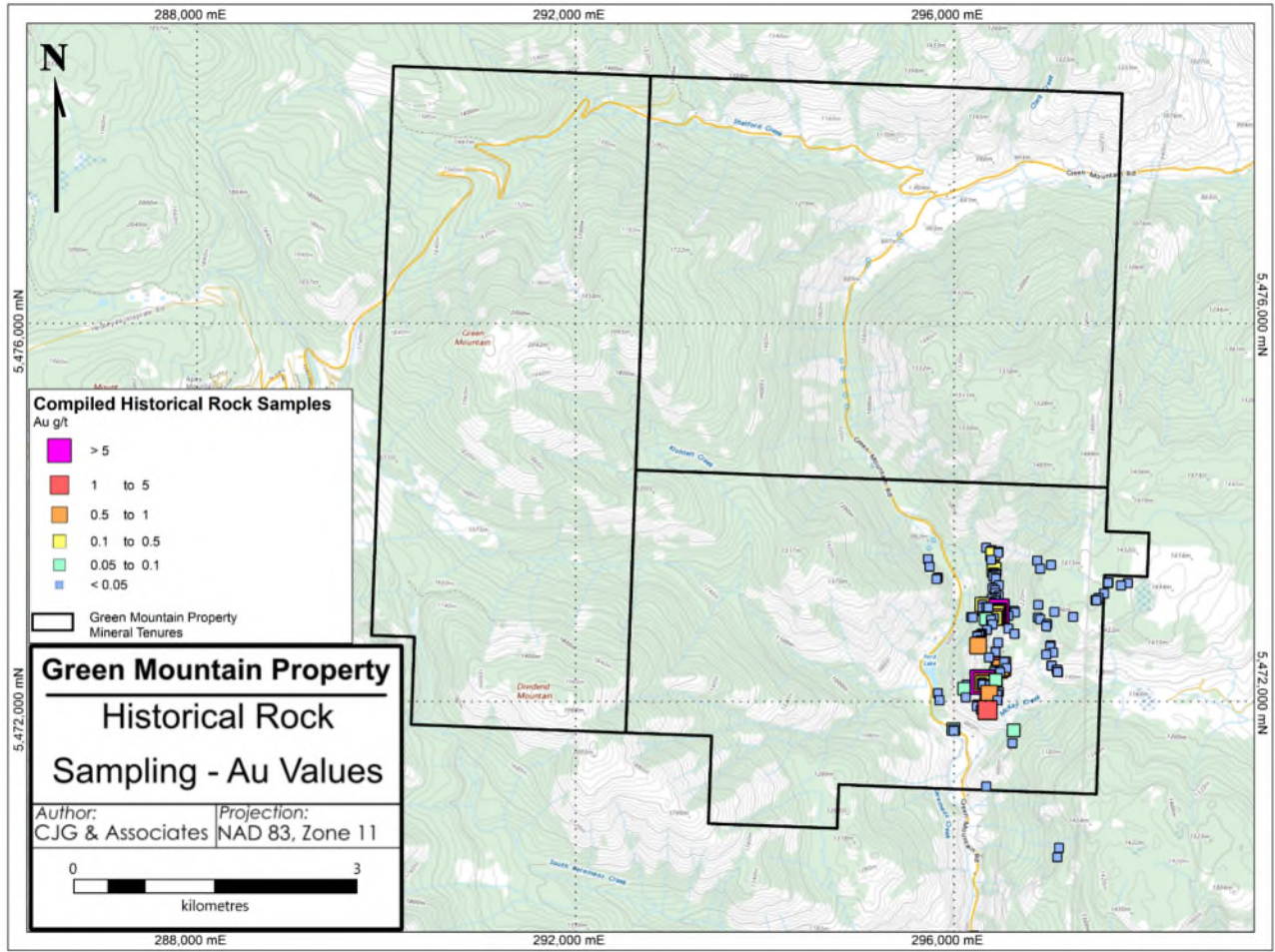


Figure 6.4 Historical rock samples with gold assay values

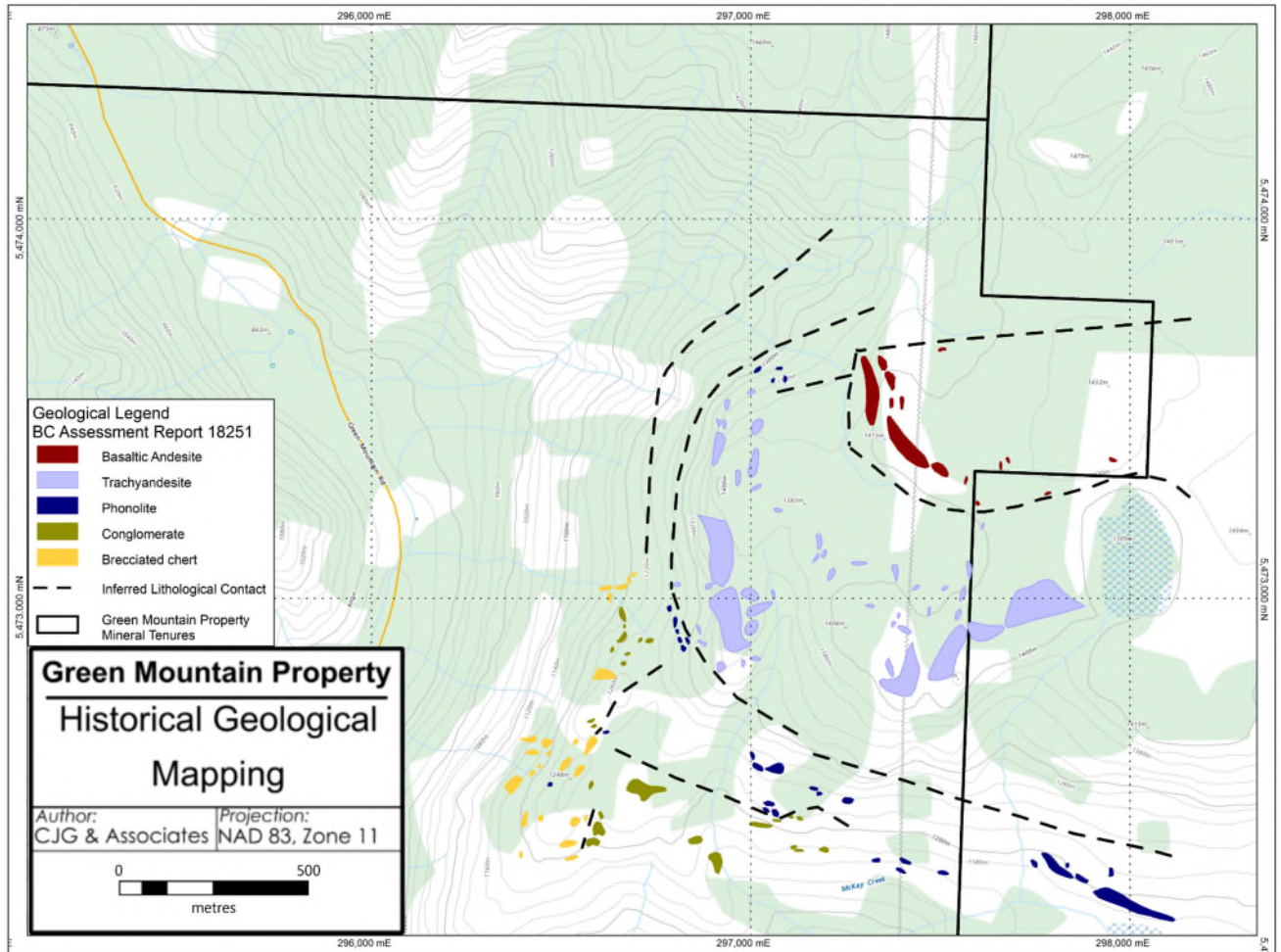


Figure 6.5 Historical Property Geology (BC Assessment Report No. 18251)

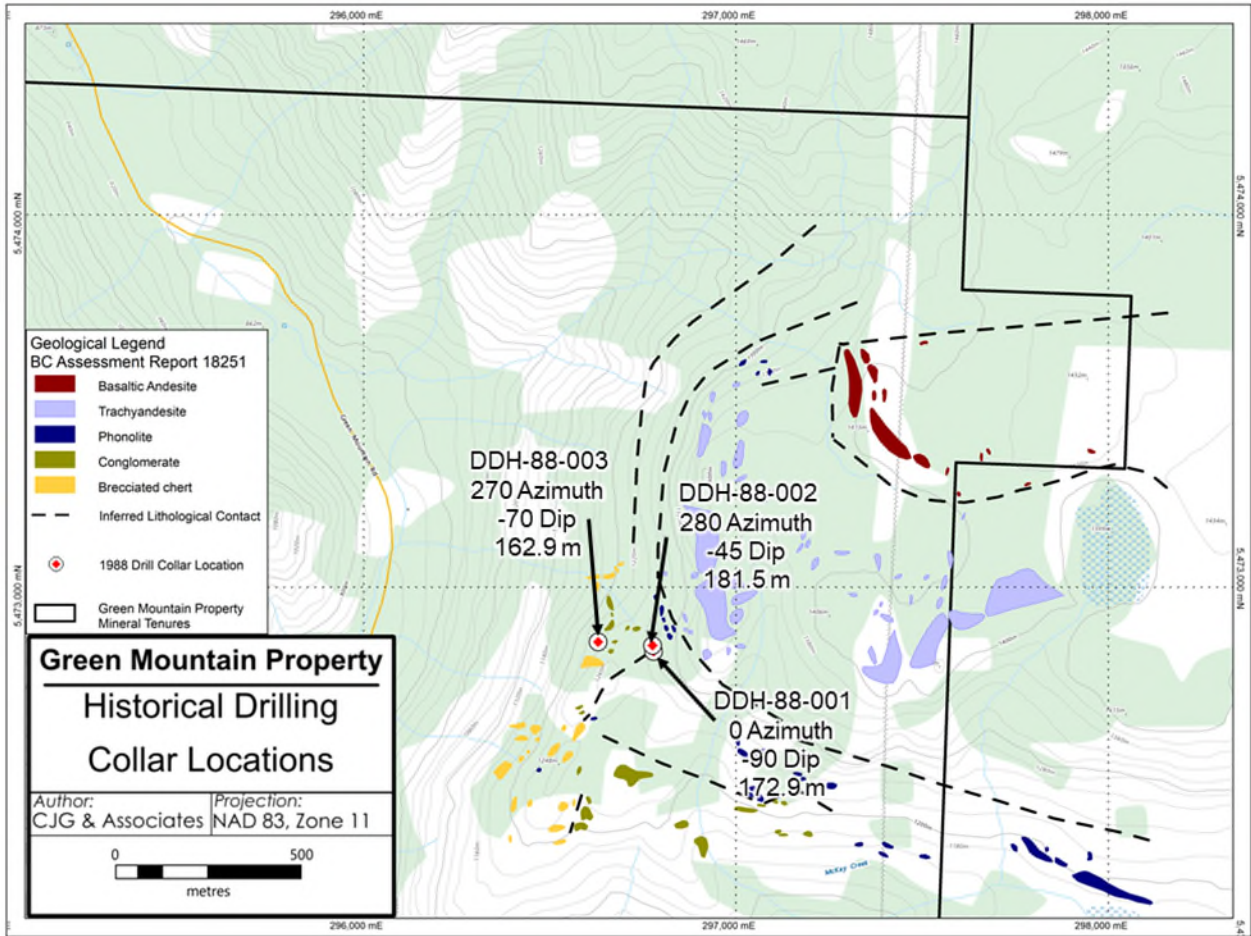


Figure 6.6 Historical Drill collar locations.

## 7 GEOLOGICAL SETTING AND MINERALIZATION

### 7.1 Regional Geology

The geologic setting of the Green Mountain Property area, as described by Mountjoy (1997), mainly consist of Quesnel terrane rocks, which are some of the oldest stratified rocks underlying much of southern British Columbia, extending from west of Princeton to as far east as the West Kootenays. The older lithologies of Quesnellia were deposited in oceanic settings and are largely Paleozoic in age, ranging to as old as Ordovician. In the immediate area of the Property, they are known variously as the Old Tom, Shoemaker, and Independence Formations and not far to the east have been assigned to the Kobau and Anarchist groups. All consist of marine sedimentary and volcanic arc-related rocks, which are typically overlain by similar marine arc-related rocks of the Upper Triassic Nicola Group, which best characterize the Quesnel terrane. The Paleozoic stratified rocks form a broadly folded, east-dipping sequence that, in general, are older in age structurally upwards toward the east. This structural configuration in part has led to the general consensus that these rocks formed as part of an ancient subduction complex, with progressive



eastward-directed under-thrusting and accretion of successively younger slices of oceanic sedimentary and volcanic rocks (Mountjoy 1997).

The area in the immediate vicinity of the Green Mountain Property was first mapped by Bostock (1940, 1941a, 1941b) (Figure 7.1). Bostock referred massive and ribboned chert to the Shoemaker Formation and meta-andesite (greenstone) to the Old Tom Formation. Later, Rice's (1946) mapping in the Princeton area to the west concluded that the Shoemaker and Old Tom Formations, along with Bostock's Bradshaw and Independence formations, could not be readily distinguished as distinct, regionally-mappable, lithologic units. Still later, Milford (1984) defined the informal Apex Mountain Group (or Apex Mountain Complex), in which he included the Old Tom, Shoemaker, Bradshaw and Independence formations of Bostock. Milford (1984) subdivided the Apex Mountain Complex into five major lithofacies: massive and bedded chert; greenstone; chert breccia; argillite; and limestone, which he interpreted as being deposited in a deep marine setting and amalgamated in a subduction complex environment. Microfaunal ages from chert of the Shoemaker Formation provide unambiguous mid-Carboniferous ages, but much older, Upper Devonian (Famennian) ages have been obtained from radiolarian and conodont fauna collected and extracted from chert, and Ordovician and Triassic (Middle to Upper Triassic, Ladinian-Carnian) conodonts have been extracted from limestone collected near Olalla. Together with the interpreted depositional environment, this wide range in ages (as much, or more than 200 Ma) suggests that the Apex Mountain Complex may represent the remnants of a broad ocean basin, and the conspicuous absence of Permian and Lower Triassic microfossils has been suggested to indicate a period when rocks of that basin were fully subducted. The youngest Apex Mountain Group and oldest Nicola Group rocks are interpreted to represent a transitional succession between the Apex Mountain Complex ocean basin environment and the Nicola Group (Quesnellian) arc environment, based on their marked similarity in lithologies and spatial distribution and orientation. However, Ray and Dawson (1994) note that the relationship between the Apex Mountain Complex and Nicola Group remains uncertain. Ray and Dawson (1994) suggest that the oldest part of the Nicola Group, in the area of the Nickel Plate mine, which consists of mafic tuff and minor flows, limestone, and chert pebble conglomerate, and which they termed the 'Oregon Claims Formation,' may represent the equivalent to the Apex Mountain Complex. However, they also note that the Triassic stratified rocks that are immediate hosts to most of the mineralization in the Hedley District are separated from rocks of the Apex Mountain Complex by intrusive rocks (Cahill Creek and Lookout Ridge plutons, and/or the Mt. Riordan stock) (Figure 7.1), or by faults (possible northeastward extensions of the Cahill Creek fault system of Ray and Dawson 1994).

The Paleozoic and lower Mesozoic stratified rocks of Quesnellia in this part of southern British Columbia have been intruded by a significant number of intrusive rocks, many of which, such as the Late Triassic to Early Jurassic Hedley intrusions at the Nickel Plate mine, are spatially as well as genetically related to mineralization. Most of the larger-scale intrusive bodies appear to be Late Triassic to Middle or perhaps Late Jurassic in age and are composite intrusions, the internal phases of which remain incompletely defined or accurately dated. This is certainly the case for at least parts of the Okanagan and Similkameen batholiths, which lie ten to fifteen kilometres to the north and south, respectively, of the Hedley-Olalla area. More locally, the distributions of intrusive rocks, if not their absolute ages, are better defined, in large part because of their exploration interest. For example, the Hedley intrusions, which contact relations suggest are the oldest intrusions in the Hedley camp, include stocks of up to 1.5 kilometres in diameter, as well as numerous thin sills and rare dykes of up to 100 metres thickness and one kilometre strike-length

(Ray and Dawson 1994). The Hedley intrusions are calc-alkalic and consist mainly of quartz diorite to gabbro, with common porphyritic plagioclase feldspar, hornblende, or rarely, pyroxene.

The Hedley intrusions and their host Nicola Group rocks, together with the Paleozoic rocks of the Apex Mountain Complex, have been intruded by a number of plutons yielding Early to Middle Jurassic radiometric ages. These include the Bromley batholith, which mainly underlies the area northwest of Hedley, and from which several Early Jurassic U-Pb and K-Ar dates have been obtained (Ray and Dawson 1994), as well as the Mt. Riordan stock, which hosts the Crystal Peak garnet deposit a short distance north of Apex Mountain. Rocks of the Bromley batholith are mainly of granodiorite composition, but Ray and Dawson (1994) note that marginal phases are typically more mafic and that they may be difficult to distinguish from the Hedley intrusions. Intrusive rocks of probable Middle Jurassic age include the Cahill Creek pluton, which in part marks the boundary between the Apex Mountain Complex and Nicola Group east of the Nickel Plate mine, and the Olalla alkalic complex, which underlies the area immediately south of the village of Olalla, on either side of Keremeos Creek. The Cahill Creek pluton, approximately 3 km southwest of the Property, consists of calc-alkaline quartz monzodiorite and granodiorite grading to local diorite at the pluton margins. The pluton has yielded a middle Jurassic age (168.8 Ma; U-Pb zircon; Ray and Dawson 1994), and its contact aureole within the Apex Mountain Complex is as much as one kilometre wide and includes biotite, cordierite, and local pyroxene. Middle Jurassic granodiorite is also mapped along the western margin of the Green Mountain Property. The Olalla alkalic complex, 10 km south of the Property, consists of magnetite-bearing pyroxenite in a peripheral zone, with a gabbro, gabbro-diorite, gabbro-syenite, and syenite core (Mountjoy 1997, B.C. Minfile). The pyroxenite is composed primarily of augite, while the syenite is fine grained, and a light grey to buff or pink colour. Coarse grained syenite dykes apparently occur at the contact

between the syenite and pyroxenite.

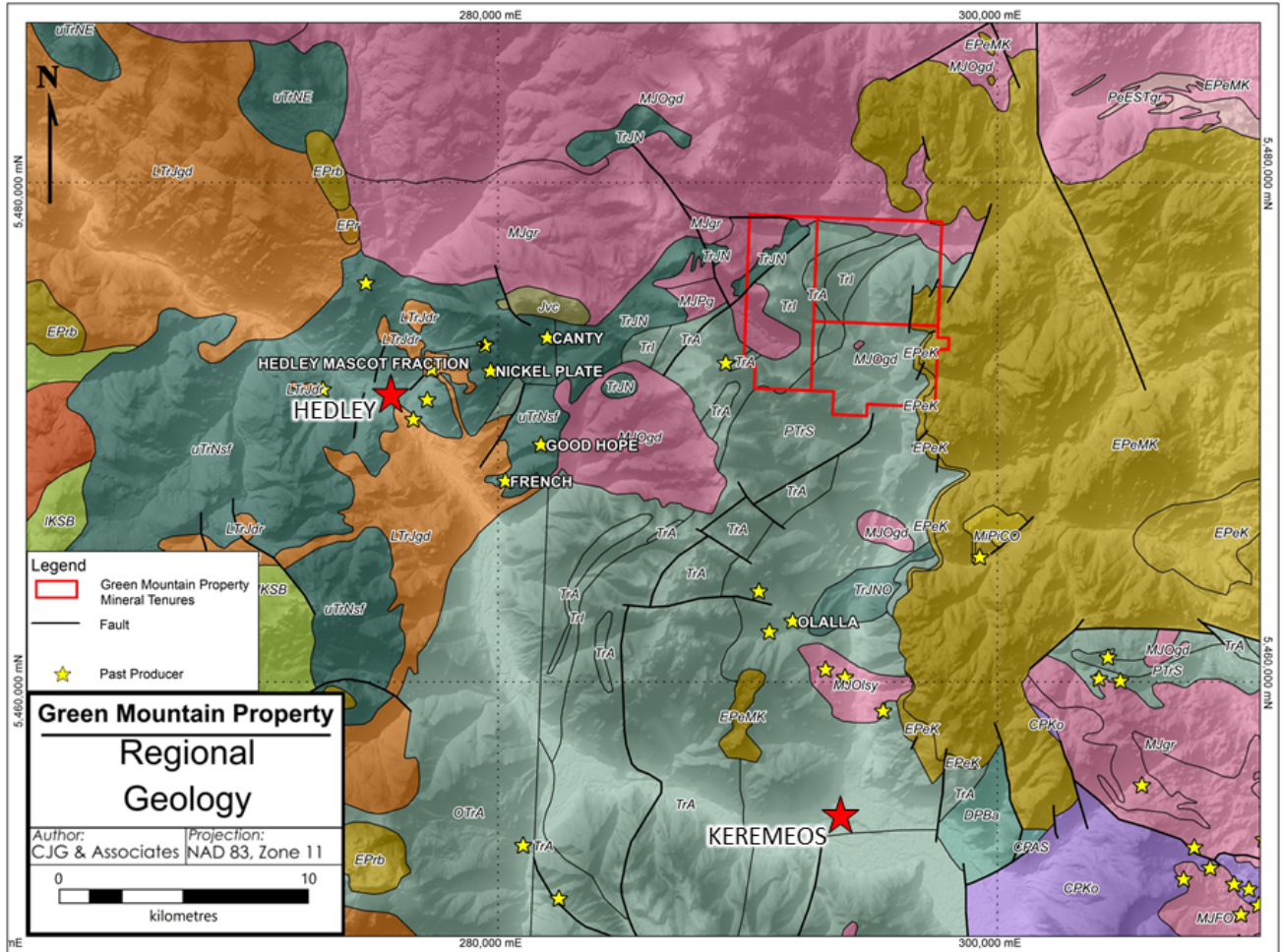


Figure 7.1 Regional Geology (Massey et al. 2005)

Green Mountain Property Geological Legend  
BCGS (Massey et al, 2005)































	PeESTgr - Paleocene to Eocene - Sheppard, Tuzo Creek, Shingle Creek Intrusions - K-spar granite
	Kgr - Cretaceous - Granite, granodiorite
	EKg - Early Cretaceous - Felsic intrusive rocks that are probably sub-volcanic equivalents of the Spences Bridge Group
	MJFO - Middle Jurassic - Fairview and Osoyoos Intrusions - Granodiorite, minor quartz diorite to quartz monzonite, auriferous quartz veins
	MJgr - Middle Jurassic - Porphyritic granite, granodiorite, monzonite
	MJOgd - Middle Jurassic - Okanagan Batholith - Granodiorite
	MJOlsy - Middle Jurassic - Olalla Plutonic Suite - Alkali syenite, pyroxenite, diorite
	MJPg - Middle Jurassic - Providence Lake Complex - And related intrusions
	MJSm - Middle Jurassic - Similkameen Batholith - Granodiorite
	LTrJdr - Late Triassic to Early Jurassic - Diorite, quartz diorite, gabbro
	LTrJgd - Late Triassic to Early Jurassic - Granodiorite, quartz diorite, quartz monzonite; lesser monzonite, diorite and gabbro
	MIpICO - Miocene to Pliocene - Chilcotin Group - Olalla Rhyolite - Rhyolite breccia, obsidian
	EPeK - Eocene - Pentiction Group - Kettle River and Springbrook Formations - Siltstones
	EPeMK - Eocene - Pentiction Group - Marron, Kettle River, Springbrook, Marama and Skaha Formations - Alkalic and calcalkaline volcanics
	EPrb - Eocene - Princeton Group - Intermediate, locally mafic and felsic, flows and volcanoclastic rocks
	EPr - Eocene - Princeton Group - Sandstone, conglomerate, argillite, coal; includes "Coldwater beds" and Allenby Formation of the Princeton Group
	IKSB - Lower Cretaceous - Spences Bridge Group - Undivided: andesite, lesser basalt, dacite, rhyolite and tuff
	Jvc - Jurassic - Lapilli tuff and tuffaceous argillite
	TrJN - Triassic to Jurassic - Nicola Group - Basic and intermediate lavas, volcanoclastics, interbedded sediments
	TrJNO - Triassic to Jurassic - Nicola Group - Old Tom Formation - Basic and intermediate lavas, volcanoclastics; comagmatic intrusions; includes Rosslund
	uTrNE - Upper Triassic - Nicola Group - Eastern Volcanic Facies - Mafic breccia and tuff with augite and hornblende-phyric clasts; local intercalated argillite
	uTrNsf - Upper Triassic - Nicola Group - Sedimentary facies: shale, argillite, siltstone, sandstone, phyllite, tuff; local polymict conglomerate, limestone, greenstone and chloritic phyllite
	Tri - Triassic - Independence Formation - Greenstone, sediments, grey chert
	TrA - Triassic - Apex Mountain volcanics - Old Tom greenstone, breccia and intrusions
	PTs - Permian to Triassic - Shoemaker Formation - Dark chert, argillite
	CPAS - Carboniferous to Permian - Anarchist Schist - Chlorite schist, greenstone, chert, minor ultramafic rock; may include Attwood and Knob Hill
	DPBa - Devonian to Permian - Barslow assemblage - Slate and argillite
	OTra - Ordovician to Triassic - Apex Mountain Complex - Argillite, chert, mafic volcanic rocks, limestone and ultramafic rocks; includes Bradshaw, Independence, Old Tom and Shoemaker formations
	CPKo - Carboniferous to Permian - Kobau Metamorphic Suite - Schist, chlorite schist, quartzite, amphibolite, minor marble
	PG - Proterozoic - Grand Forks Gneiss / Monashee Complex - Quartz-biotite gneiss, quartzite, marble, amphibolite

Figure 7.2 Regional Geology legend (Massey et al. 2005)

## 7.2 Property Geology

The claims have been mapped at a regional scale by several provincial mapping campaigns, and compiled by Massey et al, 2005, as part of the British Columbia Geological Survey's province wide digital geological map (Figure 7.3). Mapping efforts by previous operations over small fractions of the present-day claims have been compiled and are described in the following paragraphs as well as illustrated in Figure 6.5.

The Green Mountain Property is dominantly underlain by upper Paleozoic to Triassic volcanic and sedimentary rocks assigned to the Paleozoic to Mesozoic basement units of the Quesnel Terrane. Common to most areas within the Quesnel terrane, rocks generally young in an east to west direction. From east to west, Stratigraphic units on the Property have been assigned to Permian to Triassic Shoemaker Formation, Triassic Apex Mountain Complex/Old Tom Formation, Triassic Independence Formation, and the Upper Triassic Nicola Group. Quesnel Terrane rocks are

overlain in the southeast part of the Property by Eocene Penticton Group siltstone, conglomerate, and volcanic rocks.

The Shoemaker Formation rocks on the Property dominantly consist of pale grey to green, ribboned, variably rusty, chert units, with varying thicknesses of calcareous fine-grained sedimentary rocks. Old Tom Formation rocks primarily consist of fine-grained greenstone with minor intervals of mafic intrusive rocks (sills) and chert. Mortensen et al. (2017), reviewed the geology specific to this area and noted that contacts between Shoemaker and Old Tom formation rocks are often poorly defined or gradational, and may simply represent specific facies within the same oceanic basin assemblage. Previous operators in the Property area have assigned chert units to the Shoemaker Formation, and greenstone units to the Old Tom Formation, and this is the convention the author has used in this report.

The Independence Formation, as described by Mortensen et al. (2017), was updated to include rocks of the Bradshaw Formation since, in the field, these rocks proved indistinguishable. The Independence Formation within the Property area consists of dark grey to black rusty-weathering cherts and weakly metamorphosed clastic units, commonly interlayered with mafic flows and tuffaceous intervals.

Located in the northwest corner of the Property are undifferentiated volcanic and sedimentary rocks of the upper Triassic Nicola Group. This unit has been mapped by the BCGS as consisting of basaltic to intermediate flows and tuffs, interlayered with clastic sedimentary units. Based on these descriptions, this unit could be analogous to the informally defined Whistle Creek Formation, host to the nearby Nickel Plate and Mascot skarn deposits (Massey et al. 2005; Dawson 1994)

Eocene volcanic and sedimentary rocks overlie Paleozoic Quesnel terrane basement rocks in the south east part of the Property. These rocks belong to the Penticton Group, and consist of calc-alkaline intermediate volcanic rocks, with interlayered siltstone and conglomerate horizons. Eocene conglomerates have been described by previous operators as matrix supported, containing chert cobbles within a poorly consolidated siltstone-sandstone matrix (EMPR Report 18251, 1988).

Intrusive bodies mapped on the Property by the BC Geological survey consist of Middle Jurassic granodiorites, which are southern extensions of the Okanagan Batholith. These intrusions underlie areas in the northwest and western parts of the Property, as well as two small (< 200 m diameter) plugs that intrude Shoemaker Formation cherts in the south-central part of the Property. Mineralogically, Okanagan Batholith granodiorite is typically composed of 50% plagioclase, 20% quartz, 15% hornblende, 15% biotite and 5% potassium feldspar with minor magnetite. It is generally medium grained, equigranular and euhedral, with grain size fining towards contacts with host rocks (EMPR Report 14743).

In 1985 Grand National Resources undertook a small mapping program over the east-central part of the Property, west of Green Mountain Road. Kregosky (1985) mapped grey to purple-black cherts intercalated with magnetic-amygdaloidal basalts that typically trend in a northwesterly or northeasterly direction. Kregosky noted that the intercalated amygdaloidal basalts have undergone appreciable degrees of propylitization with the development of secondary epidote, chlorite and calcite. Kregosky also noted that the volcanic rocks contain remnant inclusions of limestone, which may represent a sub-aqueous environment for deposition. These rocks have been intruded by irregularly shaped, thin, sill-like, fine to coarse grained dioritic rocks that trend



sub-parallel to the bedding of the sedimentary rocks and are typically mineralized with pyrite and minor chalcopyrite along fractures. The contacts between the sub-parallel diorite sills and the sedimentary rocks are sharp with a thin chilled border (Kregosky, 1985). Kregosky concluded, from the geological and geochemical survey over this part of the property, that there is a close relationship between the diorite sills and gold trace elements in soils.

In 1988 QPX Minerals conducted a geological mapping program over the south-eastern part of the property, where Paleozoic rocks were mapped in contact with rocks of the Lower Eocene Springbrook Formation to the east (Lee, 1988). The Springbrook Formation consists mainly of polymictic pebble to boulder conglomerate with clasts composed primarily of Paleozoic cherts and greenstones in a sandy, locally tuffaceous matrix. Lee reported that diamond drilling information revealed that the Springbrook Formation exceeds 100m in thickness over this part of the property. A number of narrow, medium to coarse grained quartz diorite, diorite and porphyritic latite dykes cut the Triassic or older cherts and greenstones and that clasts resembling these intrusive rocks are contained in the Springbrook Formation conglomerate (Lee 1988). Lee reported that it was unclear whether the dykes represented a single intrusive episode that was coeval with the deposition of the Springbrook Formation, or if there were two separate intrusive episodes. Overlying the Paleozoic and Springbrook Formation rocks to the east is a series of phonolitic, basaltic and andesitic flows of the Eocene Marron Formation (Lee 1988). Alteration within Tertiary rocks is very restricted, with local hematite or bleaching (Lee 1988). Lee reported that alteration with the Paleozoic rocks consists of recrystallization and brecciation of cherts of the Shoemaker Formation.

### **7.2.1 Structural Geology**

Detailed structural studies on the Property have not been carried out by previous operators, however sparse information relating to bedding and faulting in various parts of the Property has been documented in historical assessment reports.

Bedding on the Property is commonly contorted, but generally strikes northeast, and dips steeply to the southeast. This was noted within Shoemaker Formation cherts in the central part of the Property (EMPR Report 24749), as well as in the northeast part of the Property within Independence Formation clastic sedimentary rocks (EMPR Report 14743).

Faulting on the Property varies in orientation. In the northwest, a prominent northeast trending fault juxtaposes Nicola Group rocks northwest of the fault against Paleozoic-Mesozoic Quesnel terrane basement rocks (Independence Formation) to the southeast. In the east part of the Property, north-south trending faults juxtapose Eocene Penticton Group rocks to the east, against Permian-Triassic Shoemaker Formation rocks to the west.

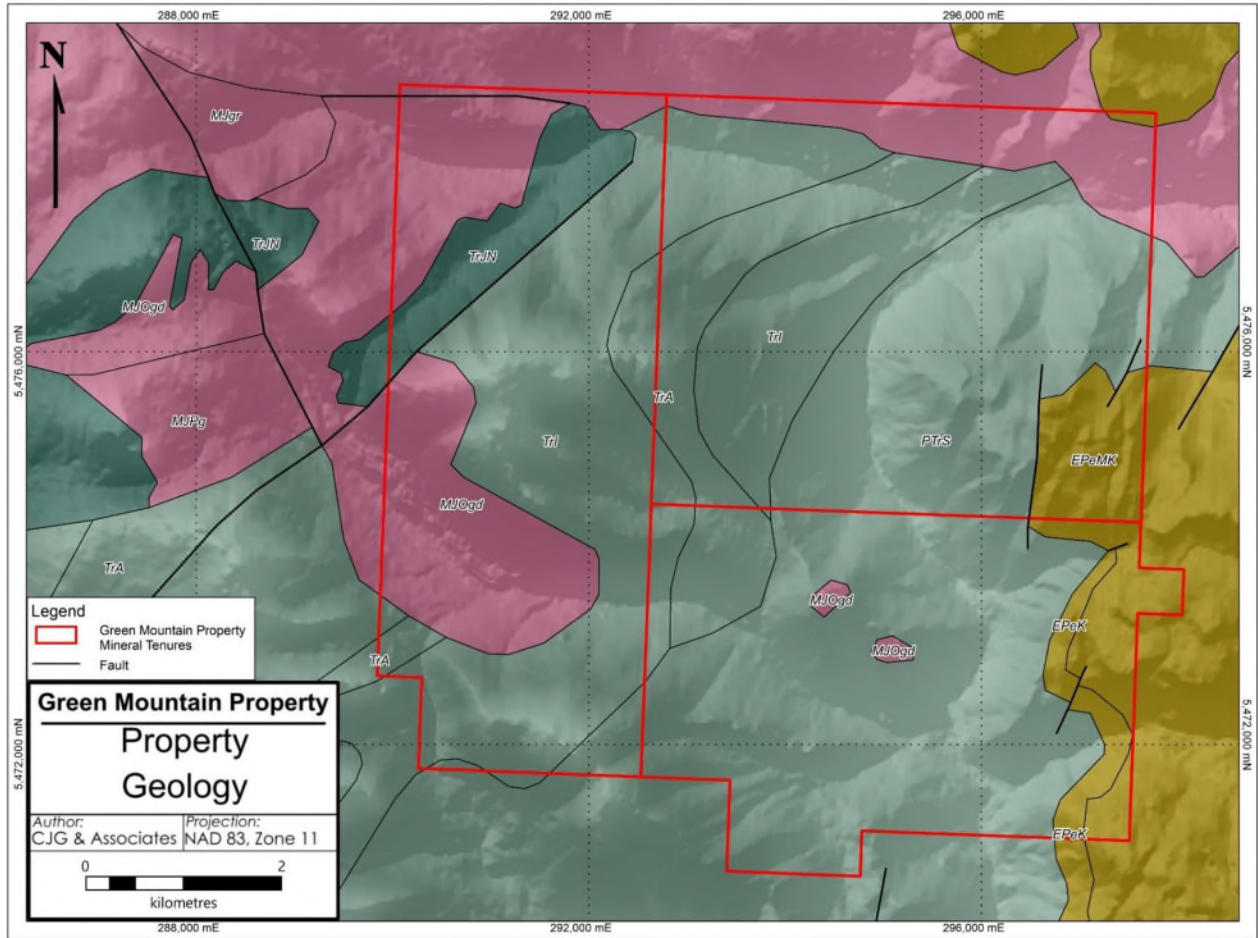


Figure 7.3 Green Mountain property geology (Massey et al. 2005)

## 7.2.2 Mineralization and Alteration

Previous workers and C.J. Greig & Associates Ltd.'s crews have identified the potential for different styles of precious and base metals mineralization. Three types of mineralization occur at the Green Mountain Road Project: 1) gold-rich quartz veins; 2) replacement style skarn with potential to host base and precious metals mineralization; and 3) gold-bearing fracture and stringer vein hosted pyrrhotite-arsenopyrite.

Two British Columbia Minfile occurrences are documented on the Green Mountain Property – The Lookout and Dividend showings (Figure 7.4).

The **Lookout Showing** (MINFILE No 082ESW053), located on the southwest flank of Green Mountain, was first explored in 1901. Reports detailing the nature of the geology and style of mineralization are limited. Early development work consisted of a series of open cuts, a shallow shaft and a short drift along a vein structure. The next recorded follow up work on the showing was in 1986, summarized from EMPR Assessment report 14687 as follows: The old workings at the Lookout Showing are situated just east of the ridge crest at an elevation of about 5900 feet. The portal is caved and the collapsed shaft is filled with rubble. It appears that the gold-bearing quartz vein was mined and may have been shipped offsite for processing since little quartz was observed on the dump or in the workings. The orientation of the workings suggest that the quartz vein was northwest trending and steeply dipping to the southwest. The wall rocks consist of fractured and altered argillite and grey limestone of the Independence Formation. Alteration consists of oxidation associated with quartz veinlets and secondary carbonate minerals. Down slope from the workings another caved adit(?) exposed coarse, sheared limestone/marble with disseminated blebs of pyrite and streaks of graphite. The limestone shear zone is immediately adjacent to a diorite dyke.

Four samples from the Lookout Showing of mildly to moderately silicified diorite was assayed during the 1986 program. Two samples returned negligible values of gold (50 and 100 ppb Au) and two samples returned elevated gold grades (2.19 and 2.16 g/t Au). To the knowledge of the authors, no additional follow up work has been conducted on this showing.

The **Dividend Showing** (MINFILE No 082ESW124) is located at about 1900 metres elevation on the western slopes of Dividend Mountain, near the southwest corner of the Property. The occurrence description is summarized in minfile.gov.bc.ca as follows: The Dividend occurrence was staked in 1900 and has seen work intermittently up until 1991, including several shafts, open cuts and pits developed over a 457 m-long pyrrhotite oxidation cap. The Showing is underlain by diorite, andesite, chert, greenstone and hornfelsed rocks of the Old Tom Formation. Alteration predominantly consists of garnet-actinolite and pyroxene skarn adjacent to crystalline marble.

Mineralization at the Dividend showing consists of massive pyrrhotite lenses with disseminations of chalcopyrite, magnetite, pyrite, scheelite and wolframite. Pyrrhotite lenses vary from a few centimetres to 3 metres wide, and up to 15 metres long, that occur as en-echelon lenses over 30 to 50 metres. The strikes of the lenses range from 300 to 030 degrees with vertical dips. Mineralization has been traced intermittently over a total strike length of 2400 metres and reported to occur within a stratigraphic interval possibly 500 metres thick.

In 1991, several samples from dump material at the old workings were analysed. Sample 91-DIV-110R consisted of garnet-actinolite skarn with chalcopyrite and pyrrhotite and yielded 6.8 g/t Ag

and 0.46% Cu (Assessment Report 22008). Sample 91-DIV-111R, consisting of garnet-actinolite skarn with trace chalcopyrite and pyrrhotite, and yielded 6.0 g/t Ag and 0.26% Cu (Assessment Report 22008). In 1981 Dividend Mountain reported a chip sample over 2.5 metres that averaged 0.44% Cu, 1.71 g/t Ag and 0.01% W; however, the location is not recorded (Assessment Report 10092). One of two samples (that fluoresced under ultraviolet light was analysed and assayed 0.33% W, 0.32% Cu, 3.43 g/t Ag and 0.82 g/t Au (Assessment Report 10092).

The southeastern part of the Green Mountain Property hosts gold-bearing arsenopyrite-pyrrhotite stringer veins within Shoemaker Formation cherts. Research by 1246931 B.C. Ltd. revealed that a rock sample from a 1987 field program by QPX Minerals Ltd. returned 31.3 g/t Au (EMPR Assessment Report 16674). The authors of the 1987 work concluded that the zone was too narrow to be of economic significance, but suggest that given the broad extent of similar, albeit lower grade mineralization in the area, coupled with anomalous gold in soil, that a significant gold-mineralized system may be present beneath overburden cover. Three diamond drill holes totalling 524 m in 1988 by QPX minerals were collared on Tertiary rocks and targeted the underlying Shoemaker Formation contact to test this hypothesis. Although only sub-economic gold values were encountered in the three holes, drilling confirmed the presence of Tertiary mineralization. Some of the best grades were returned from the highly altered tuff (Springbrook Formation) above the Shoemaker Formation basement contact, suggesting that fluids may have travelled up major faults and fractures in the basement rocks, moving out along porous units and contacts (EMPR Report 18251).

In 2020, a north striking and shallowly dipping sulphide-mineralized skarn horizon approximately 5-10m thick was in an open cut on the east side of the property. The outcrop surface is strongly manganese stained (dark purple and brown) and hosts a conspicuous white crystal precipitate. The skarn is dark green and comprises fine grained pyroxene +/- garnet (purple/pink) hosting semi-massive fine to medium grained pyrite and pyrrhotite with lesser chalcopyrite (Figure 7.4 and Figure 7.5). The mineralized skarn horizon is covered along trend by soil and talus to the northeast and by a grassy west facing slope to the southeast.

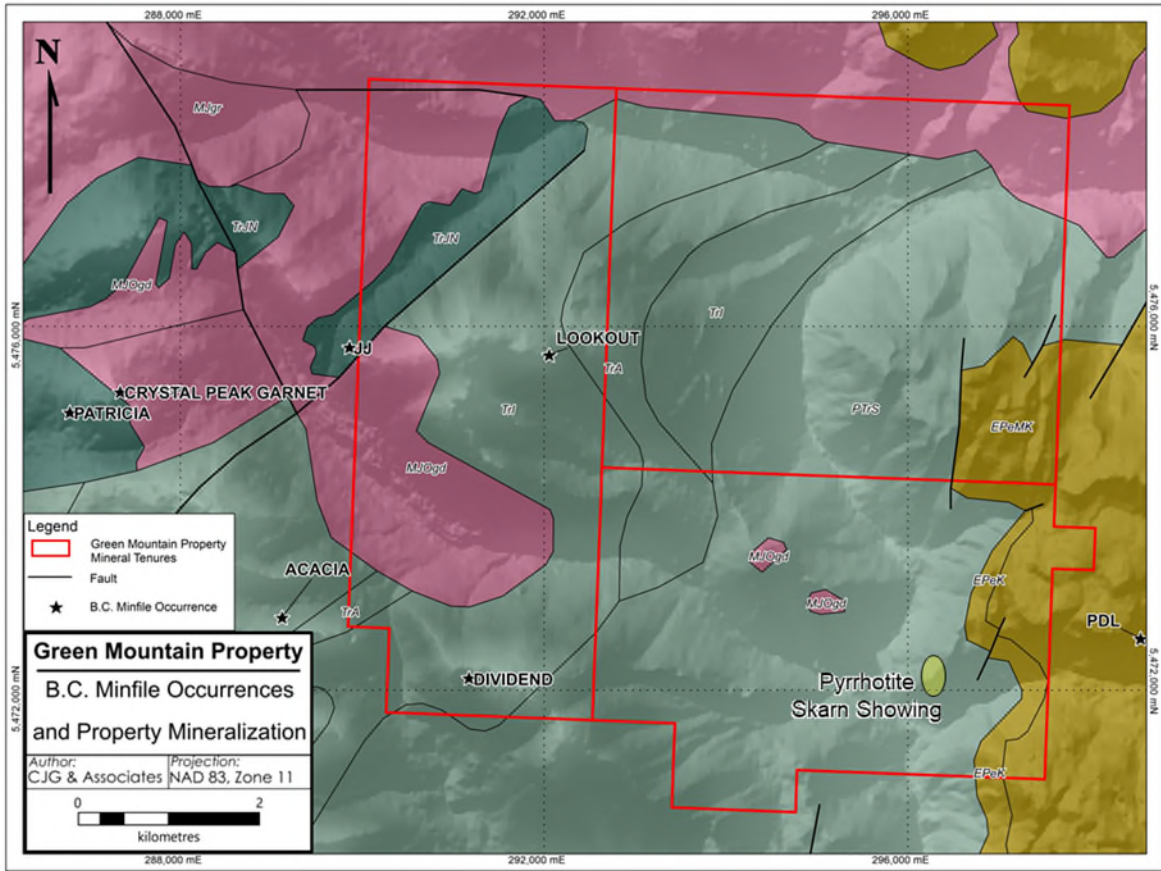


Figure 7.4 Property geology and mineralized showings





Figure 7.5 Outcropping of skarn-style mineralization

## 8 DEPOSIT TYPES

Previous and current exploration on the Green Mountain Property has focused on three deposit types with the potential to host economic base and precious metals deposits, including Au-Cu skarn, fracture hosted Au-Ag, Au-rich quartz veining and Cu-Mo +/- Au-Ag porphyry-style mineralization. The Property covers a favourable geological setting, and mineralization and alteration consistent with these deposit types. Mineralization in the Green Mountain Property area and the broader Hedley Gold Camp is commonly associated with Triassic to Middle Jurassic granodiorite-diorite intrusions, but there are also indications of Eocene gold systems, that may resemble mineralization found at the Dusty Mac gold deposit located approximately 20 km to the east-southeast. Field work on the Green Mountain Property in 2020 by A. Mitchell and A. Albano confirmed the presence of fracture hosted sulphide stringer veins as well as massive sulphide consisting of pyrrhotite +/- chalcopyrite in skarn.

Historically, the most economically important deposit type in the area is gold bearing skarn mineralization. Nearby past producing deposits, including the Mascot, Nickel Plate, French and Canty mines (See Section 15.0 ADJACENT PROPERTIES) consist of limestone horizons,

intruded by Late Triassic to Early Jurassic diorite dykes of the Hedley Intrusive suite, with high-grade Au mineralization hosted proximal to intrusive contacts. In the southeast area of the Green Mountain Road project, a 20 x 10 m area of semi-massive pyrrhotite-chalcopyrite skarn is exposed. Two historical samples from this exposure returned 6.1 g/t Au, along with two other samples that returned 1.1% and 1.2% Cu. Sampling in 2020 by 1246931 B.C. Ltd. returned 1.15 g/t Au (Figure 8.1) over a 30 m chip sample.

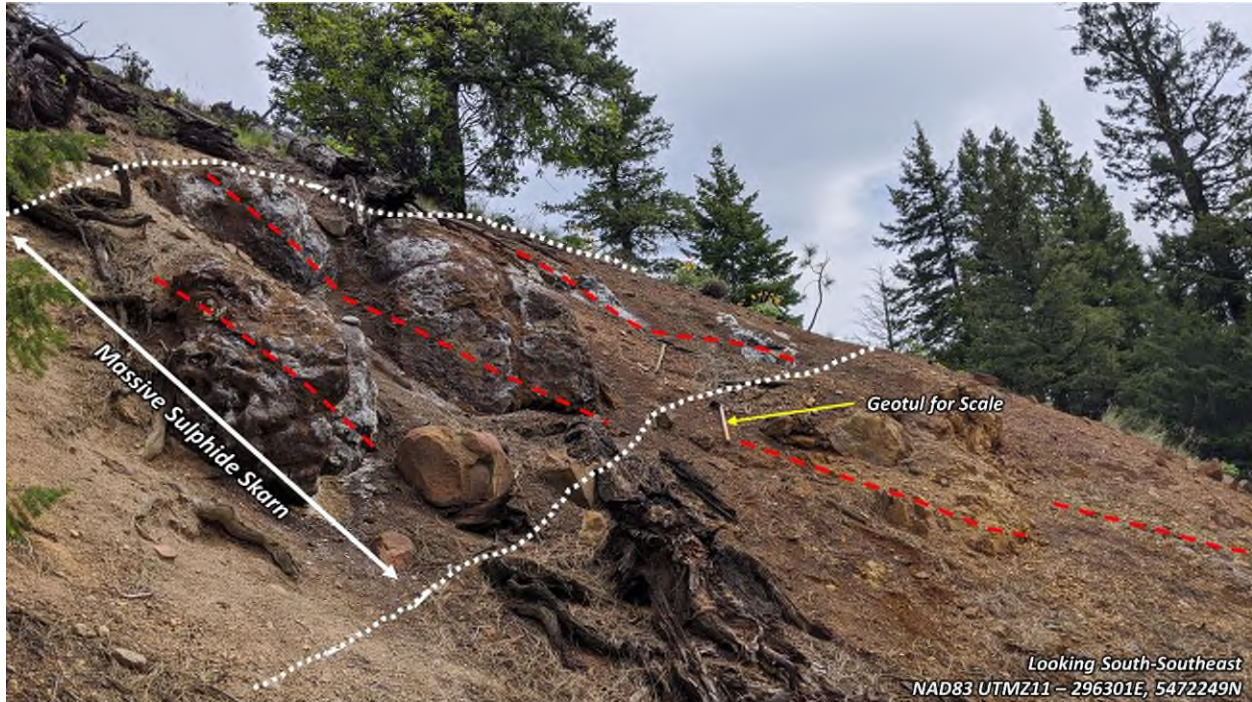


Figure 8.1 Annotated photo of massive sulfide (Pyrrhotite) bearing skarn

There is also evidence of high-grade Au mineralization within narrow stringer veins, hosted within hydrothermally brecciated zones on the Property. A historical sample consisting of pyrrhotite-arsenopyrite stringer veins from outcrop in the southeast part of the Property returned 31.9 g/t Au. Known stringer mineralization is sparse in nature and relatively discontinuous, however, potential exists for discovery of broader zones, which may be amenable to bulk extraction techniques. Where exposed on surface, mineralization is associated with strong and extensive hydrothermal alteration (Figure 8.2).





Figure 8.2 View looking northwest towards green mountain from altered outcropping in the southeast

Areas of wide-spread hydrothermal alteration accompanied by coincident gold mineralization may indicate the presence of porphyry-style mineralization at depth. Mapped granodiorite stocks and diorite dykes are present in the south-central, and east-central parts of the Property, respectively, and appear to be associated with gold mineralization near the contacts. Soil sampling in 2020 revealed a strong Cu- and Mo-in-soil anomaly associated with the granodioritic stocks, along with distal anomalous Zn-in-soil geochemistry (See Section 9.0 EXPLORATION BY THE COMPANY).

The widespread association of mineralization with diorite-granodiorite dykes and stocks in the Hedley Gold Camp, along with local skarn and widespread, fracture hosted, Au-bearing sulphide mineralization, coupled with strong, and extensive hydrothermal alteration, provide compelling evidence that a mineralized hydrothermal system may exist at depth on the Green Mountain Property.

## 9 EXPLORATION BY THE COMPANY

1246931 B.C. Ltd., now a wholly owned subsidiary of the Company, acquired the rights to the 5,593.5-hectare Green Mountain Property in April 2020. A field exploration program was conducted between May 11th and 28th, 2020. It consisted of soil and rock sampling along with reconnaissance geological mapping, which primarily covered prospective, lower elevation areas



due to remaining thick snowpack at higher elevations. Additionally, the Company undertook further soil and rock sampling in 2021 and 2022, and it flew an airborne magnetic survey in 2021.

Preliminary work completed by 1246931 B.C. Ltd. to date has involved compilation, review and digitization of historical results, including geology maps, soil and rock geochemistry, and diamond drilling.

Exploration by 1246931 B.C. Ltd. has primarily focussed on historical geochemical anomalies, to gain a better understanding of the styles and controls of mineralization. Systematic rock chip sampling over strongly mineralized and altered zones has confirmed anomalous metal values and will aid in future drill targeting. A total of 62 rock samples and 522 soil samples were collected from the Property in 2020. Soil samples were first analyzed by a hand-held X-Ray Fluorescent Unit (XRF), prior to laboratory analysis, to quickly identify areas on which to focus exploration efforts.

In 2021, a total of total of 14 rock and 443 soil samples were collected, and sent to ALS Global Laboratories in North Vancouver, B.C. for preparation and analysis. Samples comprising blank material was inserted every 20<sup>th</sup> sample to check for laboratory discrepancies. Furthermore, a 595-line kilometer airborne magnetic survey was completed by Peter E. Walcott & Associates Ltd. In addition, 18 soil and 16 rock samples were collected in 2022; however, only the 18 soil samples were sent to ALS Global Laboratories in North Vancouver, B.C, with the remaining 16 rock samples stored at the offices of C.J. Greig and Associates in Penticton, BC, for future inspection and/or analysis.

The historical exploration programs carried out by previous operators within the current Property boundary are documented in Section 6.0 (History) of this report.

A site visit to the Property was carried out by the author on June 21, 2020, and amounted to a brief examination of the property, with a focus on the southeastern skarn showing.

## **9.1 2020 Exploration**

1246931 B.C. Ltd.'s field activities in 2020 consisted of reconnaissance geologic mapping and prospecting, soil sampling, and systematic chip sampling over a mineralized skarn exposure. The 2020 exploration campaign was designed to confirm the presence, controls and styles of mineralization at historical workings as well as confirm and expand upon historical soil geochemical anomalies.

### **9.1.1 2020 Prospecting, and Rock and Chip Sampling**

Rock samples, which consisted of either continuous chips from outcrop or selected chips from float or outcrop typically contained limonitic material, sulphide-bearing seams/fracture coatings, or semi-massive to massive replacement sulphide mineralization. Host rocks included chert breccias, cherty argillites and skarnified limestone. Detailed descriptions and results for the priority targets are provided below, with results for copper, molybdenum, gold, silver, arsenic and zinc displayed thematically in Figure 9.8 to Figure 9.19.

### 9.1.2 Rock Sampling in Target A Area - 2020

Detailed prospecting was conducted in the Target A area (Figure 9.1) covering approximately 1 km by 2 km. Two of the rock samples returned weakly anomalous metal values; sample A0866159 had 0.039% Cu and sample A0866158 had 75.7 ppm Mo. Sample A0866159 was collected from an approximate 2 x 2 metre area of gossanous and hematite-stained chert and argillite (chert dominant) containing abundant stock-worked, fine grained, pyrite seams up to 8 mm wide (Figure 9.2). Sample A0866158 was collected from chert and argillite exhibiting moderate weathering and patches and fracture surfaces of rusty oxidized sulphide minerals. Both samples were collected near a mapped granodiorite intrusion.



*Figure 9.1 Looking west toward Target A area*



*Figure 9.2 Stockwork pyrite veins within gossanous, silicified host rock*

### **9.1.3 Rock Sampling in Target B Area**

Rock sampling undertaken in the Target B area covered approximately 2.4 km by 0.8 km, in which broad zones of strongly oxidized, hydrothermal alteration (argillic) predominates. Localized massive sulphide skarn mineralization exposed in an open cut on the south part of the Property returned the strongest gold and copper values in Target B (Figure 9.3). The skarn lens is approximately 5 to 10 m thick and is exposed for 20m in a historical open cut, with an apparent trend of 015° and shallow dip to the east. The skarn lens has been cut by shears that trend 295°, 085° and 140° and dip near vertically. Mineralization primarily consists of massive pyrrhotite with lesser arsenopyrite, pyrite and chalcopyrite (Figure 9.5). A total of 3 chip samples were collected from the massive sulphide skarn, while 2 chip samples were taken from the footwall host rocks, consisting of cherty argillite (Figure 9.4). Four of the 5 samples returned anomalous values for gold and 3 returned anomalous values for copper. One of the better grade chip samples (A0866131) returned 0.43 g/t Au, 0.17 % Cu and 1.32 g/t Ag over 3 m (Figure 9.4).





Figure 9.3 Geologist Arron Albano at Target B area

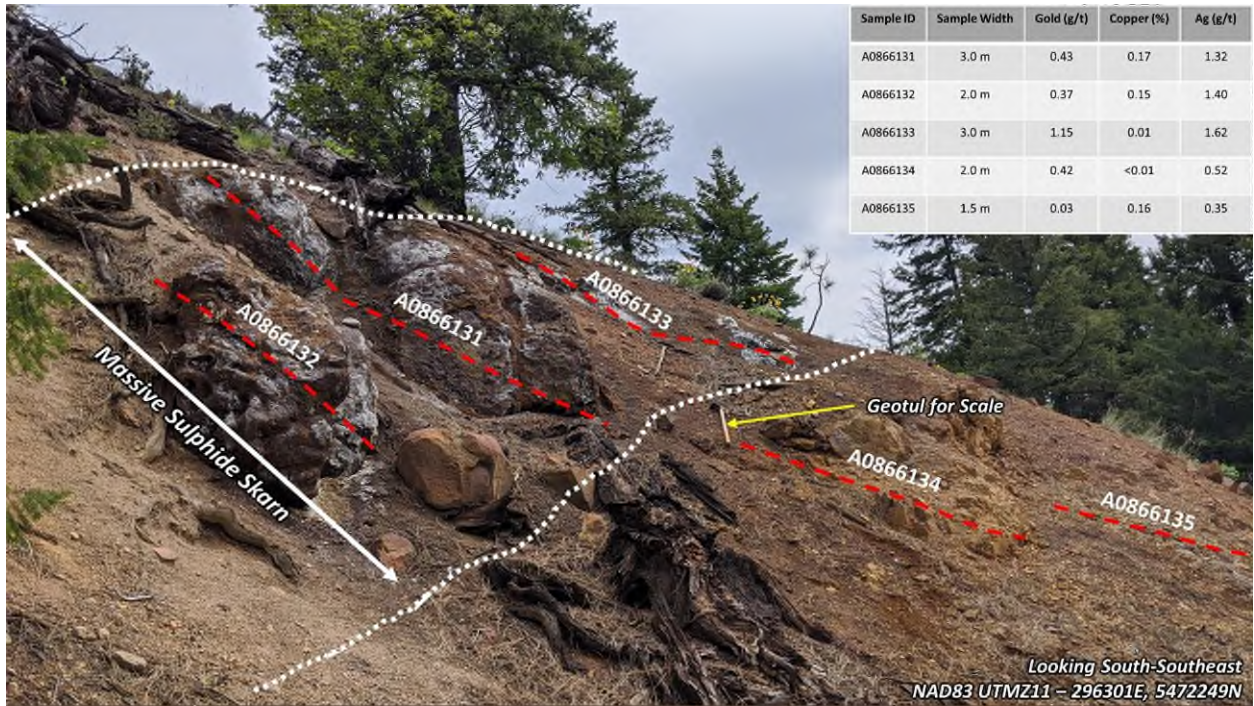


Figure 9.4 Massive Sulphide Skarn with chip sample locations and assay results



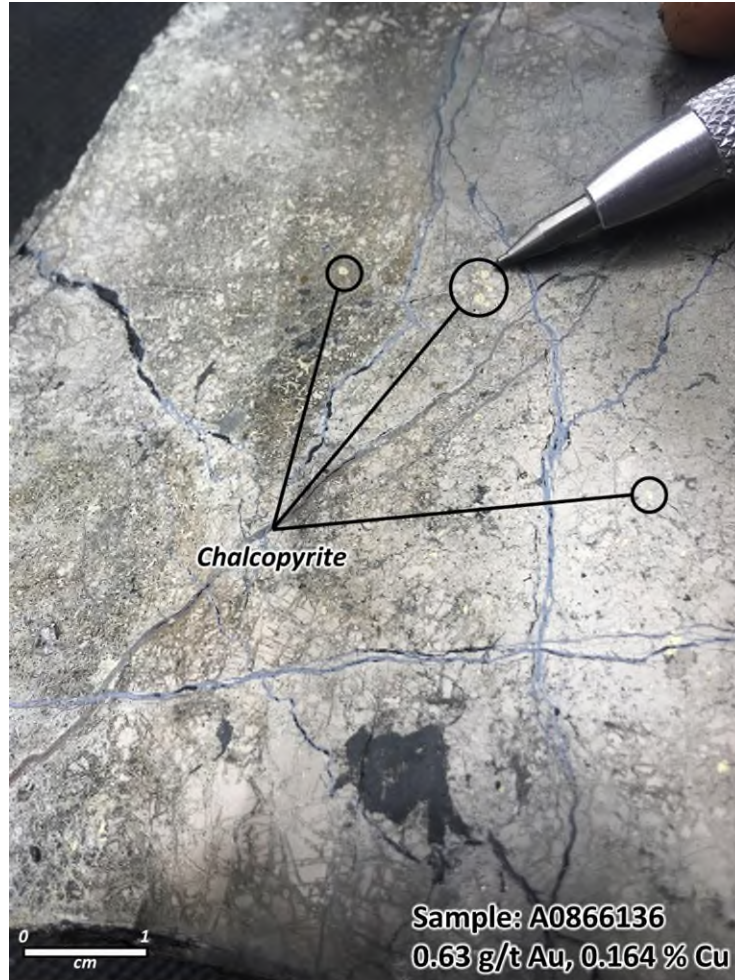


Figure 9.5 Cut and polished sample A0866136 showing disseminated chalcopyrite within massive pyrrhotite

#### 9.1.4 Rock Sampling in Target C Area

Seven rock samples were collected from Target C within an area measuring approximately 1.3 km by 2.0 km. The samples generally returned weakly anomalous to background values for base and precious metals.

#### 9.2 2020 Soil Sampling

The 2020 soil sampling program was designed to overlap and extend areas of known historical gold, copper, silver, arsenic and zinc soil geochemical anomalies, as well as to re-sample areas which historically did not test the gold potential because the analytical technique used had too high a detection limit for gold (>2 ppm). The 2020 soil samples were initially analyzed by a hand-held XRF device prior to sending for laboratory analyses to confirm the tenor of historical base metal anomalies and to get quick turn-around of results, thereby guiding the sampling to the most prospective areas. Thematic maps for copper, molybdenum, gold, silver, arsenic and zinc are shown in Figure 9.8 to Figure 9.19.

The program was successful in outlining distinct anomalous multi-element trends, as well as extending historical gold-in-soil anomalies on the Property.

### 9.2.1 Soil Sampling in Target A Area

Soil samples from Target A (Figure 9.6) were collected over a 2.0 km by 0.75 km grid with samples spaced at 50 m x 100 m. Soil samples returned strong copper and molybdenum values over a 1200 m long by up to 200 m wide northwest-southeast trending anomaly, situated close to, and overlying a mapped granodioritic intrusion. Soil sample results ranged from 150 to 606 ppm Cu and 5 to 33 ppm Mo. The copper and molybdenum anomaly are flanked by moderately anomalous values for zinc and hosts spot anomalies for silver and gold (i.e. 92, 41 & 40 ppb Au) with local weak to moderate values for arsenic.



*Figure 9.6 Open to sparsely forested terrain at Target A Area*

### 9.2.2 Soil Sampling over Target B Area

Soil samples taken from Target B were collected along elevation contours (Figure 9.7) east of Green Mountain Road over a 2.4 by 0.8 km area and returned the highest values for gold, silver and arsenic on the Property. Three contour lines on the southern part of Target B returned



continuous strings of strongly anomalous gold, silver and arsenic over lengths of over 2 km with locally coincident anomalous copper, molybdenum, and zinc. Strongly anomalous gold values range from 100 to 917 ppb, and these have a high correlation with arsenic and silver. The southern gold-silver anomaly is open in all directions and at its core measures approximately 250 m wide. Contour samples collected through the northern half of Target B area also returned strongly anomalous values for gold, ranging between 100 and 333 ppb, coincident with highly anomalous arsenic and spotty anomalies for silver, molybdenum, copper and zinc.



*Figure 9.7 Geologist Denise Baker, demonstrating soil sampling technique*

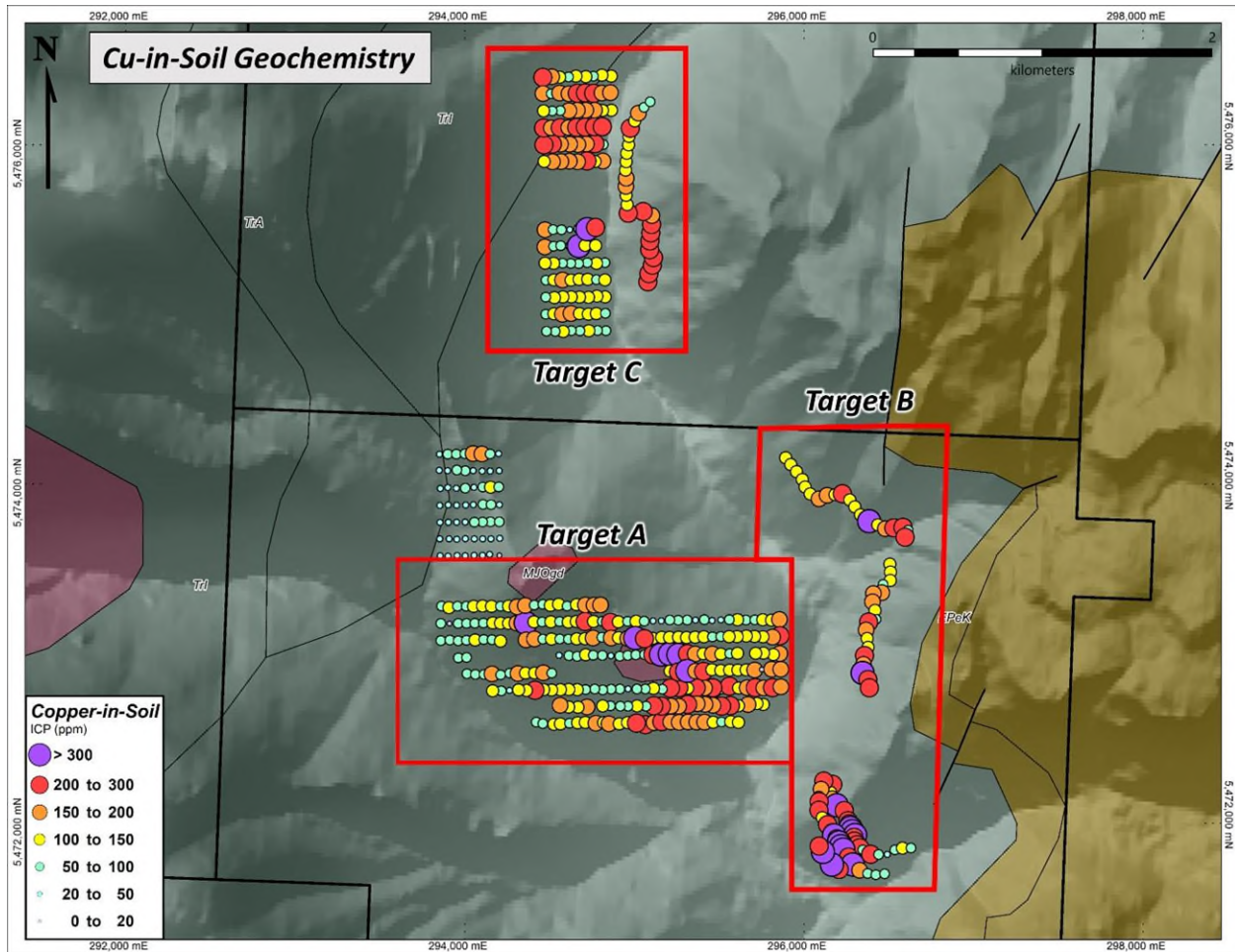
### **9.2.3 Soil Sampling in Target C Area**

Two soil grids were established at Target C on the west side of Green Mountain Road and a single contour line was run across the slope on the east side of the road. The southern grid on Target C returned spotty but moderately to strongly anomalous values for gold (41, 84 and 86 ppb), copper (580 and 318 ppm) and arsenic (176 and 206 ppm) that may define a north-south trend. Zinc values are moderately to strongly anomalous over a large part of the southern grid.

On the northern grid, most of the 400 m x 500 m sampled area returned moderately to strongly anomalous Cu, Ag, As and Zn. The gold values were primarily background to weakly anomalous. The moderately to strongly anomalous Zn and As values that characterize the majority of the

samples from both the north and south grids may be caused by high background values of these metals in argillite, which underlies much of Target C. In this area the gold and copper values may be more reliable indicators of sub-surface mineralization.

The southern part of the contour soil sample line, east of the road, returned moderately anomalous gold, ranging from 44 to 84 ppb, with coincident anomalous Cu, As, Zn and spotty Ag over a length of about 400 metres. The source of this anomaly may lie upslope to the east of the sample line, and it is also open to the south of the line.





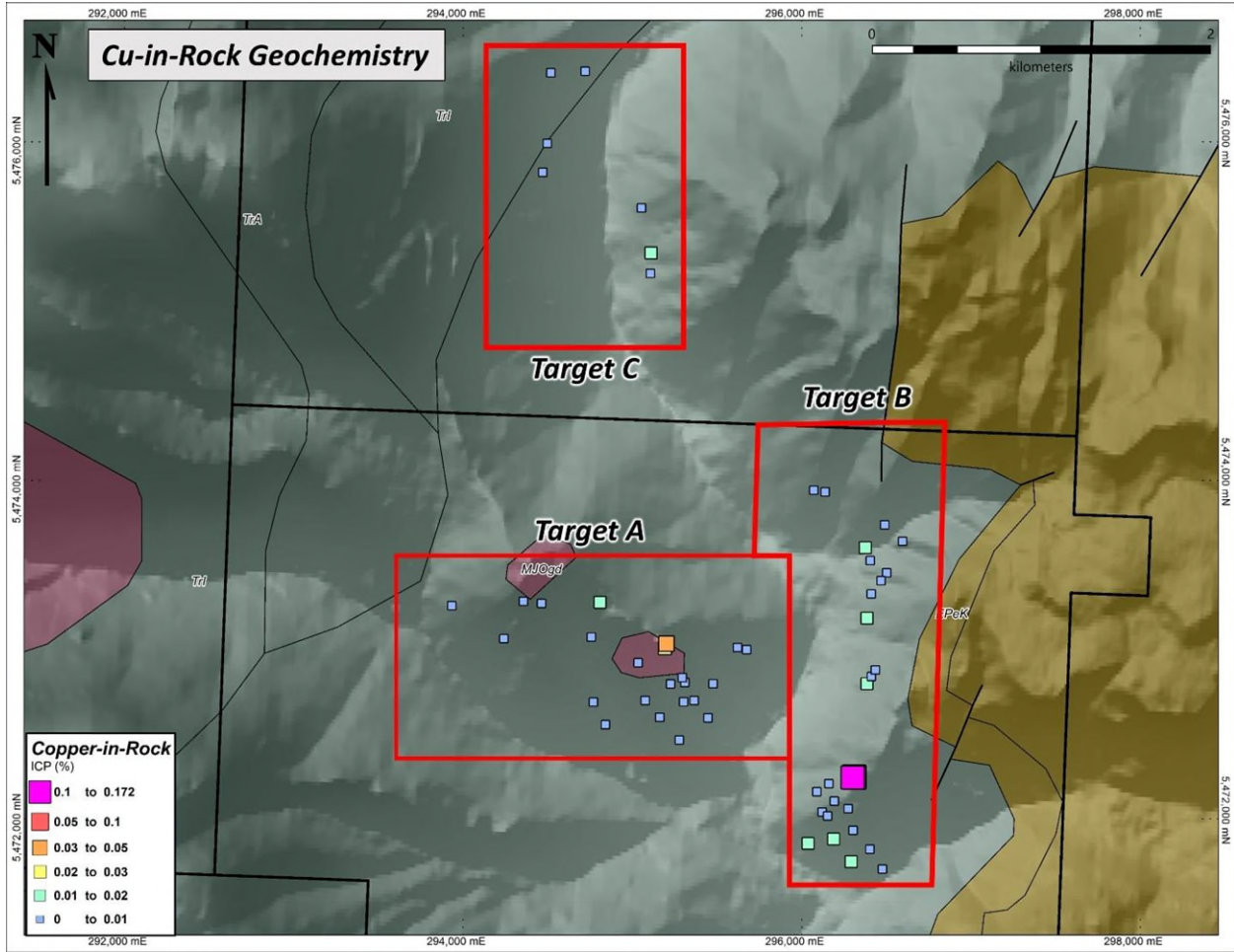


Figure 9.9 Cu-in-Rock Assay results for 2020 sampling program

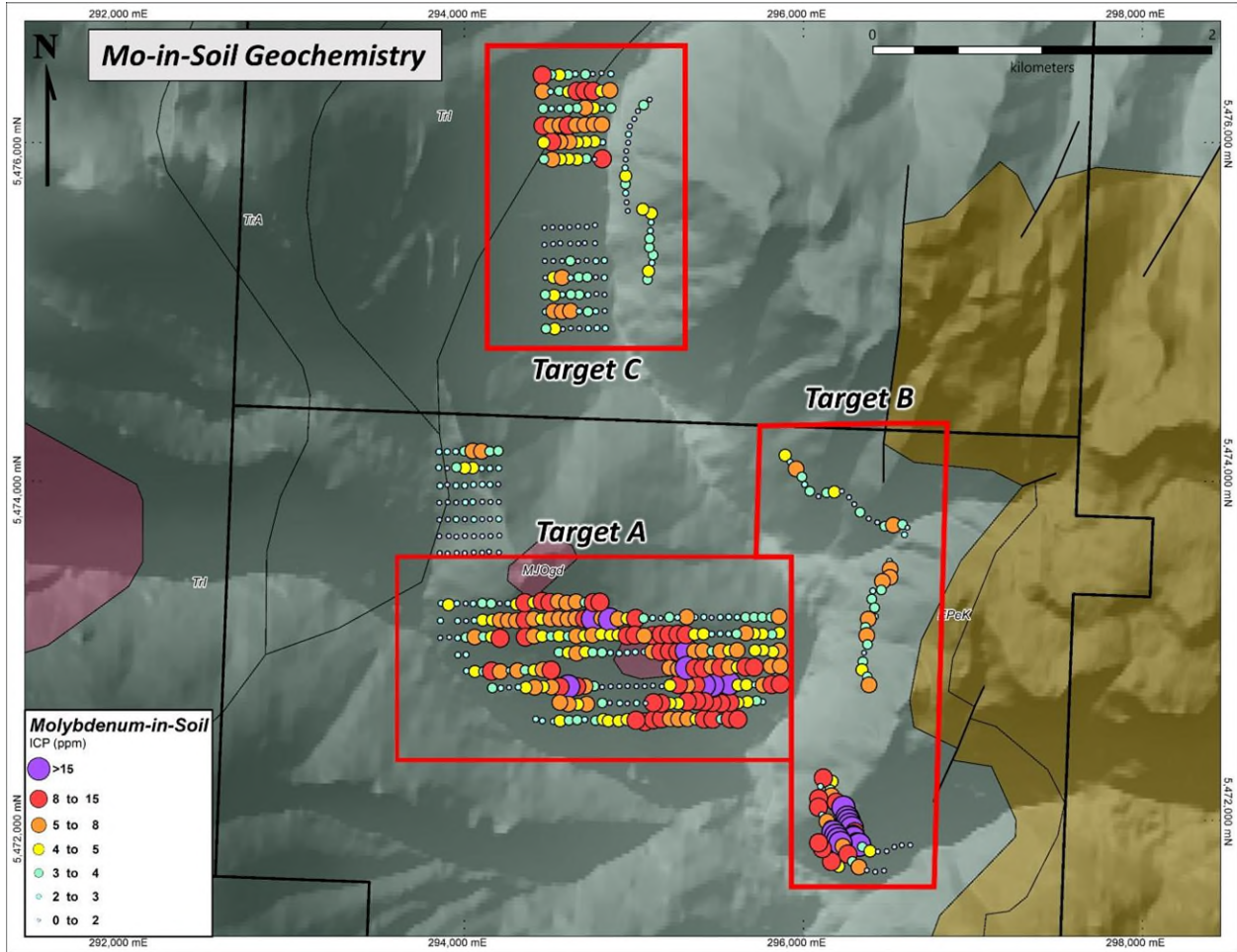


Figure 9.10 Mo-in-Soil Assay results for 2020 sampling program

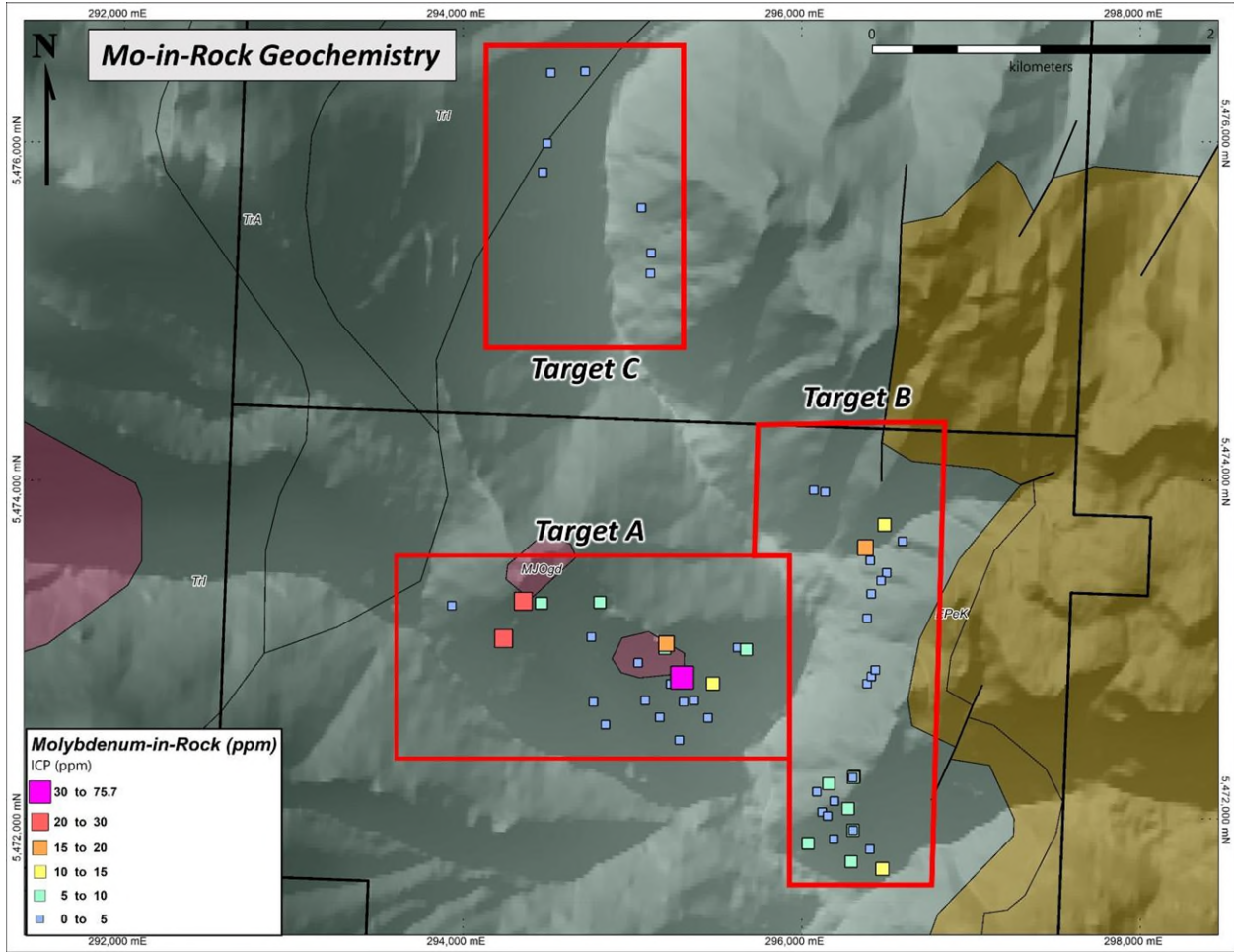


Figure 9.11 Mo-in-Rock Assay results for 2020 sampling program



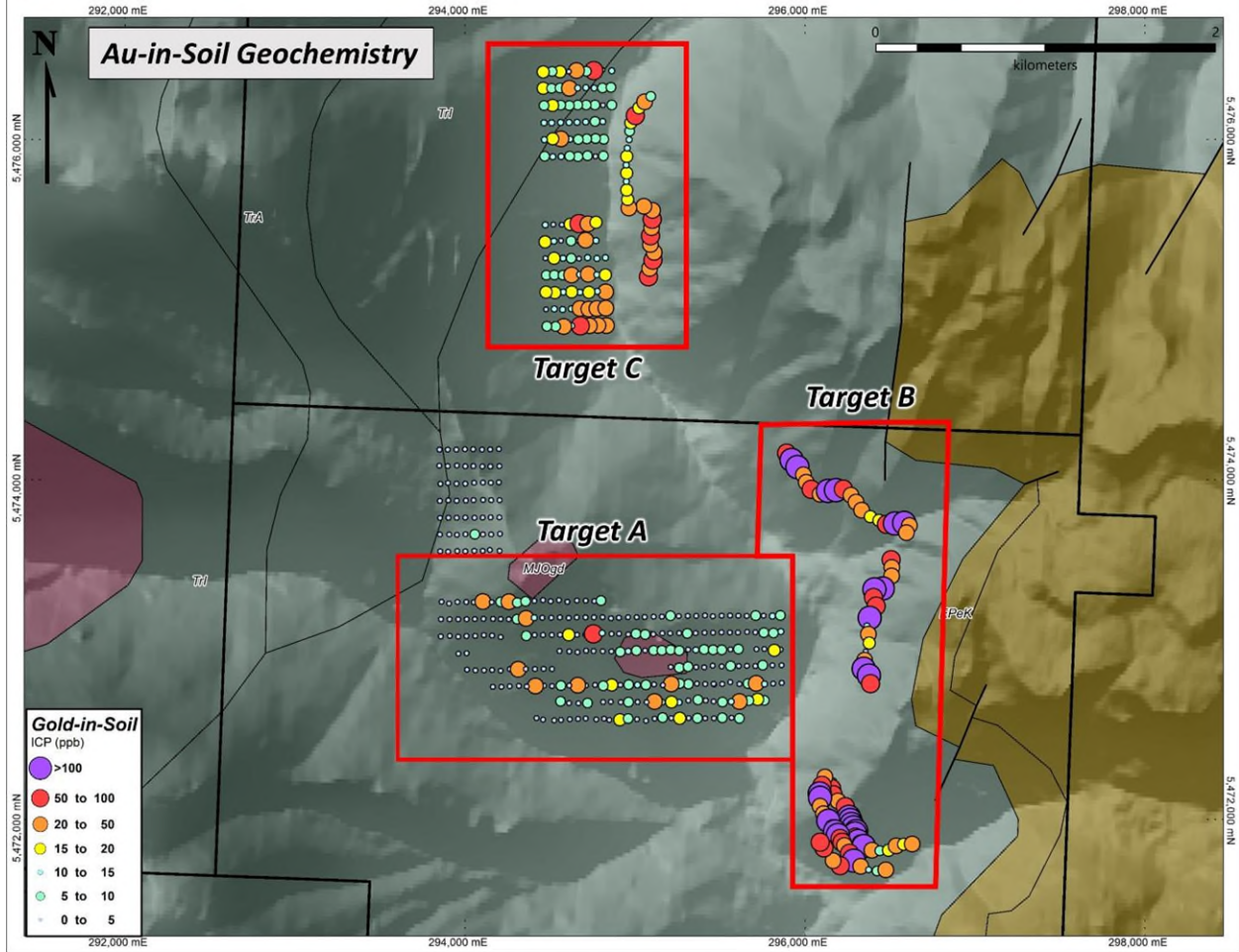


Figure 9.12 Au-in-Soil Assay results for 2020 sampling program

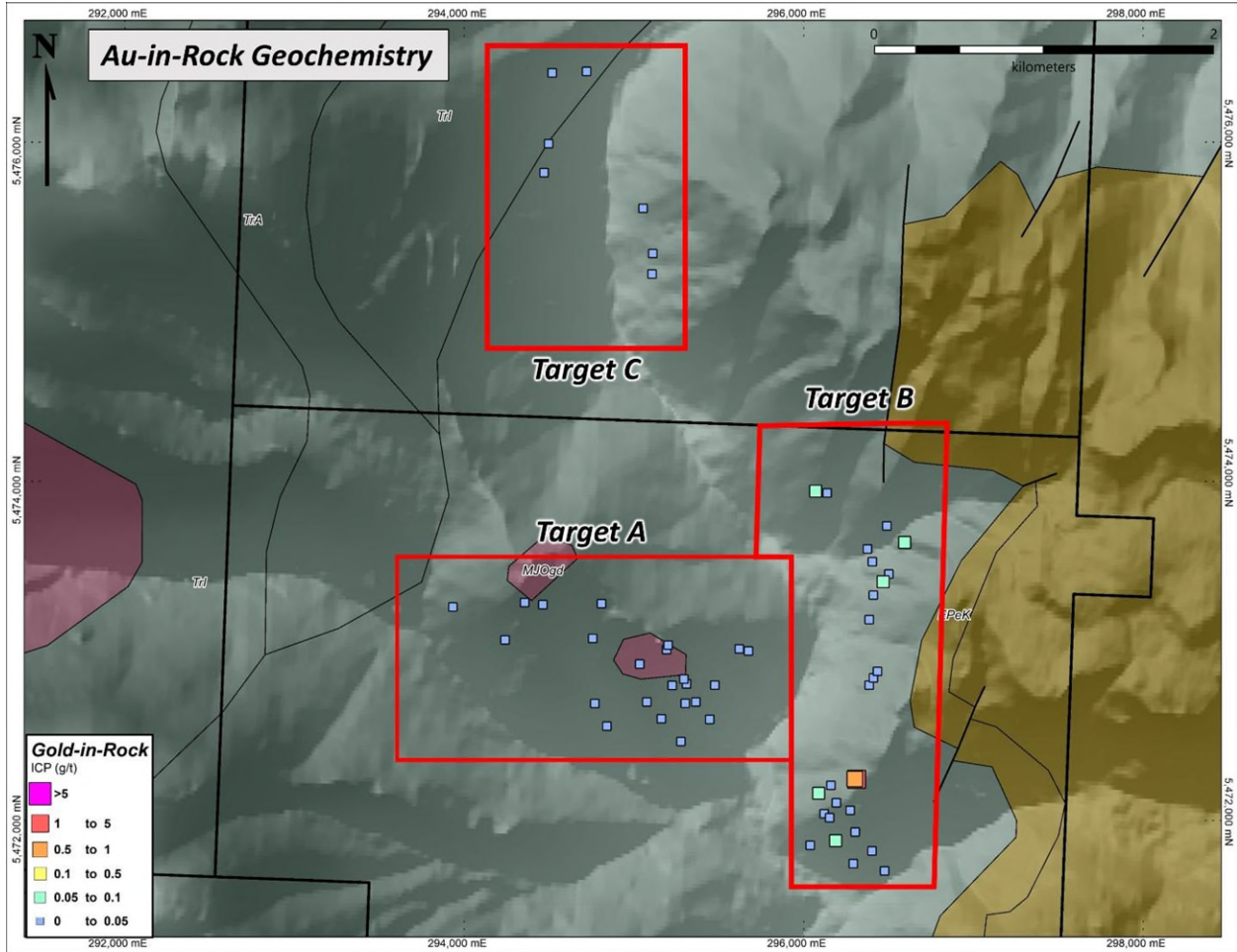


Figure 9.13 Au-in-Rock Assay results for 2020 sampling program

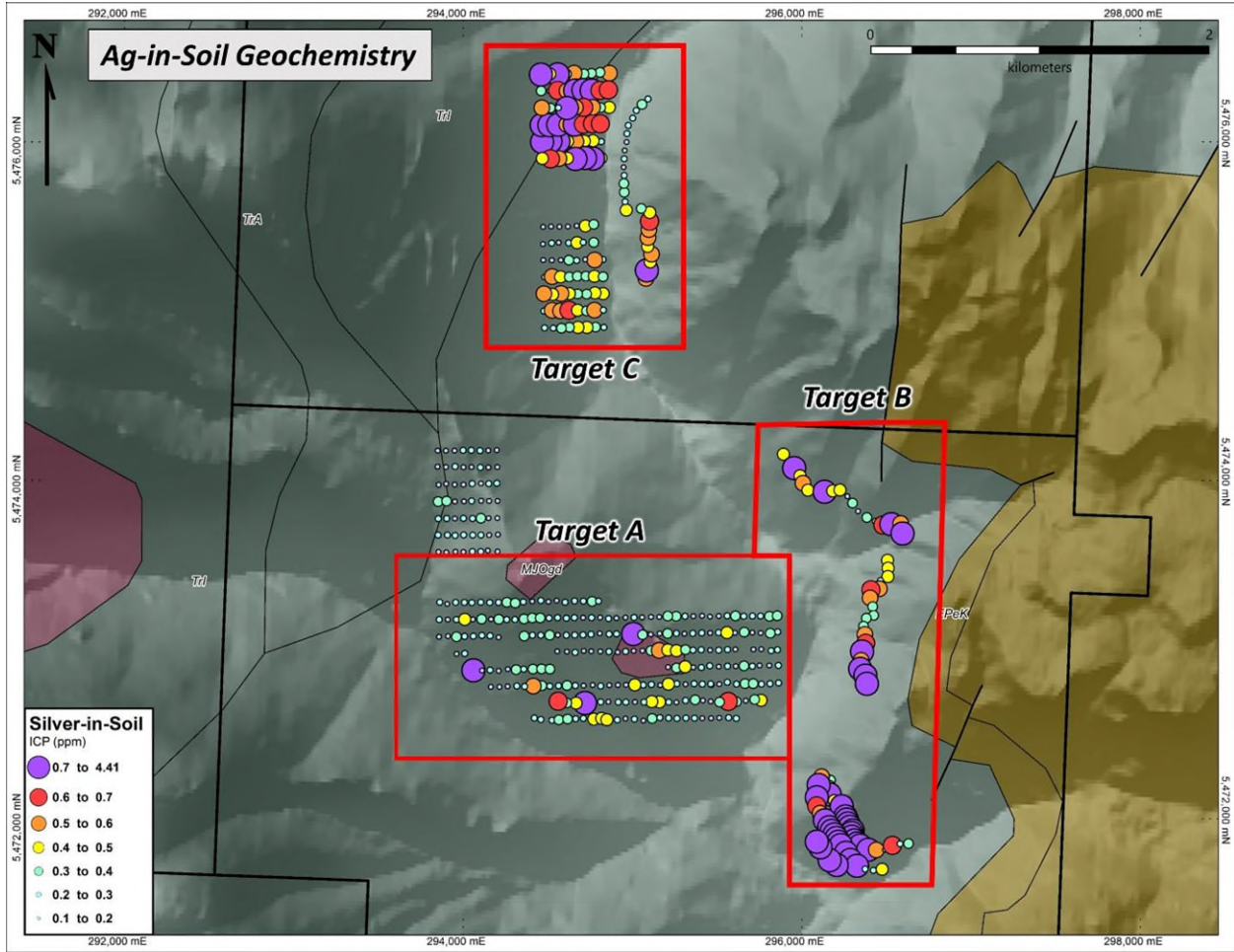


Figure 9.14 Ag-in-Soil Assay results for 2020 sampling program



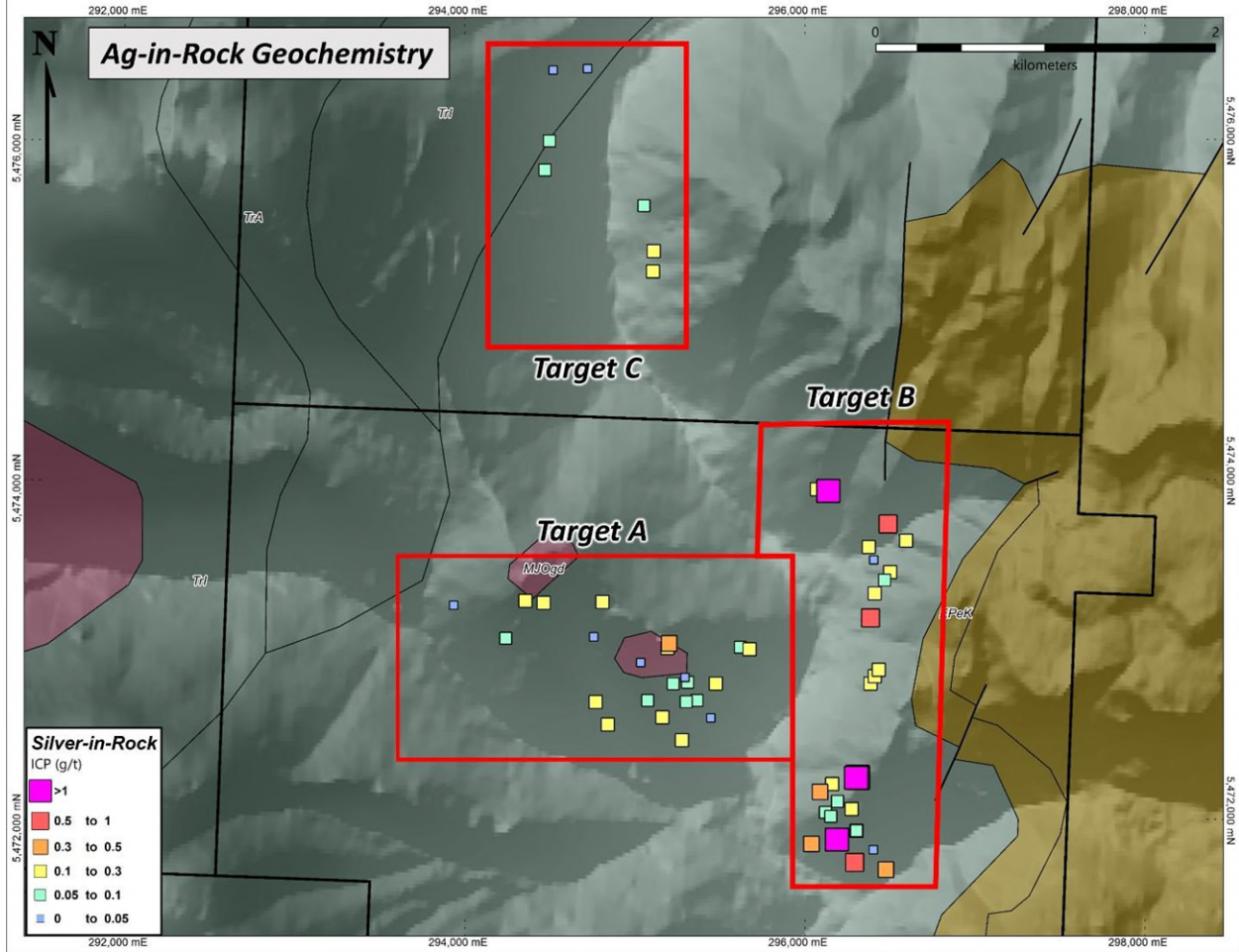


Figure 9.15 Ag-in-Rock Assay results for 2020 sampling program

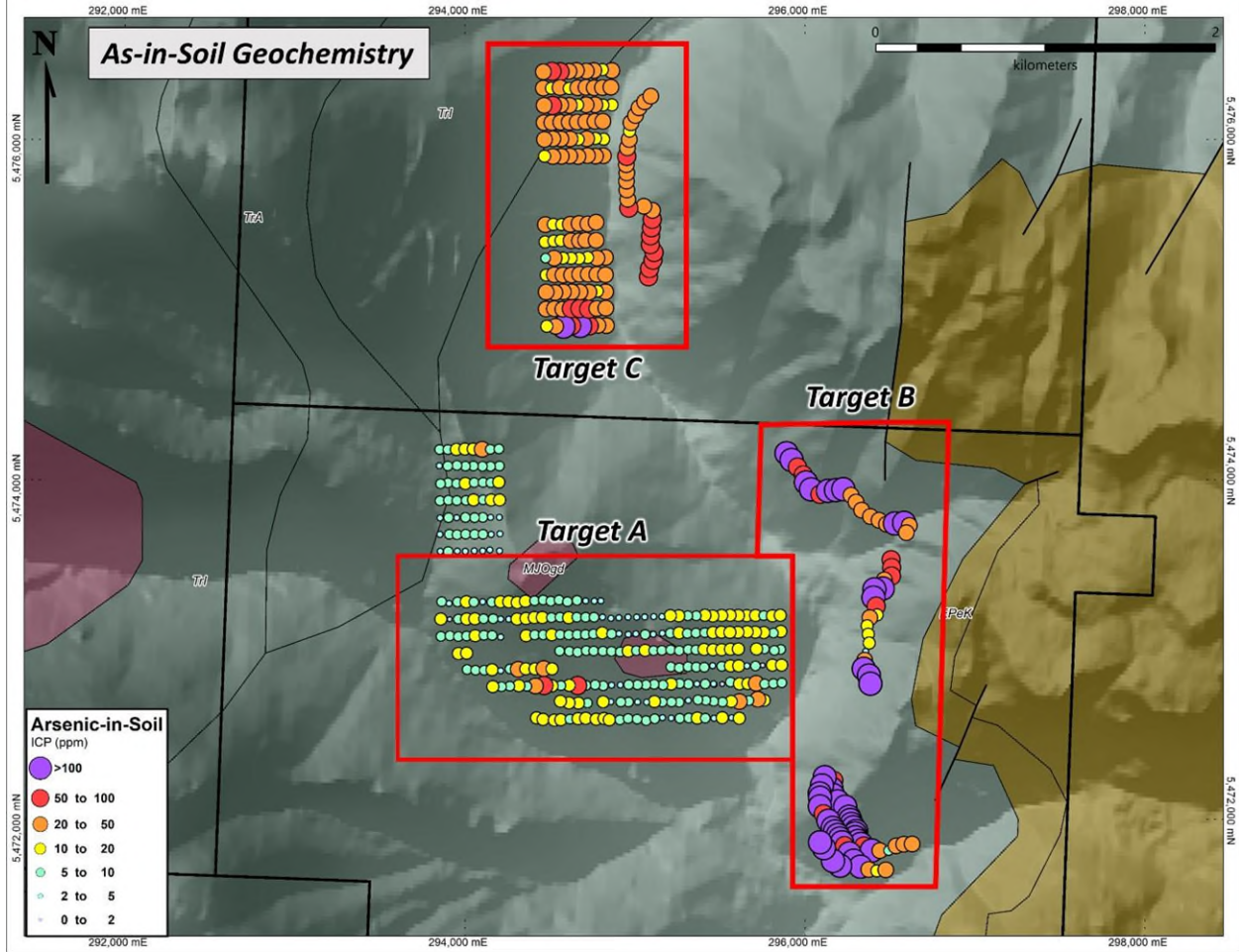


Figure 9.16 As-in-Soil Assay results for 2020 sampling program



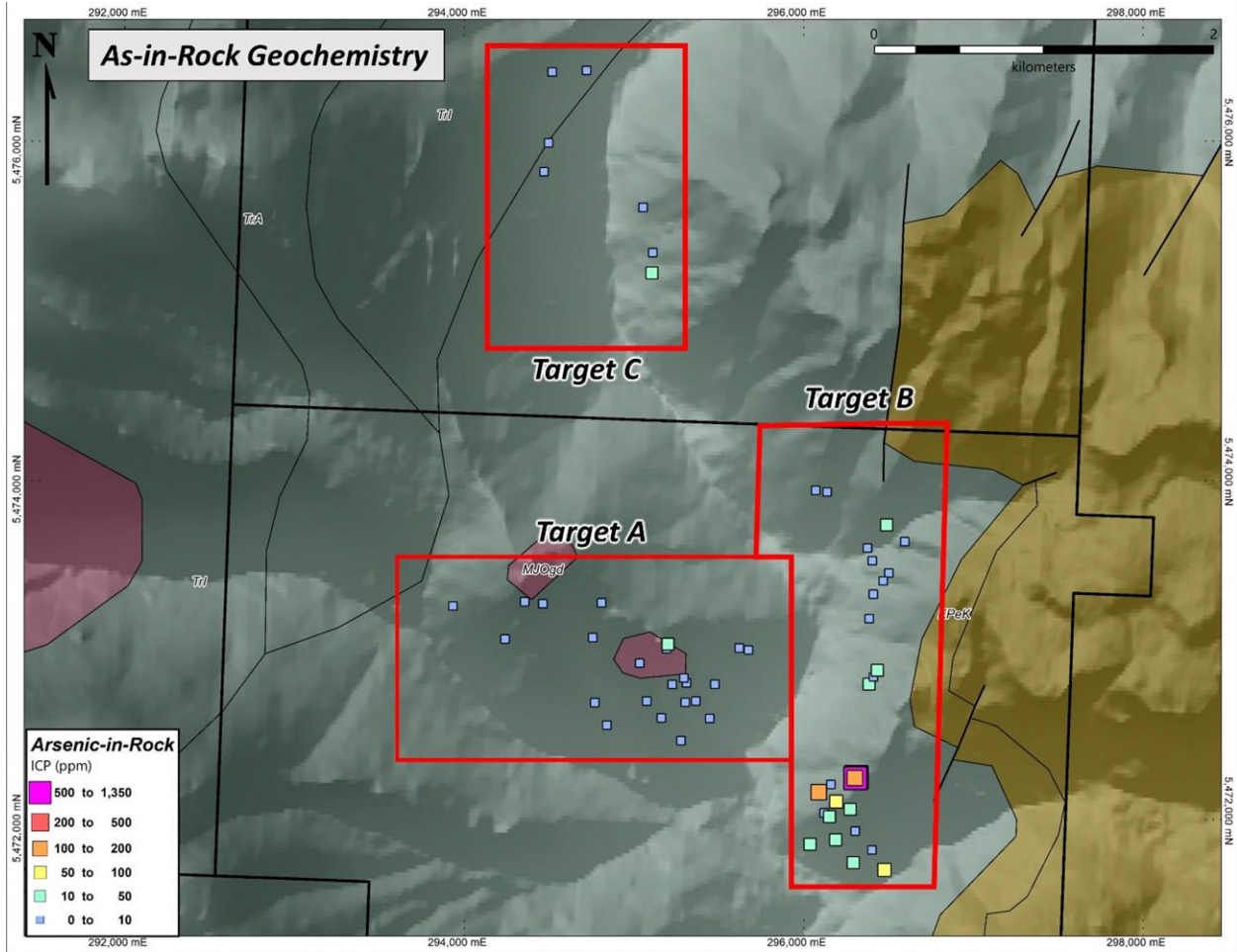


Figure 9.17 As-in-Rock Assay results for 2020 sampling program

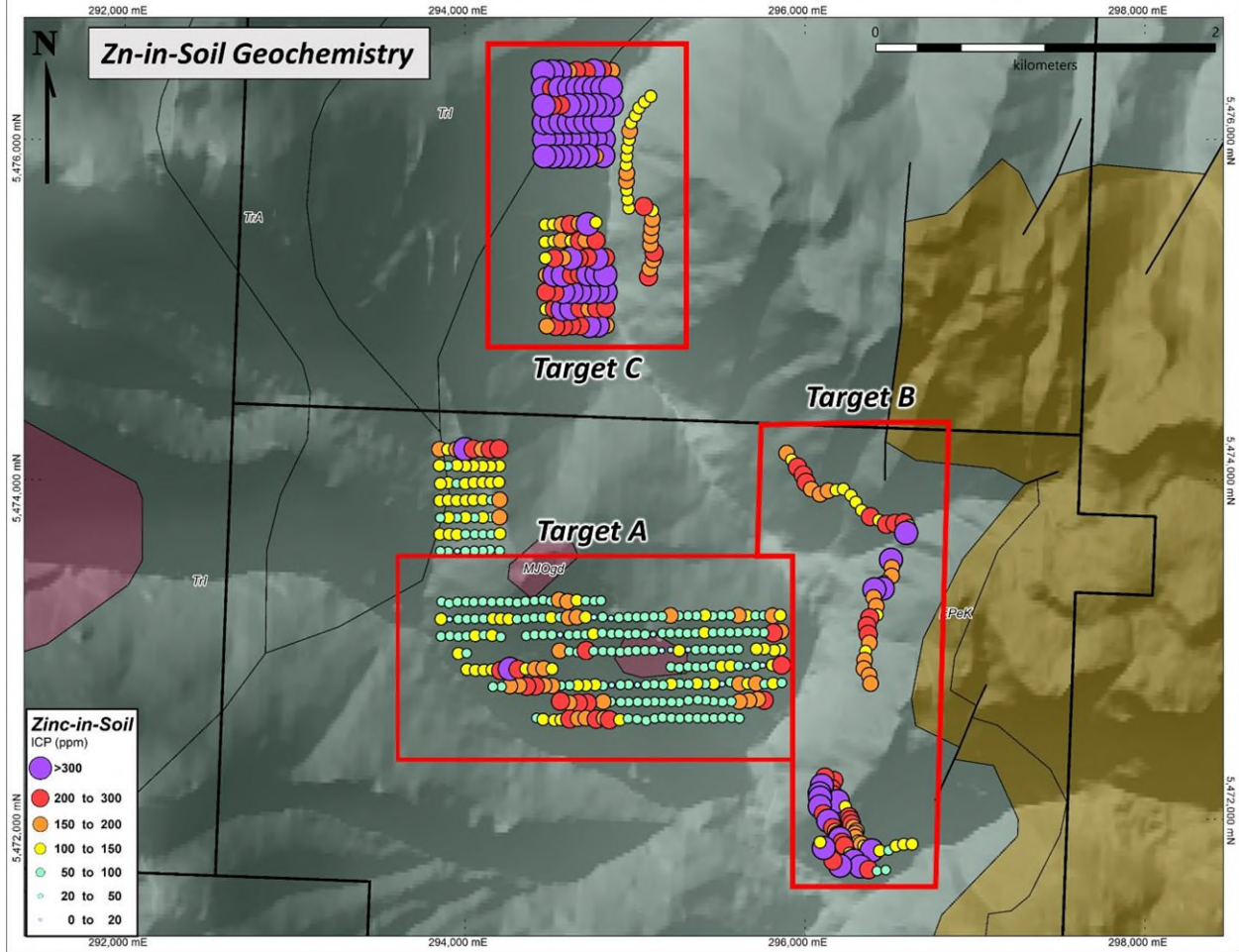


Figure 9.18 Zn-in-Soil Assay results for 2020 sampling program

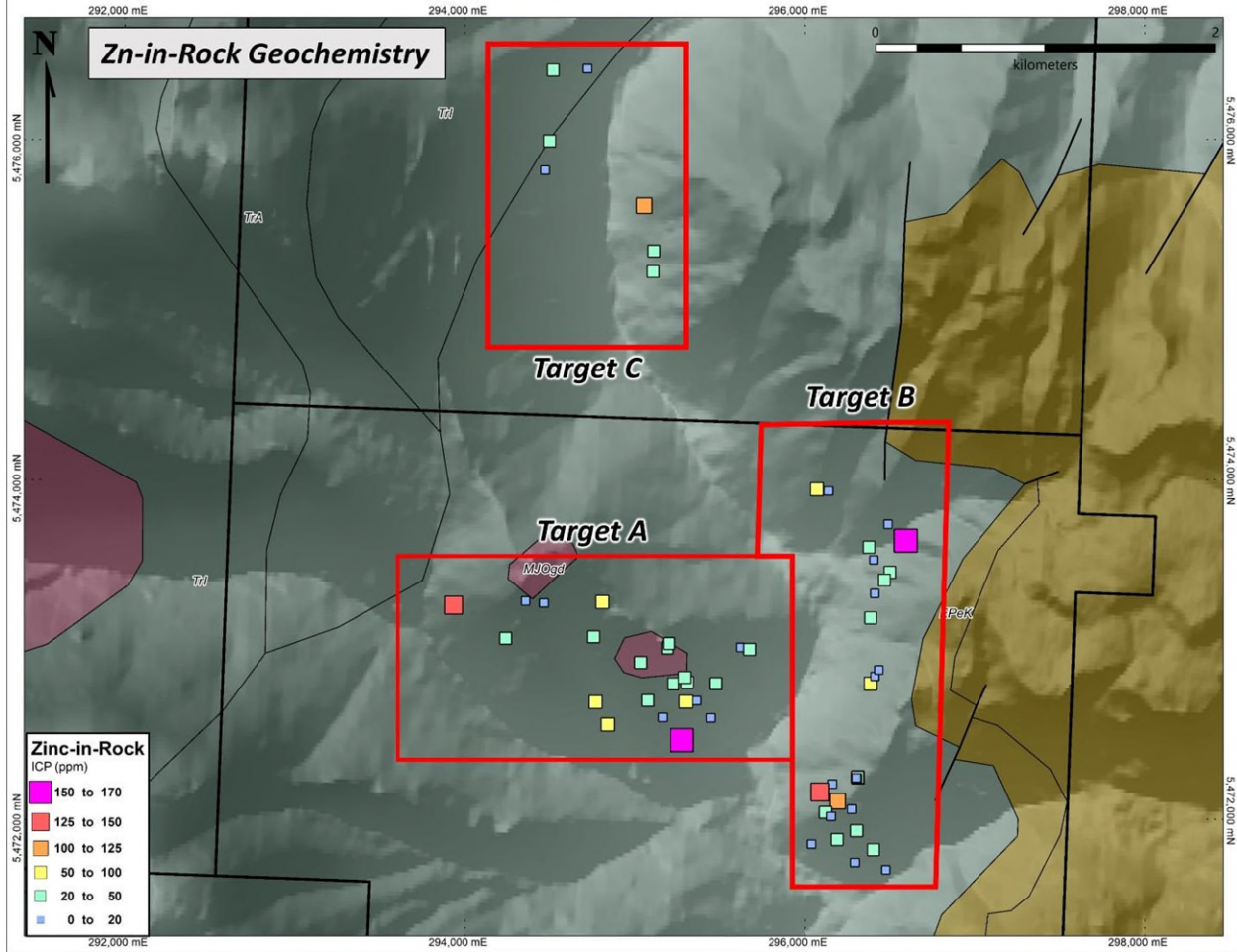


Figure 9.19 Zn-in-Rock Assay results for 2020 sampling program

## 10 2021 and 2022 Exploration

In 2021, the Company conducted a field exploration program on the Property with a total of 14 rock and 443 soil samples collected. The soil and rock samples were sent to ALS Laboratories in North Vancouver for preparation and analysis. Additionally, 595-line kilometers of airborne magnetics were completed by Peter E. Walcott & Associates Ltd.

In 2022, 18 soil and 16 rock samples were collected from Target B area around the Skarn Showing. The 18 soil samples were sent to ALS Laboratories in North Vancouver for preparation and analysis.

### 10.1.1 Rock Sampling 2021

Rock samples, which consisted of either continuous chips from outcrop or selected chips from float or outcrop typically contained limonitic material, sulphide-bearing seams/fracture coatings, or semi-massive to massive replacement sulphide mineralization. Host rocks included chert breccia, cherty argillite and skarnified limestone. Descriptions and results for the priority targets

are provided below, with results for copper, gold, silver, arsenic, lead, and zinc displayed thematically on Figure 10.2 to Figure 10.6, while a sample location map is shown in Figure 10.1.

Float sample (GM21MF006R) was collected in the Target A area. The sample returned 0.84g/t Ag – the highest Ag result among 2021 rock samples. All other samples returned low base metal values.

Rock sampling undertaken in the Target B area was conducted along the soil sample lines. A total of 9 rock samples were collected in Target B area. Samples were typically taken from a red-coloured gossanous material with few visible grains of pyrrhotite and pyrite. Silver values returned 0.06 to 0.48g/t, 1 to 105.5ppm arsenic, <10 to 50ppb gold, 1.2 to 7.5ppm lead, 8.2 to 95.3ppm copper and 13 to 131ppm zinc.

Four rock samples were collected from Target C. The samples were collected from a gossanous outcrop with disseminated pyrite; however, samples did not return values of economic interest for base or precious metals.



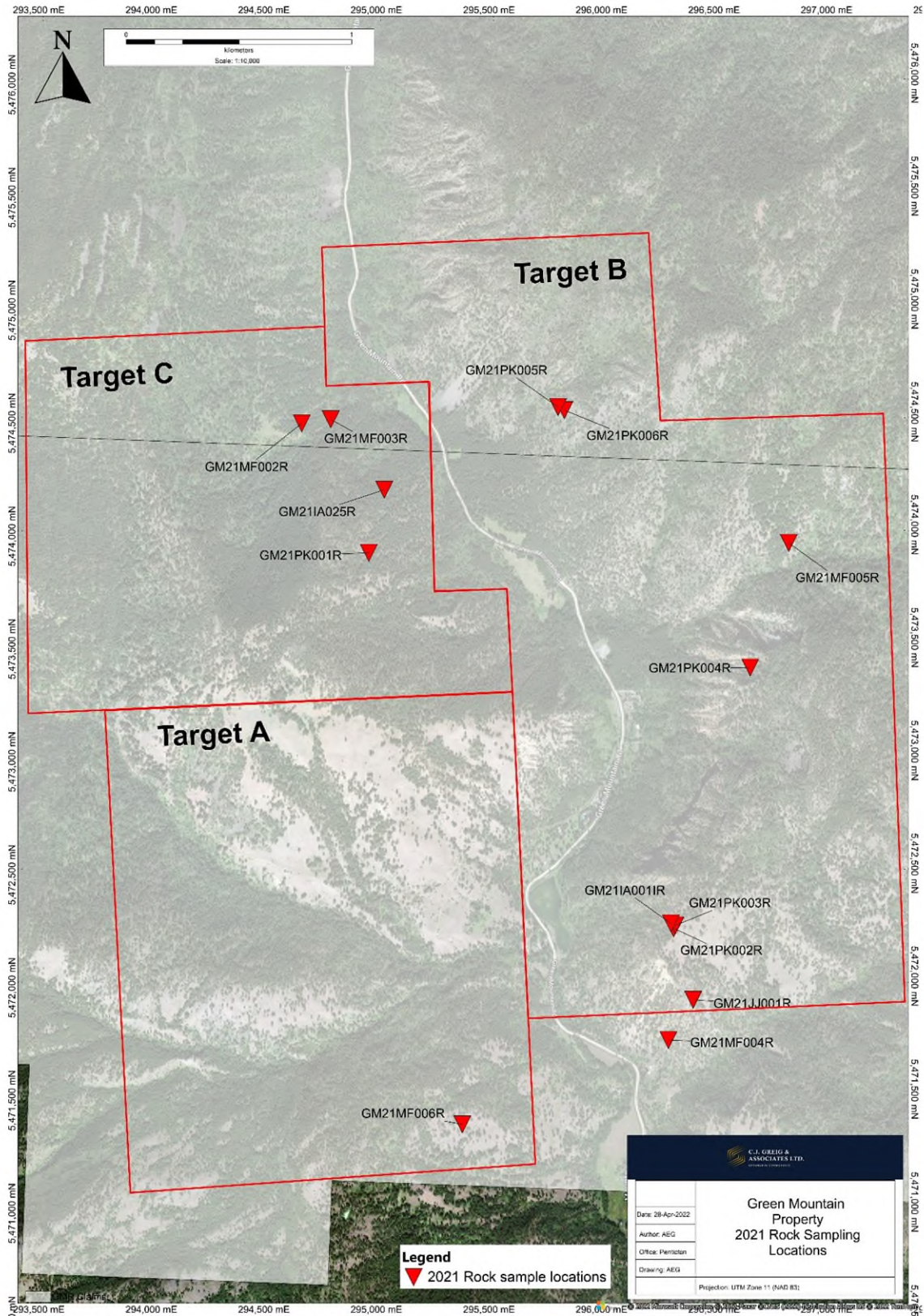


Figure 10.1 Rock samples collected in 2021 from the GMR Property



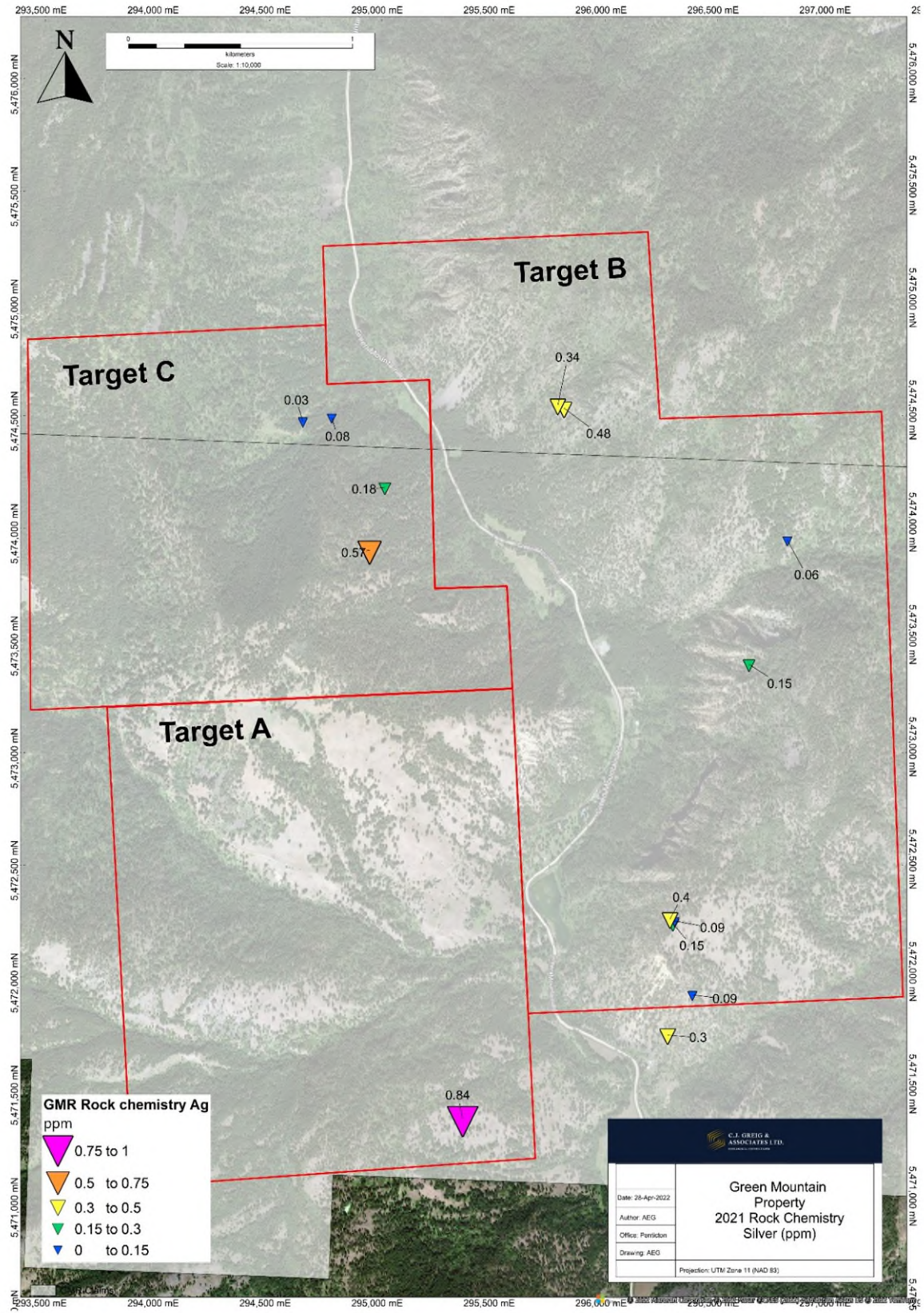


Figure 10.2 Rock sample analytical results for silver from the 2021 program



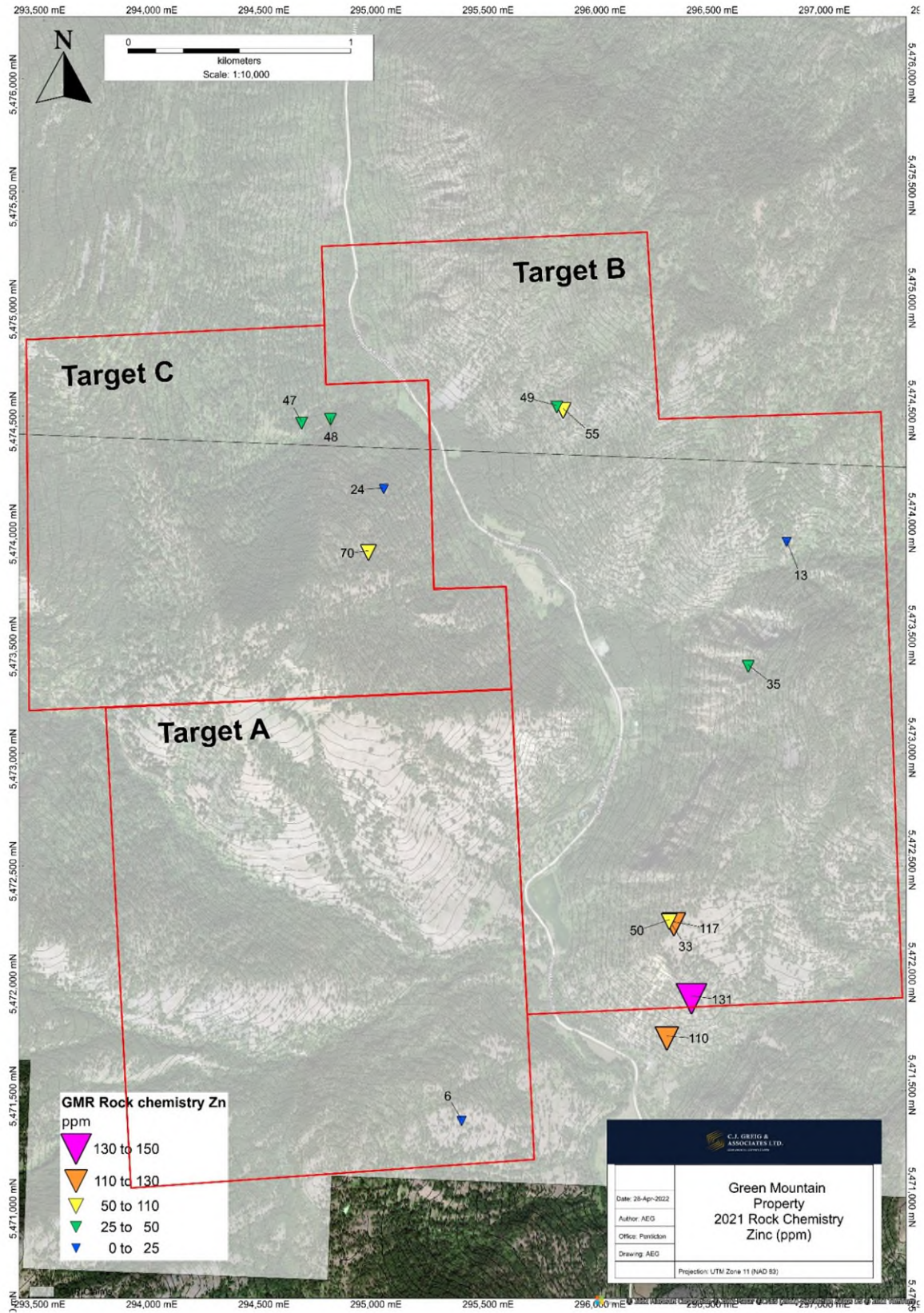


Figure 10.3 Rock sample analytical results for zinc from the 2021 program



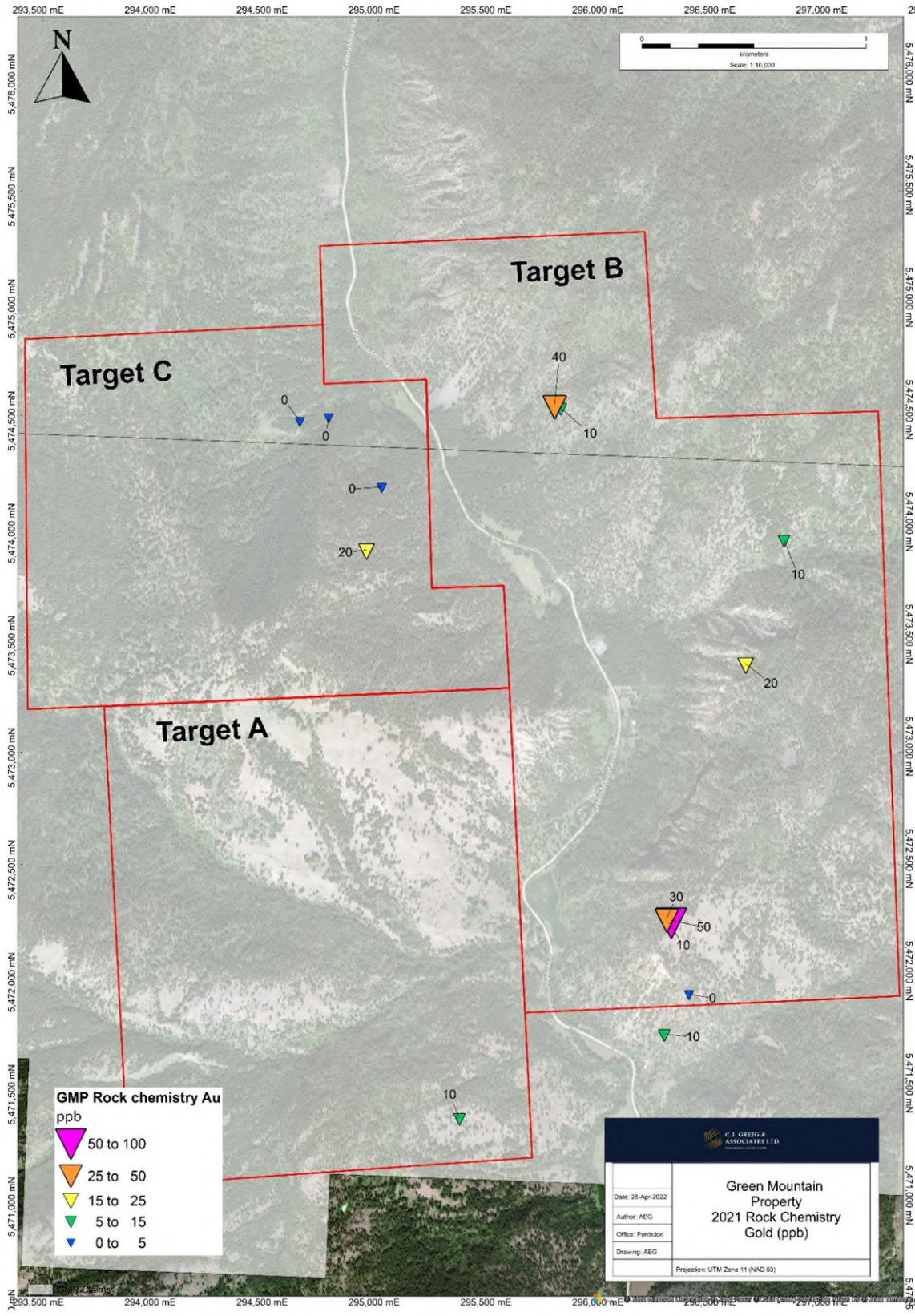


Figure 10.4 Rock sample analytical results for gold from the 2021 program



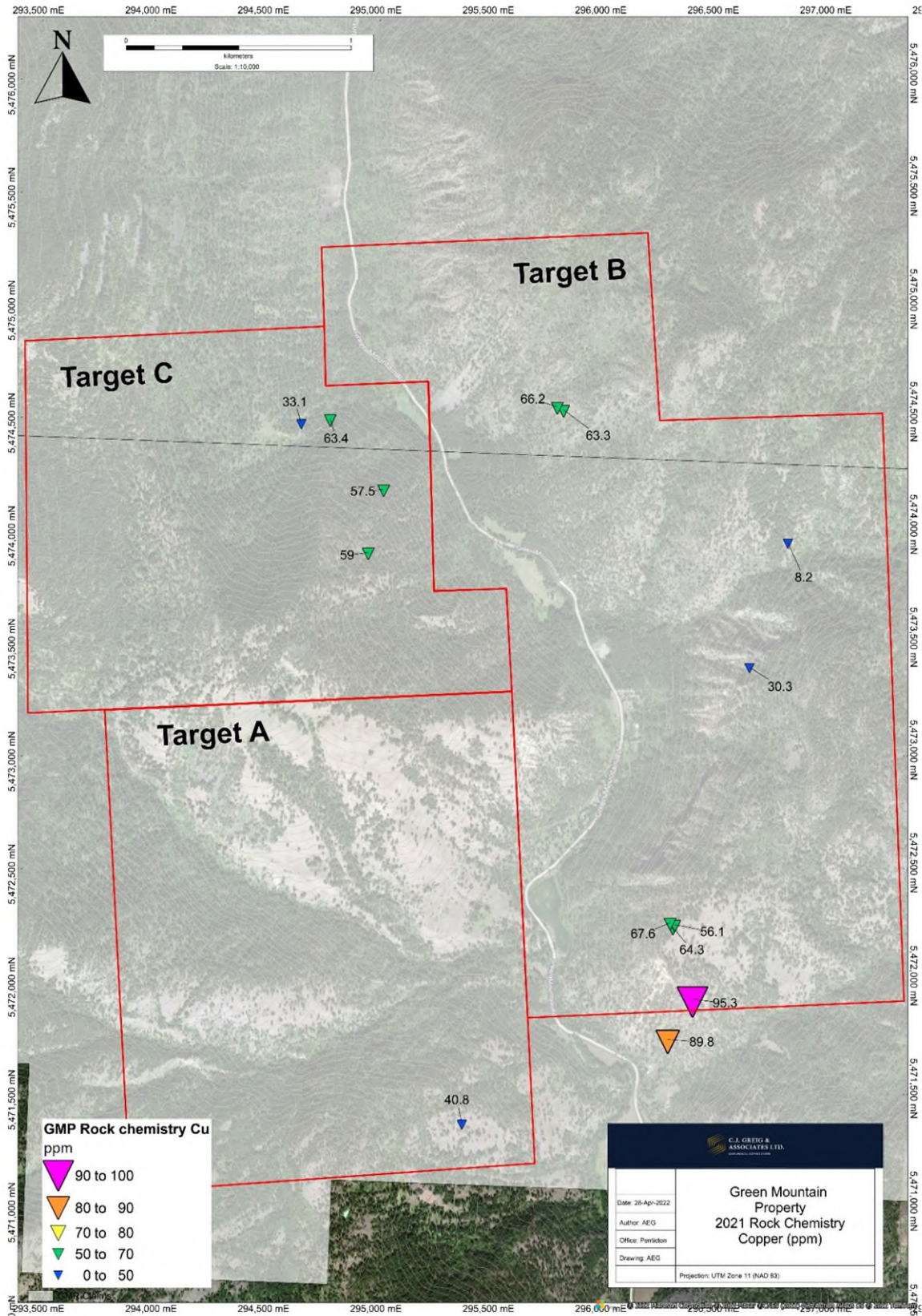


Figure 10.5 Rock sample analytical results for copper from the 2021 program



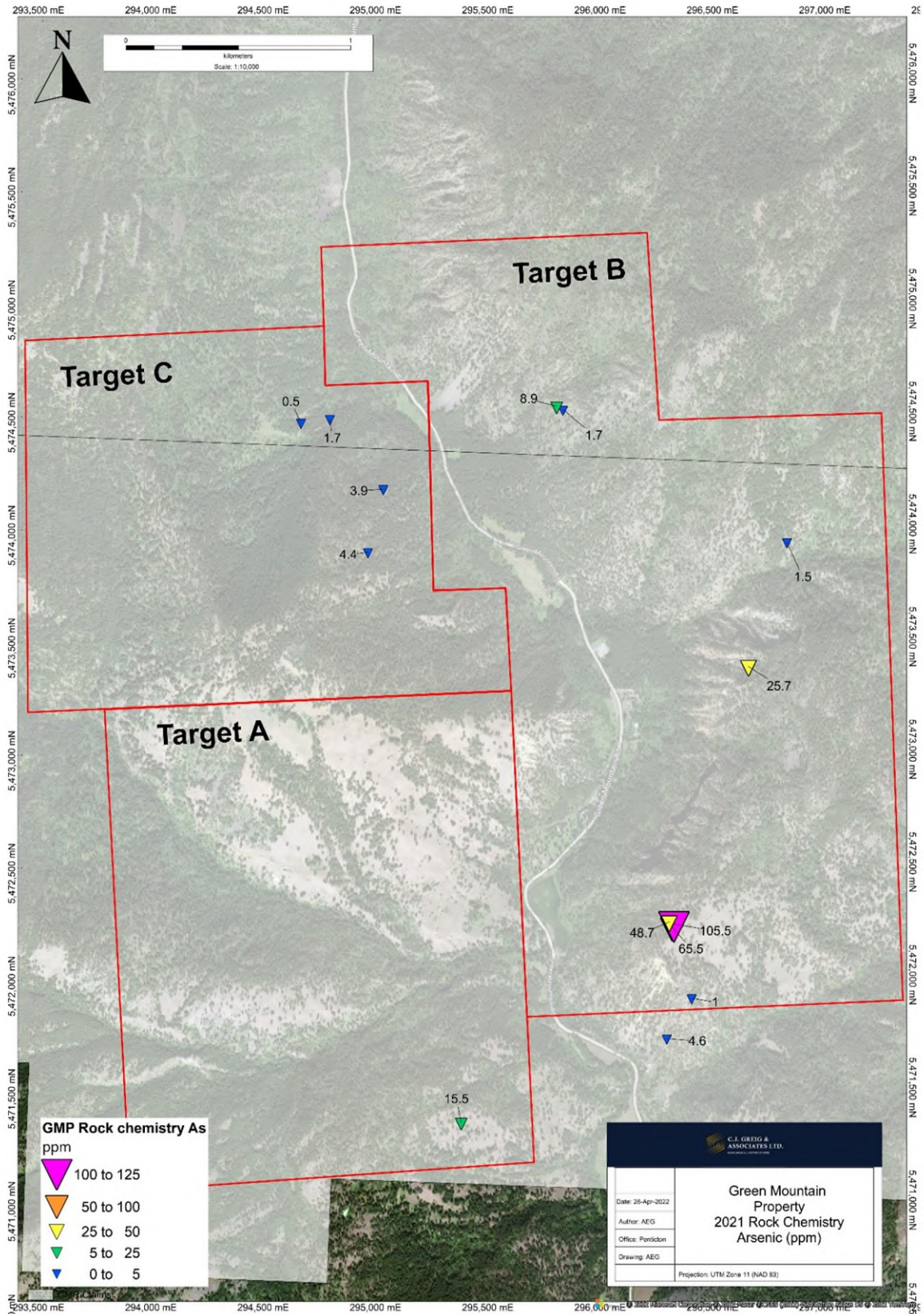


Figure 10.6 Rock sample analytical results for arsenic from the 2021 program

### 10.1.2 Soil Sampling 2021

The 2021 soil sampling program was designed to overlap and extend areas of known historical gold, copper, silver, arsenic, and zinc soil geochemical anomalies. Analytical work undertaken by previous operators employed too high a detection limit for gold (>2 ppm), and as a result, part of the 2021 sampling program included resampling those sample areas.

Figure 10.7 and Figure 10.14 show the location and sample numbers for the soil samples collected over Targets A, B, and C. Thematic maps for copper, gold, silver, arsenic, lead, and zinc are shown in Figure 10.8 to Figure 10.20. The program was successful in outlining distinctly anomalous multi-element trends, as well as extending historical gold-in-soil anomalies on the Property.

Soil samples from Target A were collected along an elevation contour west of Green Mountain Road. The sample line is over 2km long and runs along the side of the valley, with samples spaced at 50 meters. An approximately 750m long zinc-in-soil anomaly was returned from the north part of the line and consists of values ranging from 251 to 564ppm.

Soil samples from Target B were collected along elevation contours east of Green Mountain Road. The sample lines are discontinuous with a combined length of 4.5 kilometers. Target B returned the most anomalous results for silver, gold, copper, lead, and zinc on the Property. Strongly anomalous gold values range from 335 ppb to 518 ppb, but also have values as low as 0.5ppb. Average gold values in soil from the 2021 program returned 68ppb. Areas returning anomalous gold values correlated well with anomalous copper and silver values. The strongest anomalies are in the far north and south-central sections of the contour sampling lines.

In Target C, a soil grid extending 2 km by 1.5 km was established on the west side of Green Mountain Road. The northmost section of the grid returned moderately to strongly anomalous values for gold (193 ppb), arsenic (198 ppm), lead (33 ppm) and zinc (764 ppm). The remainder of the grid returned sparsely populated results of high Cu (398 ppm), As (160 ppm), and Zn (538 ppm). The highest results from this part of sampling program were from the northeastern corner of the this northern block, however there is no truly obvious trend defined on the grid.



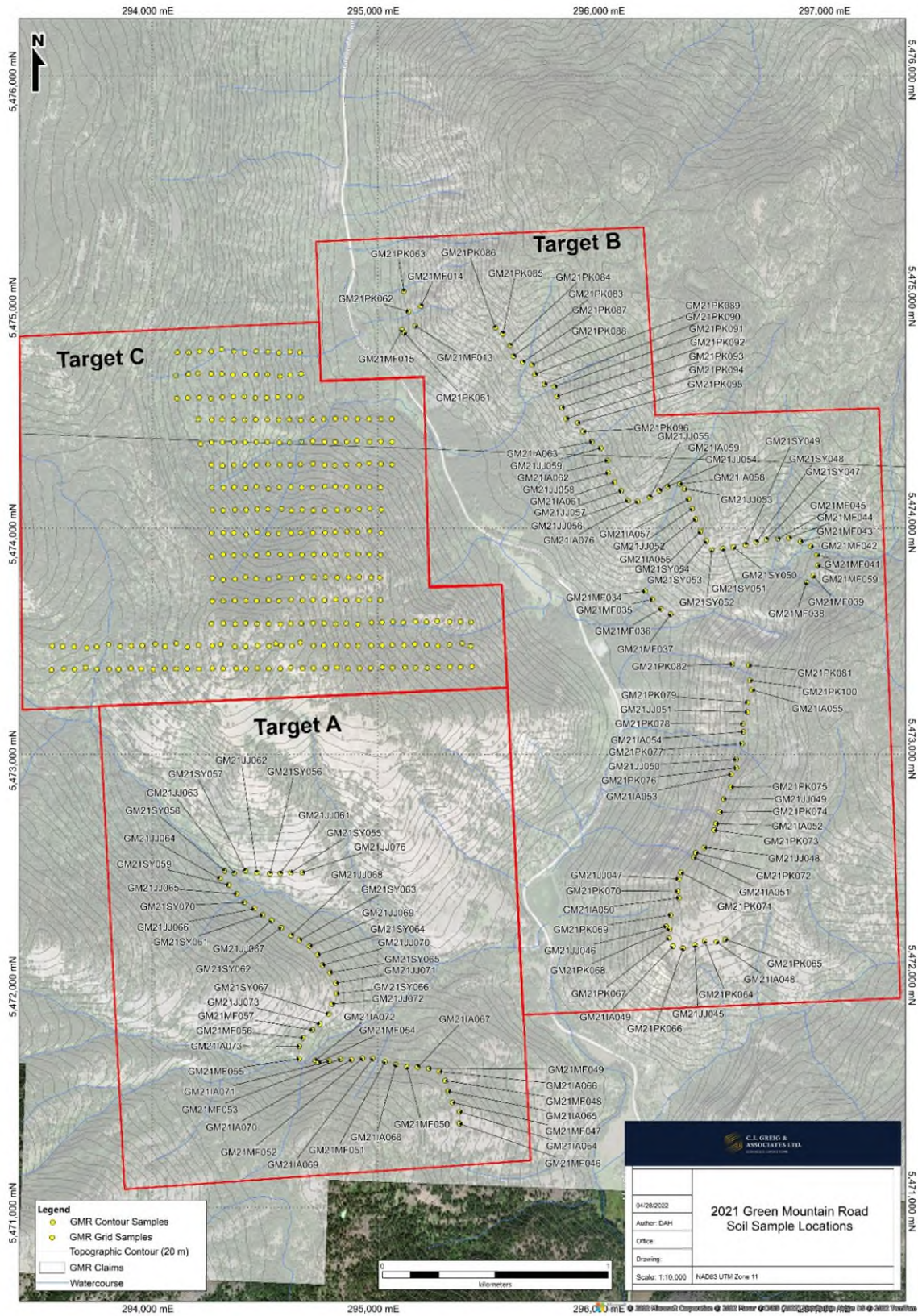


Figure 10.7 Soil sample stations from the 2021 field program



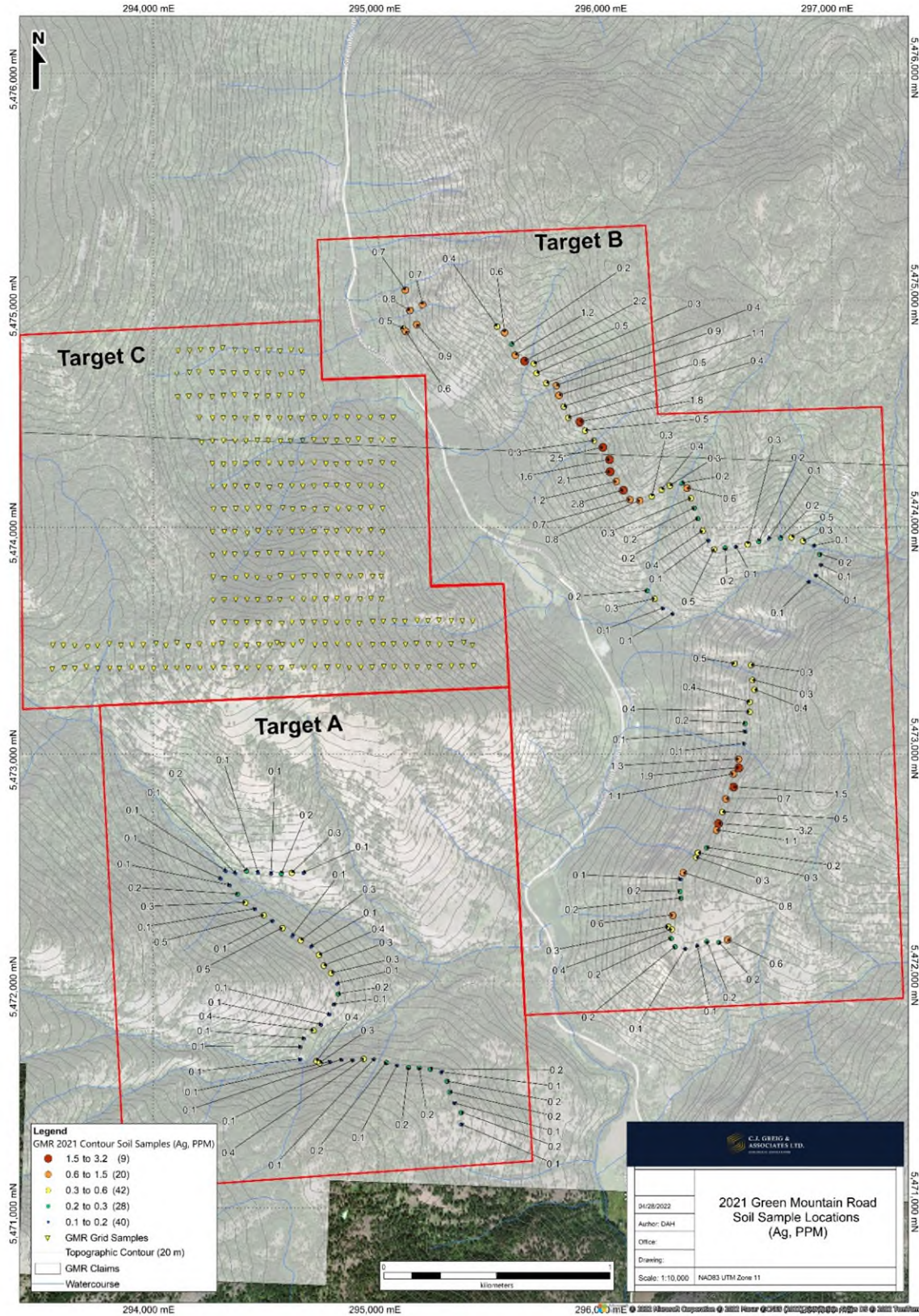


Figure 10.8. Soil sample results for silver from the 2021 field program



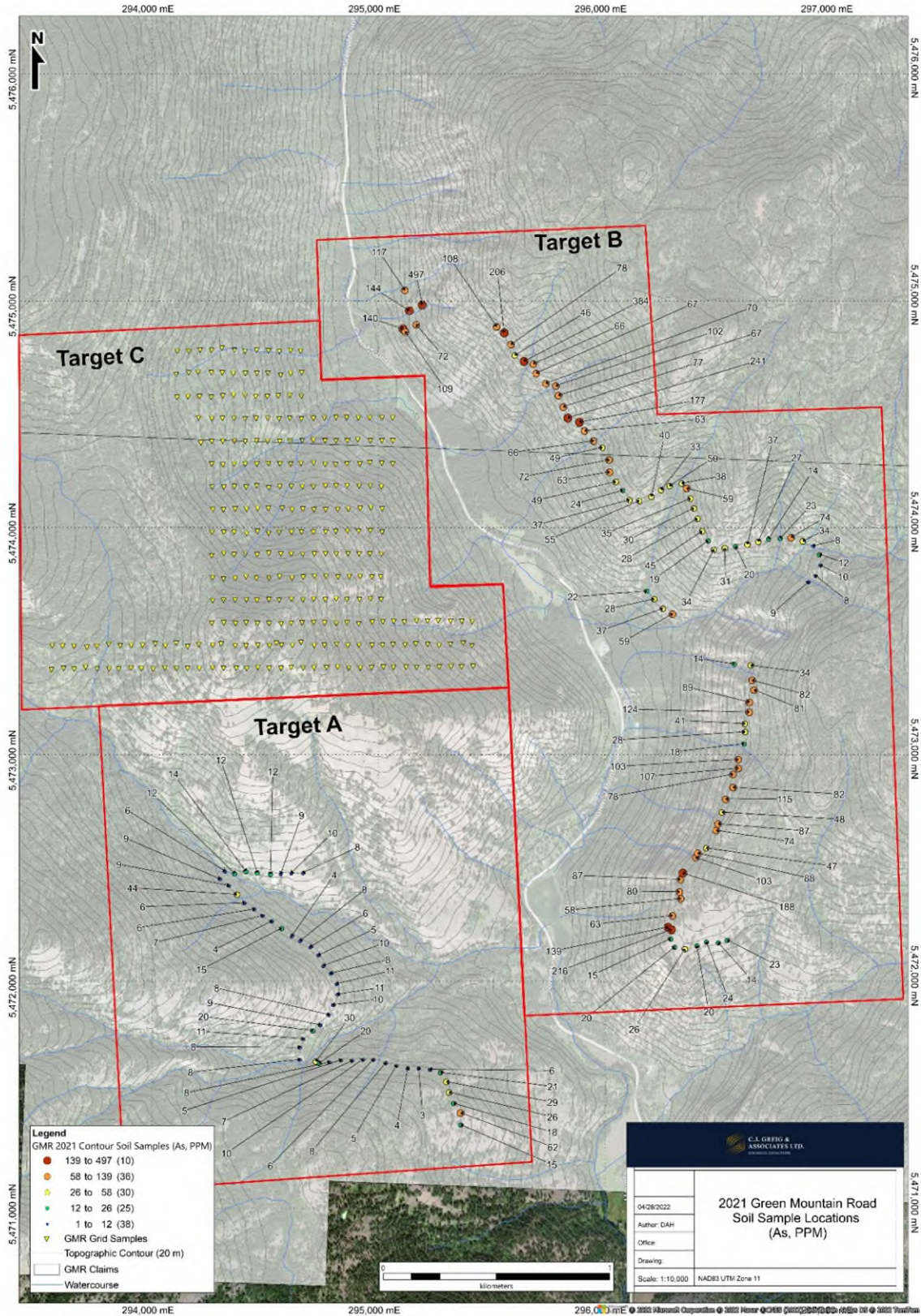


Figure 10.9 Soil sample results for arsenic from the 2021 field program



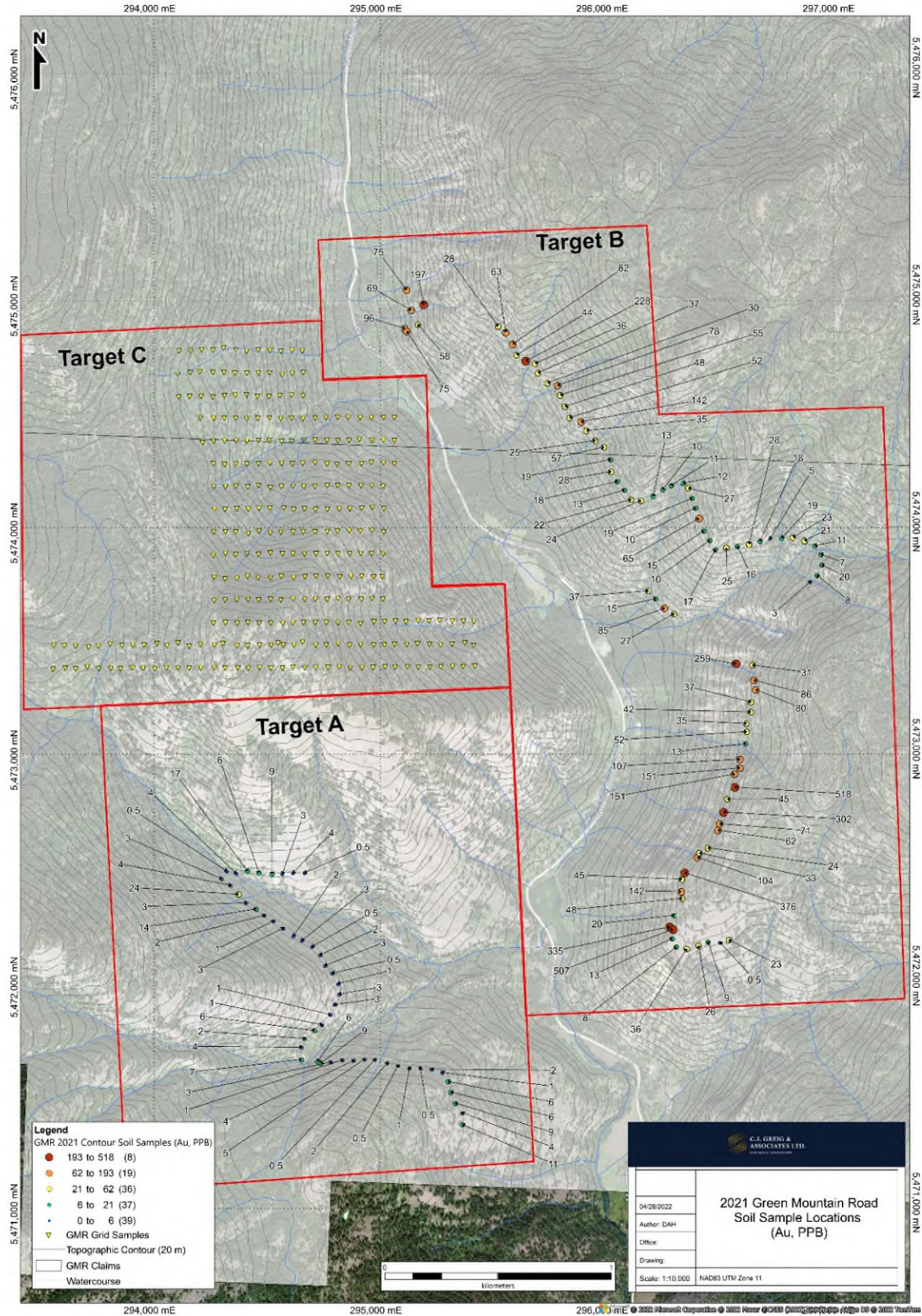


Figure 10.10 Soil sample results for gold from the 2021 field program



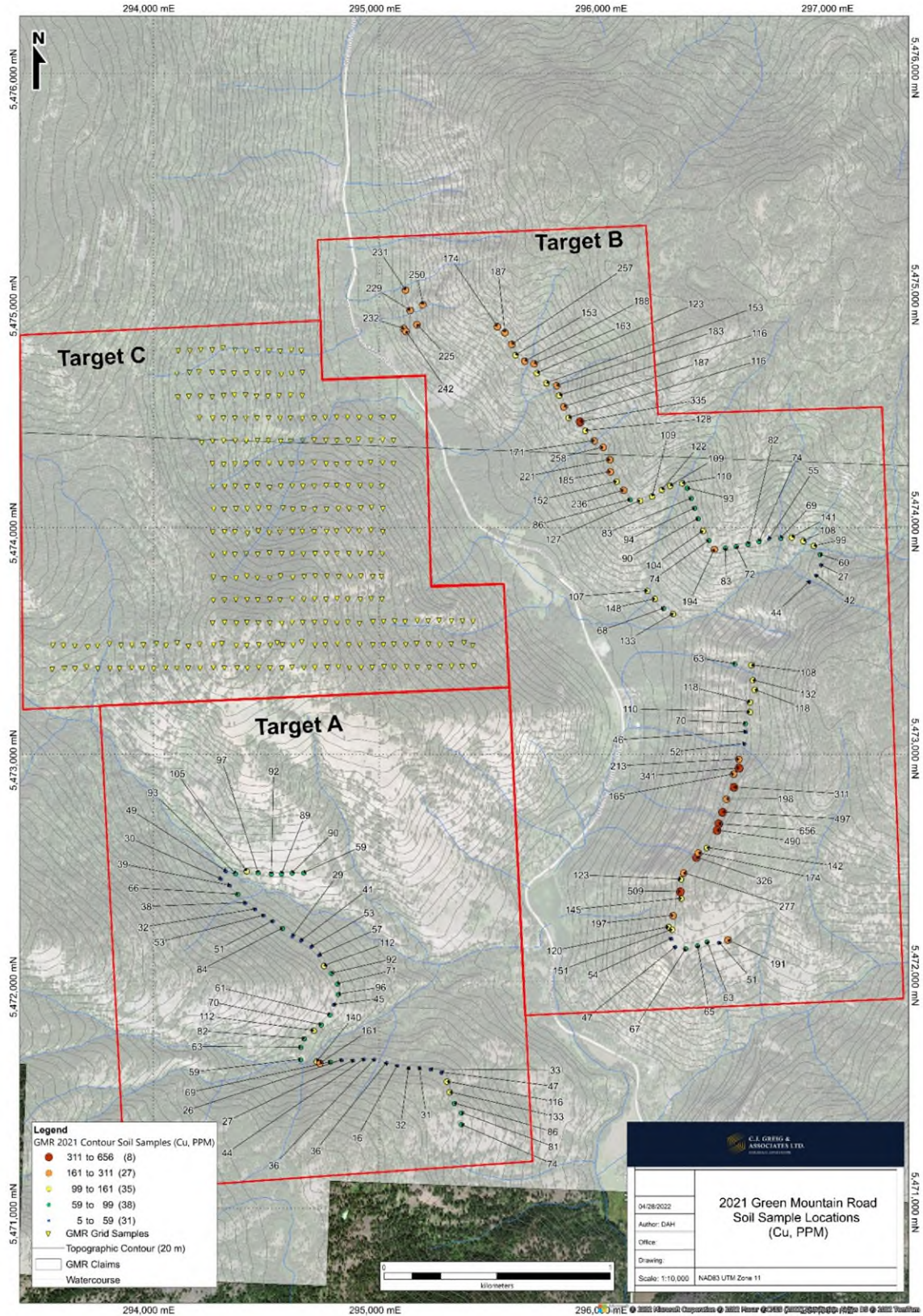


Figure 10.11 Soil sample results for copper from the 2021 field program



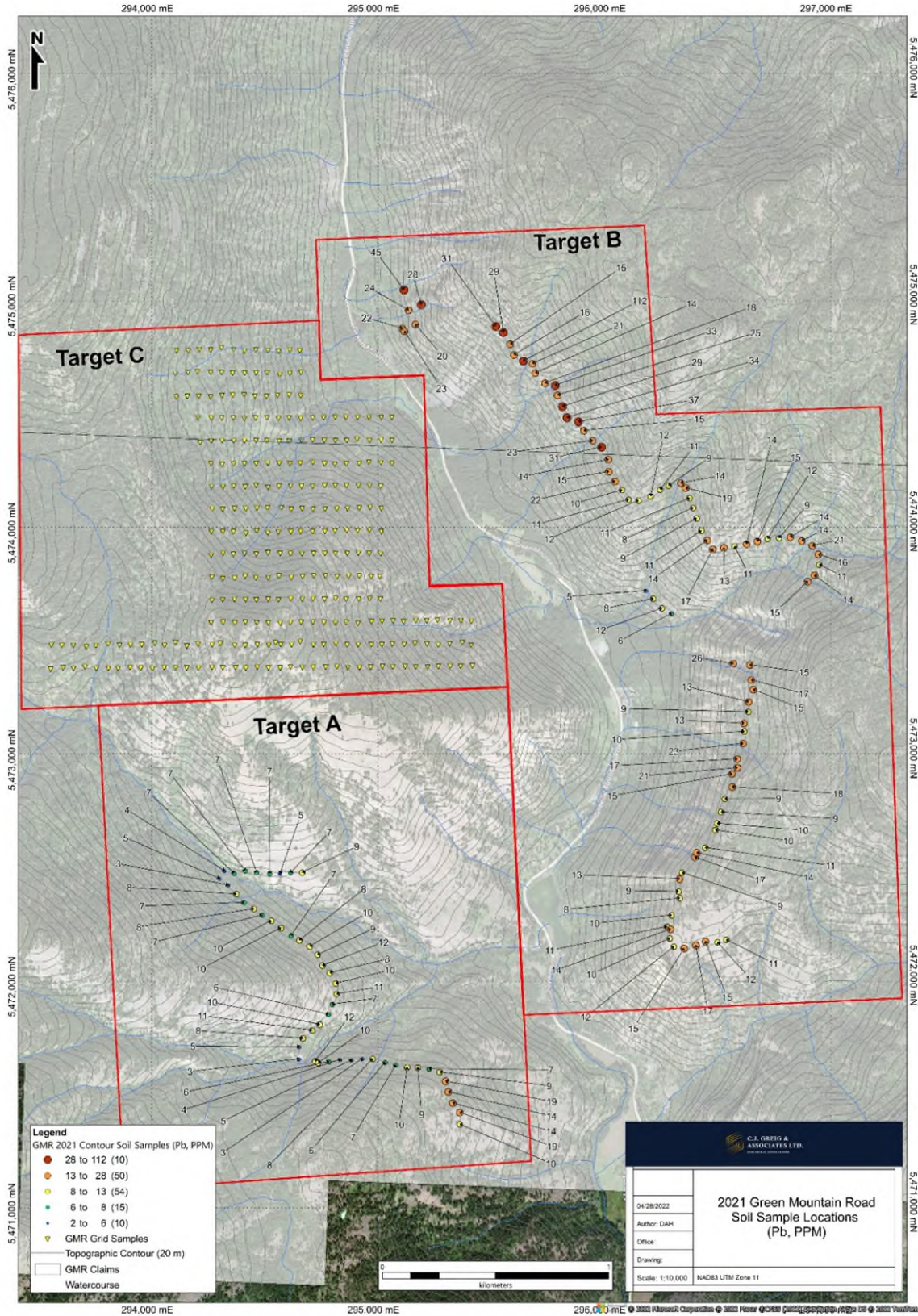


Figure 10.12 Soil sample results for lead from the 2021 field program



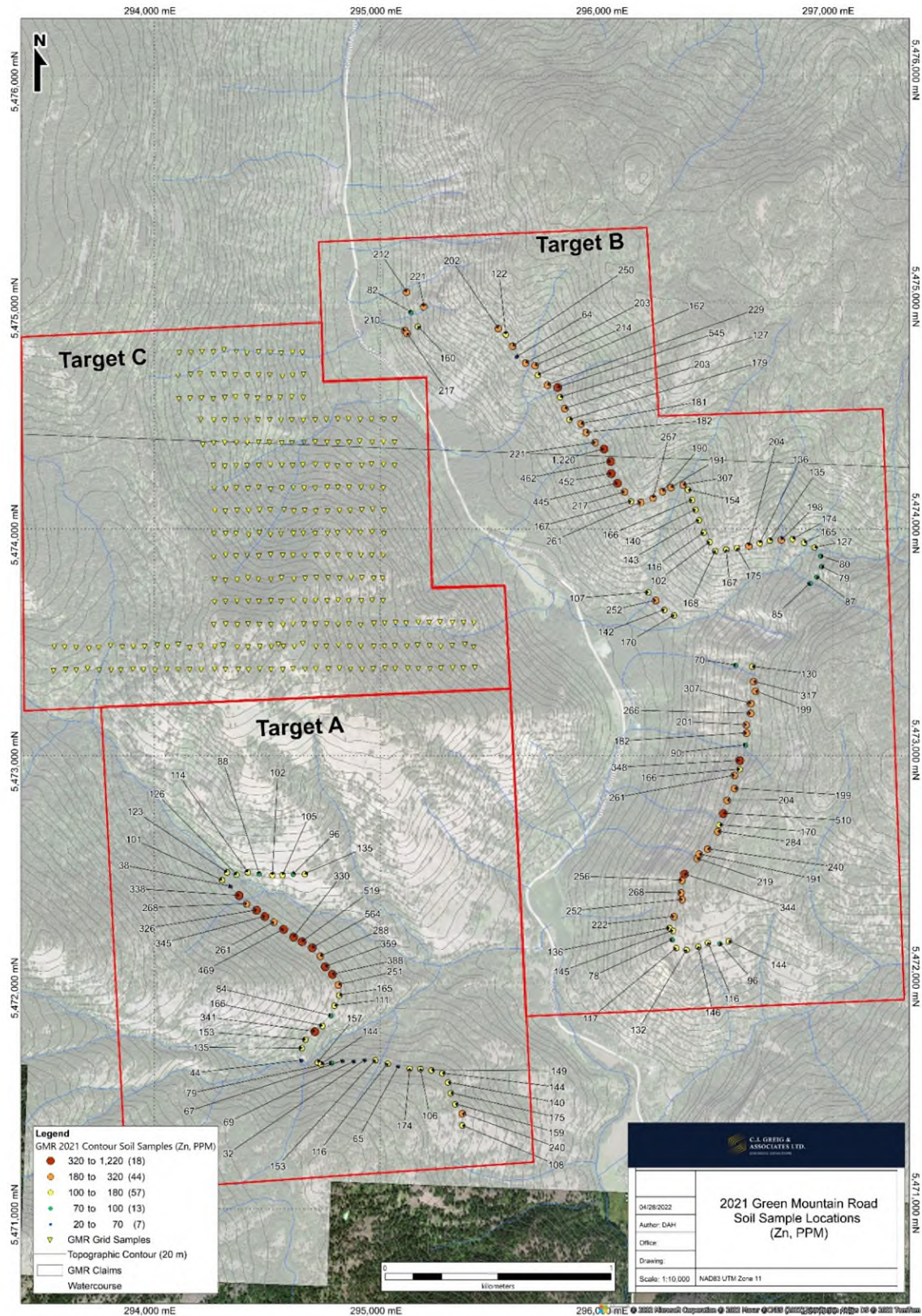


Figure 10.13 Soil sample results for zinc from the 2021 field program



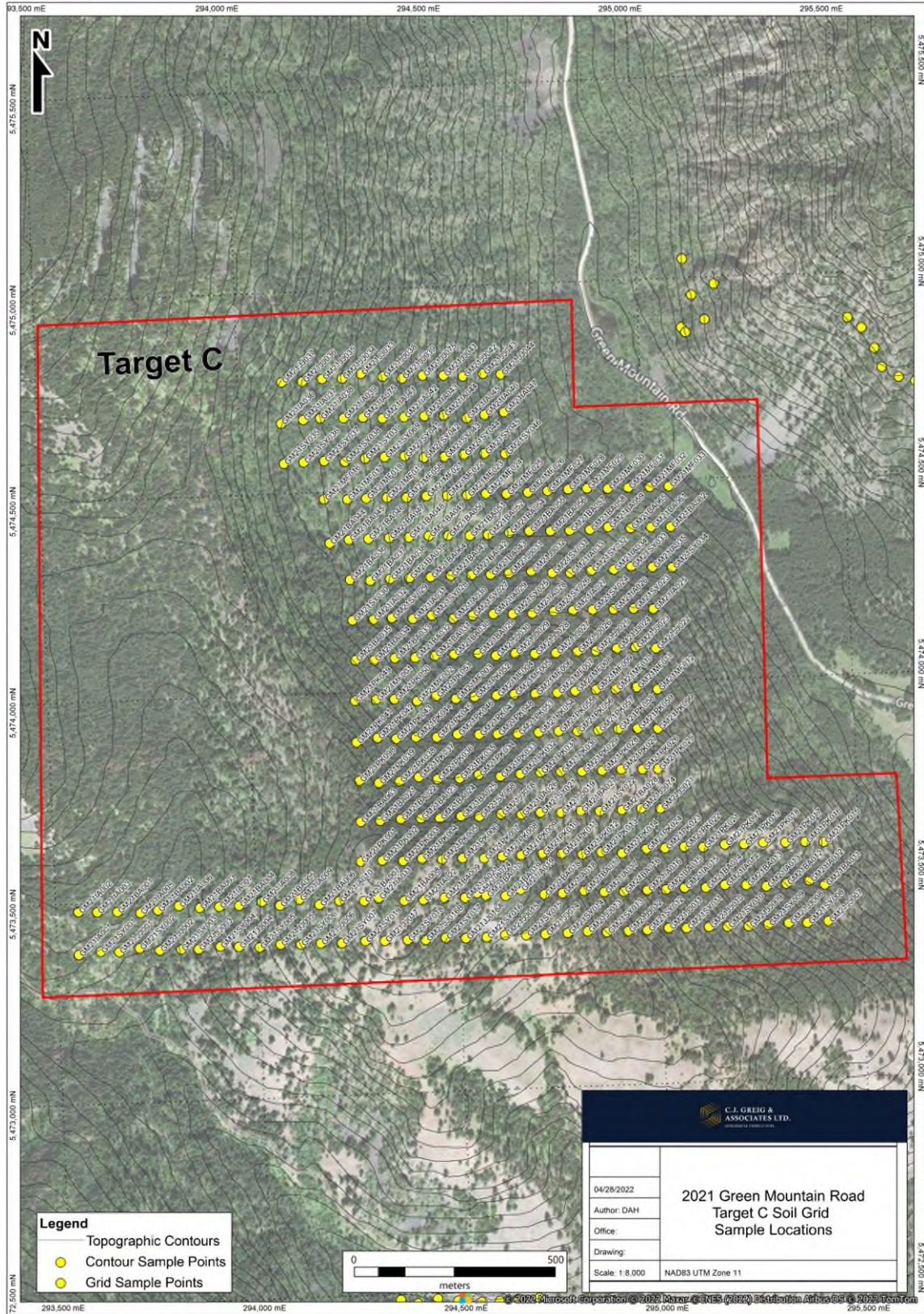


Figure 10.14 Soil sample location map for Target C area



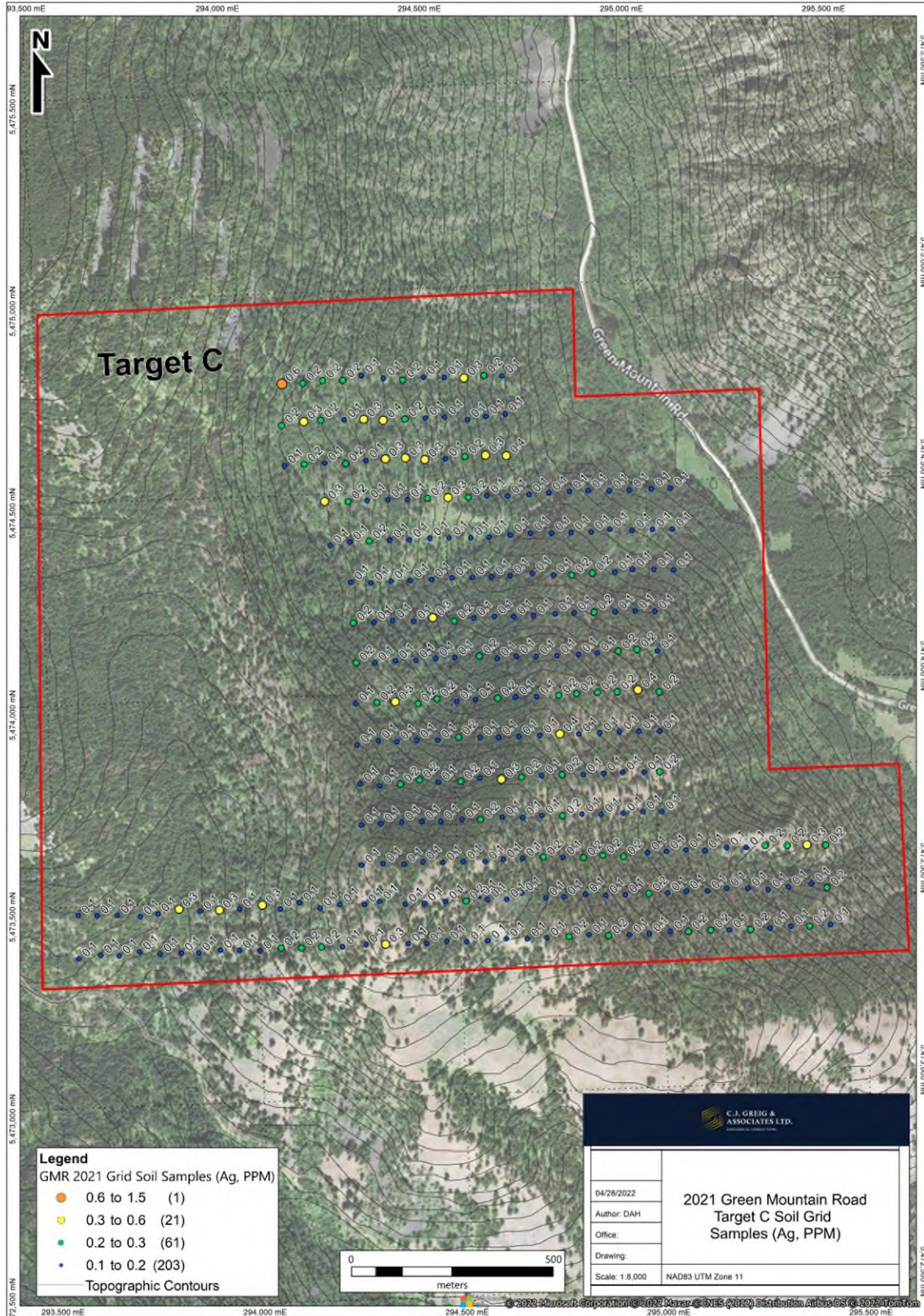


Figure 10.15 Soil sample results for silver, Target C soil grid



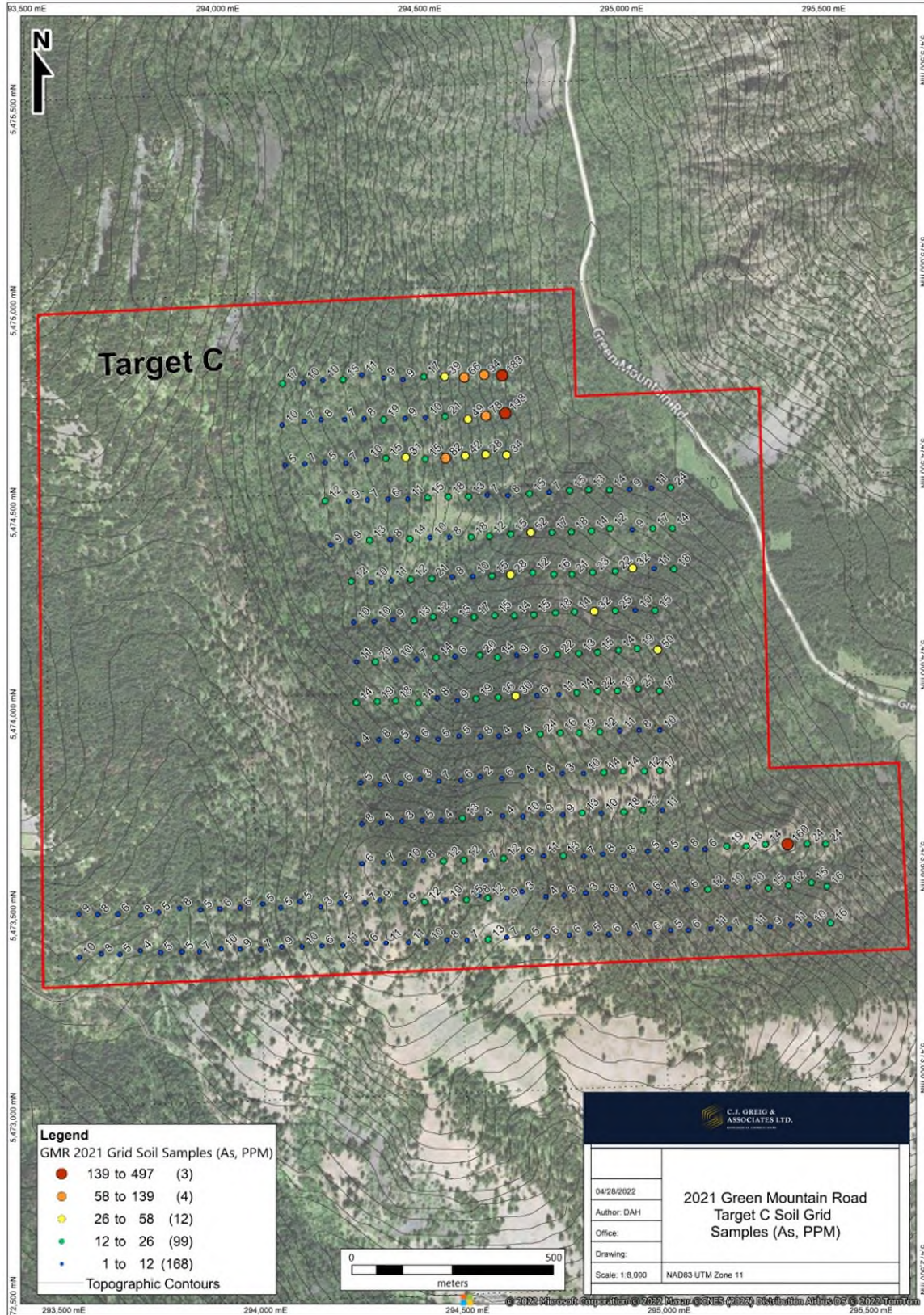


Figure 10.16 Soil sample results for arsenic, Target C soil grid



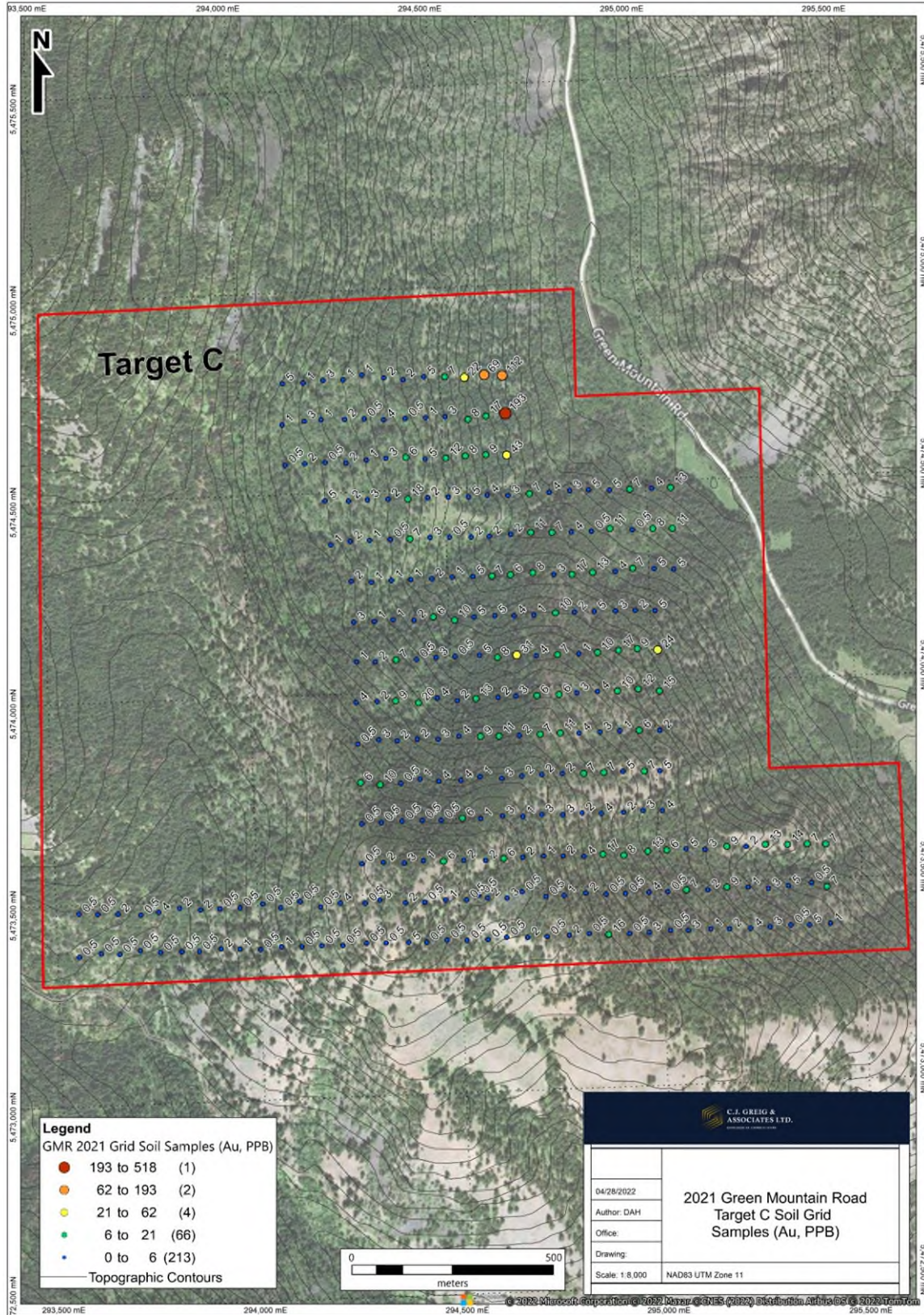


Figure 10.17 Soil sample results for gold, Target C soil grid



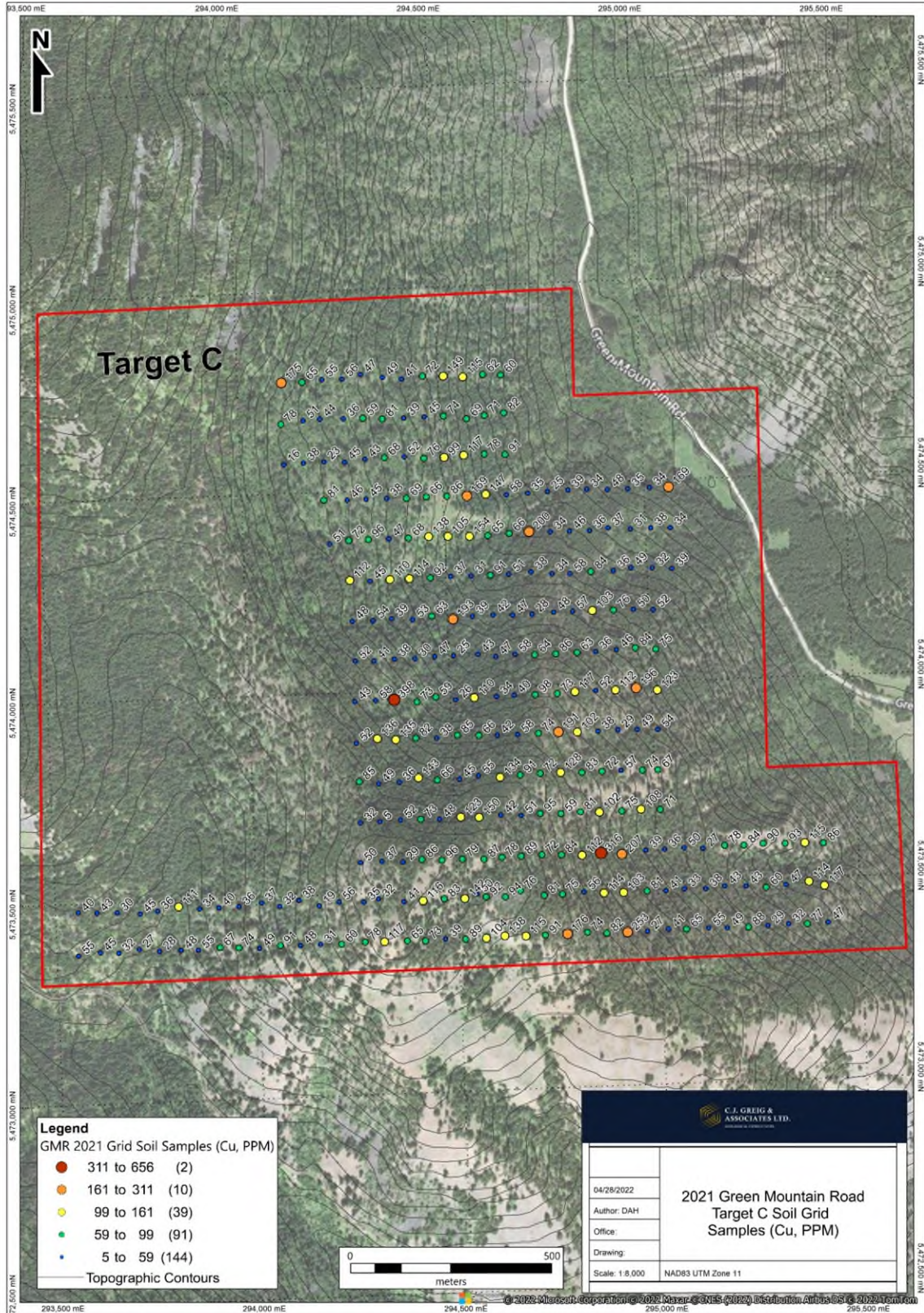


Figure 10.18 Soil sample results for copper, Target C soil grid



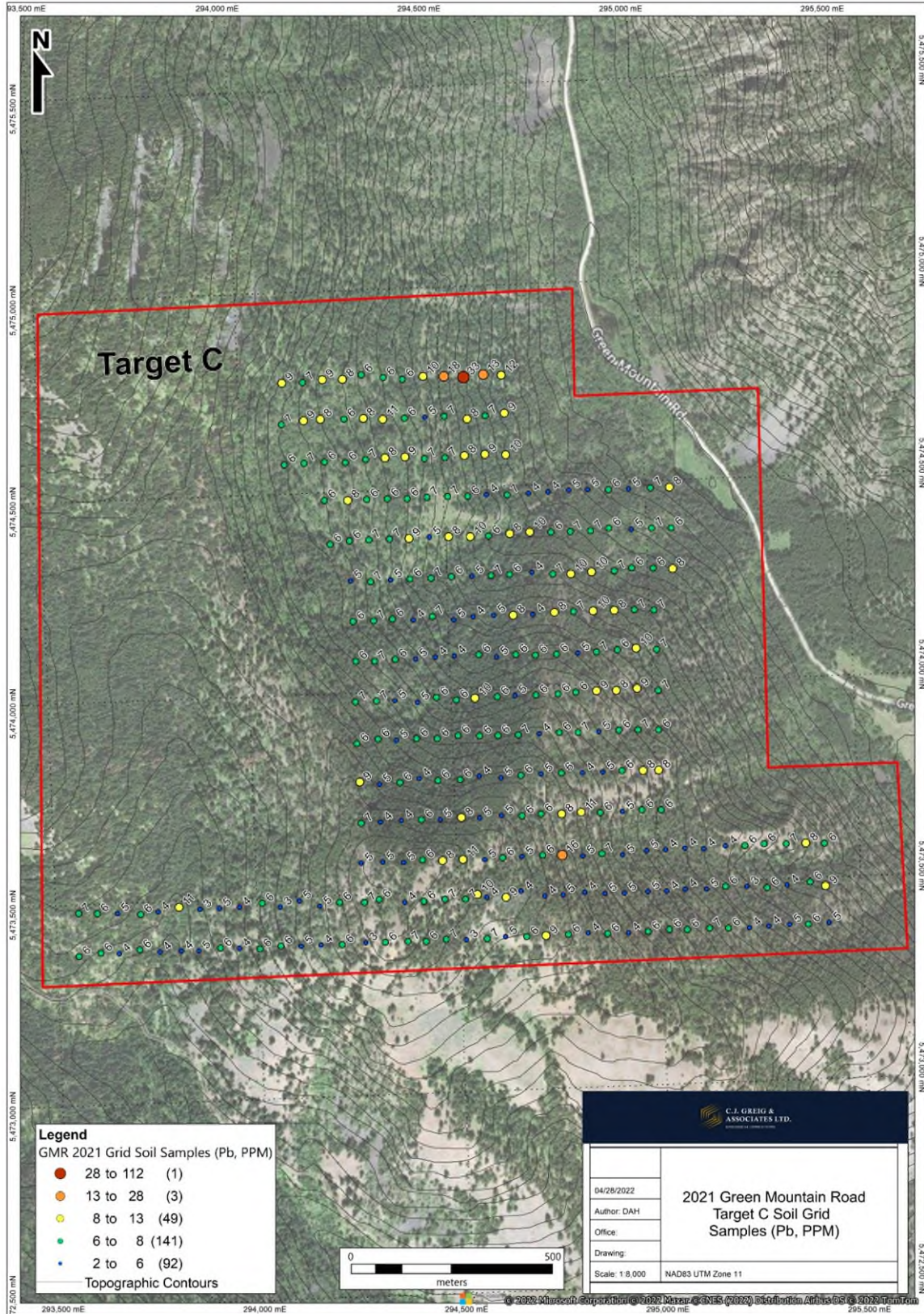


Figure 10.19 Soil sample results for lead, Target C soil grid



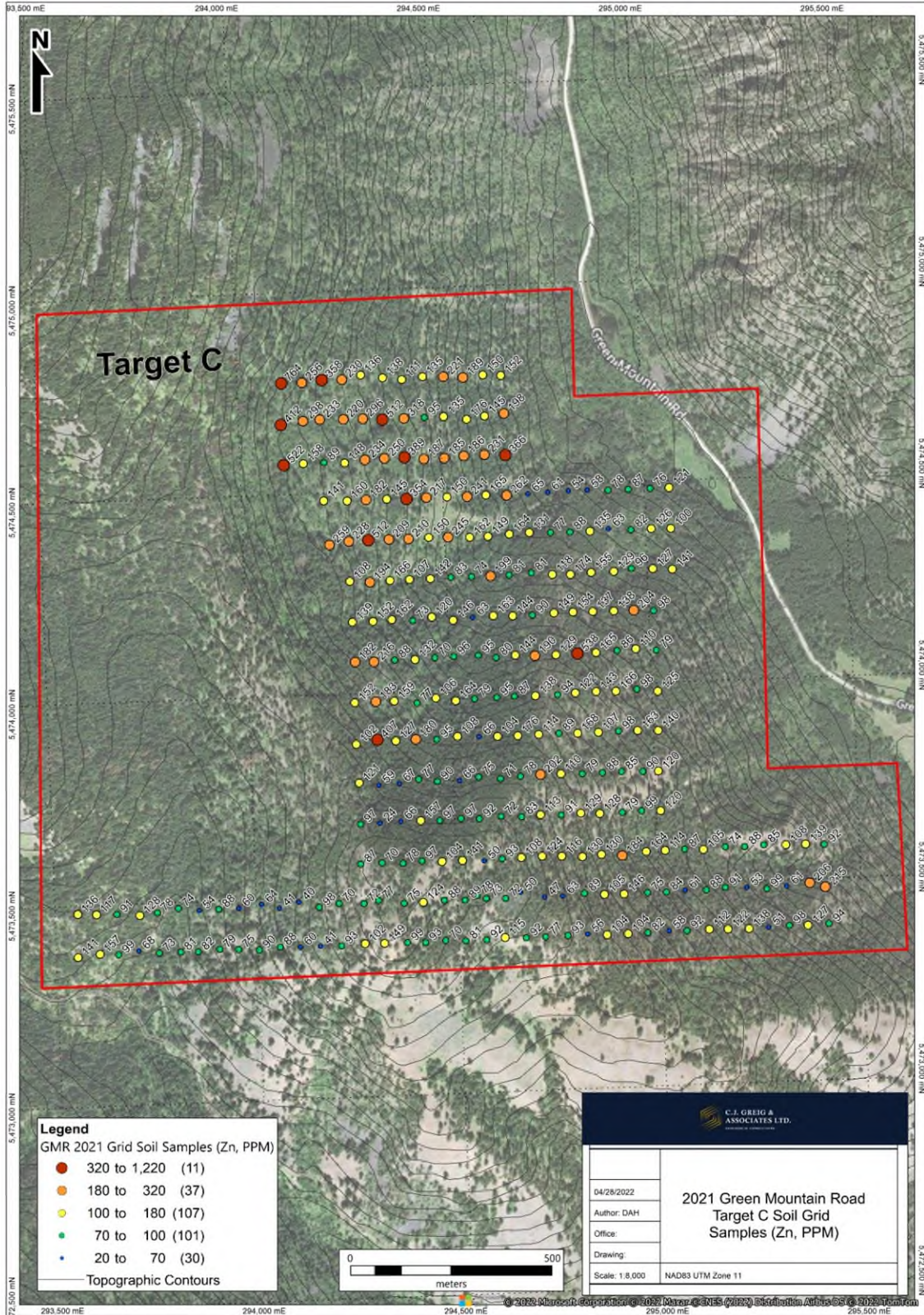


Figure 10.20 Soil sample results for zinc, Target C soil grid

### 10.1.3 Airborne Magnetic Survey 2021

Between February 28th and March 3rd, 2021, Peter E. Walcott & Associates Limited undertook a heli-borne magnetic surveying for the Company over the Green Mountain property.

The survey consisted of some 595-line kilometers of airborne magnetic surveying on east-west oriented lines, with a nominal spacing of 100 m and orthogonal tie lines spaced every 500m.

The data was first exported from MagLogPro, where the various sensor inputs were merged into Geosoft compatible ascii files. This merged dataset was then loaded into Geosoft Oasis Montaj for data reduction and processing.

The data was first corrected for diurnal magnetic drift, utilizing the magnetic base stations. The data was then lag corrected to account for positioning errors due to instrument delay and other positional errors. Tie line levelling was then undertaken prior to gridding. Gridding was then undertaken on the levelled line data utilizing Geosoft's Bigrid algorithm using a 12.5-meter cell size.

The reduced and leveled data set was then subject to several filtering techniques using the Geosoft MagMap module for evaluation and presentation. The magnetic data for each of the respective blocks presented in this report is Contours of Total Magnetic Intensity, and Contours Calculated First Vertical Derivative.

Contoured maps showing total magnetic intensity and calculated 1<sup>st</sup> vertical derivative of total magnetic intensity is shown on Figure 10.21 and Figure 10.22.

The strongest gold-in-soil results from the 2020, 2021 and 2022 sampling programs correlate with a magnetic low on the east side of the valley (Target B). The magnetic low could represent magnetite destructive alteration and mineralization (Figure 10.23).

Anomalies for copper and molybdenum are strongest on the west side of the valley and situated on a northwest-southeast oriented magnetic high and regionally mapped granitic rocks (Targets A and C) (Figure 10.24 to Figure 10.25).



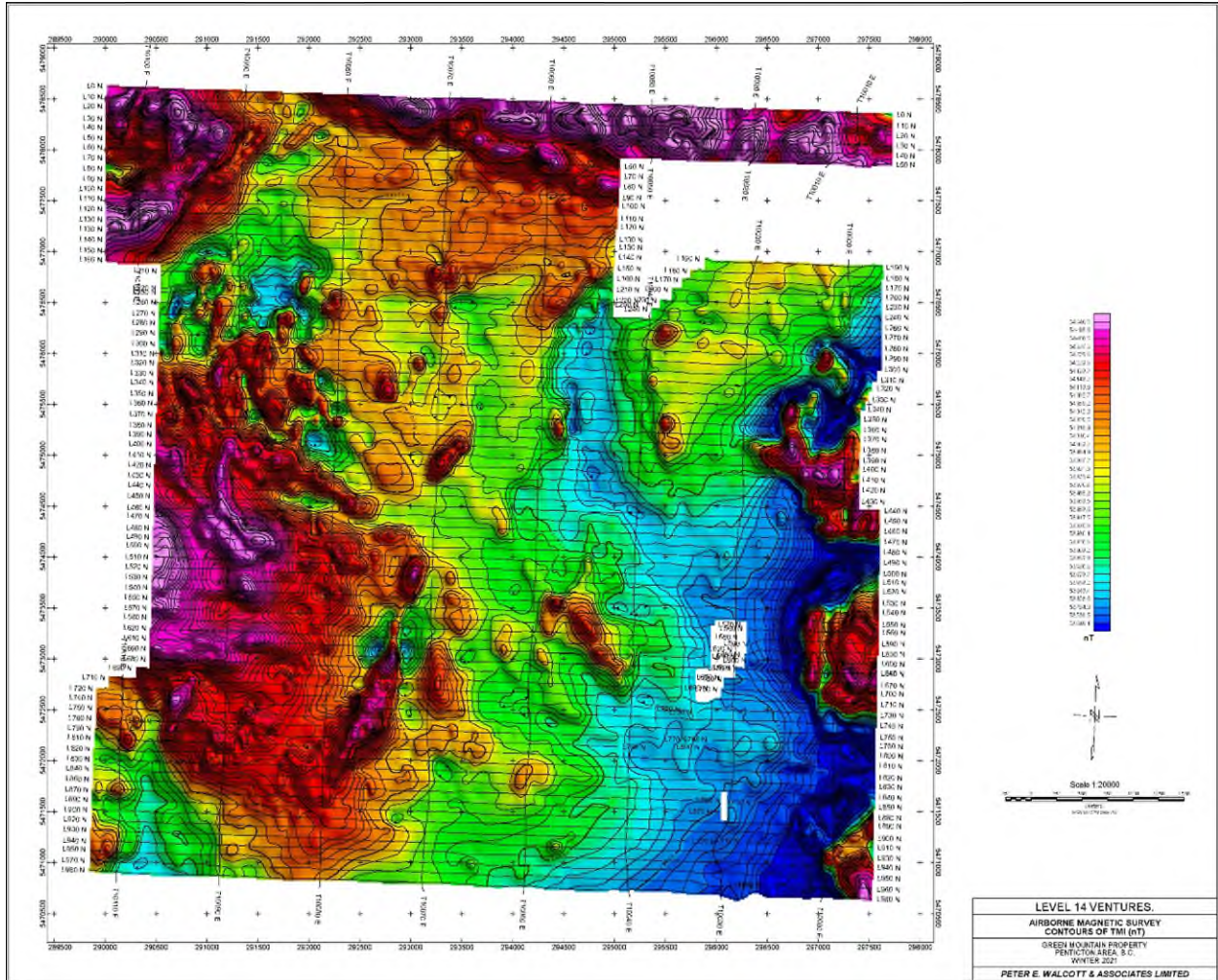


Figure 10.21 Airborne magnetic survey showing contours of total magnetic intensity (TMI)

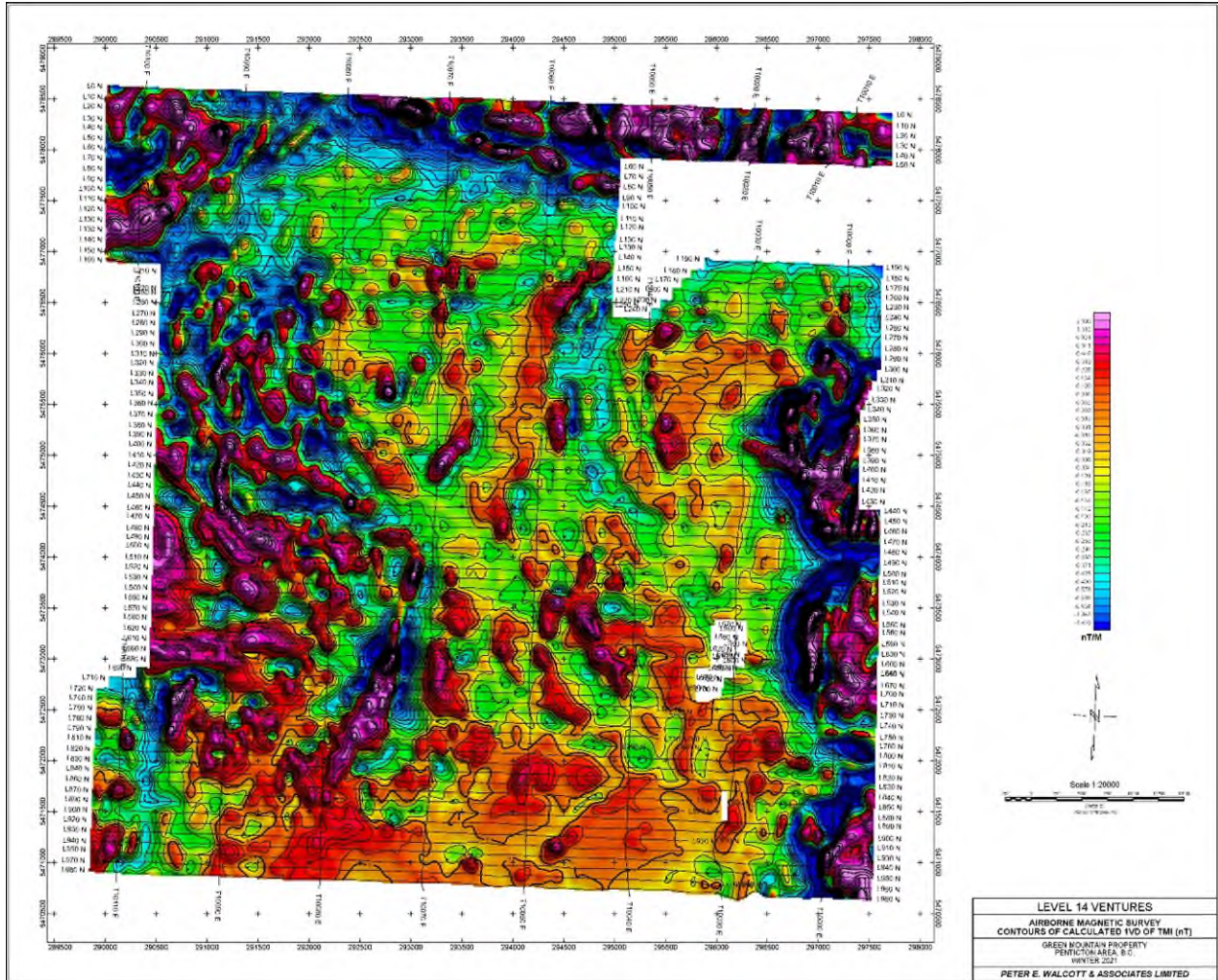


Figure 10.22 Airborne magnetic survey showing contours of calculated 1st vertical derivative of TMI (nT)



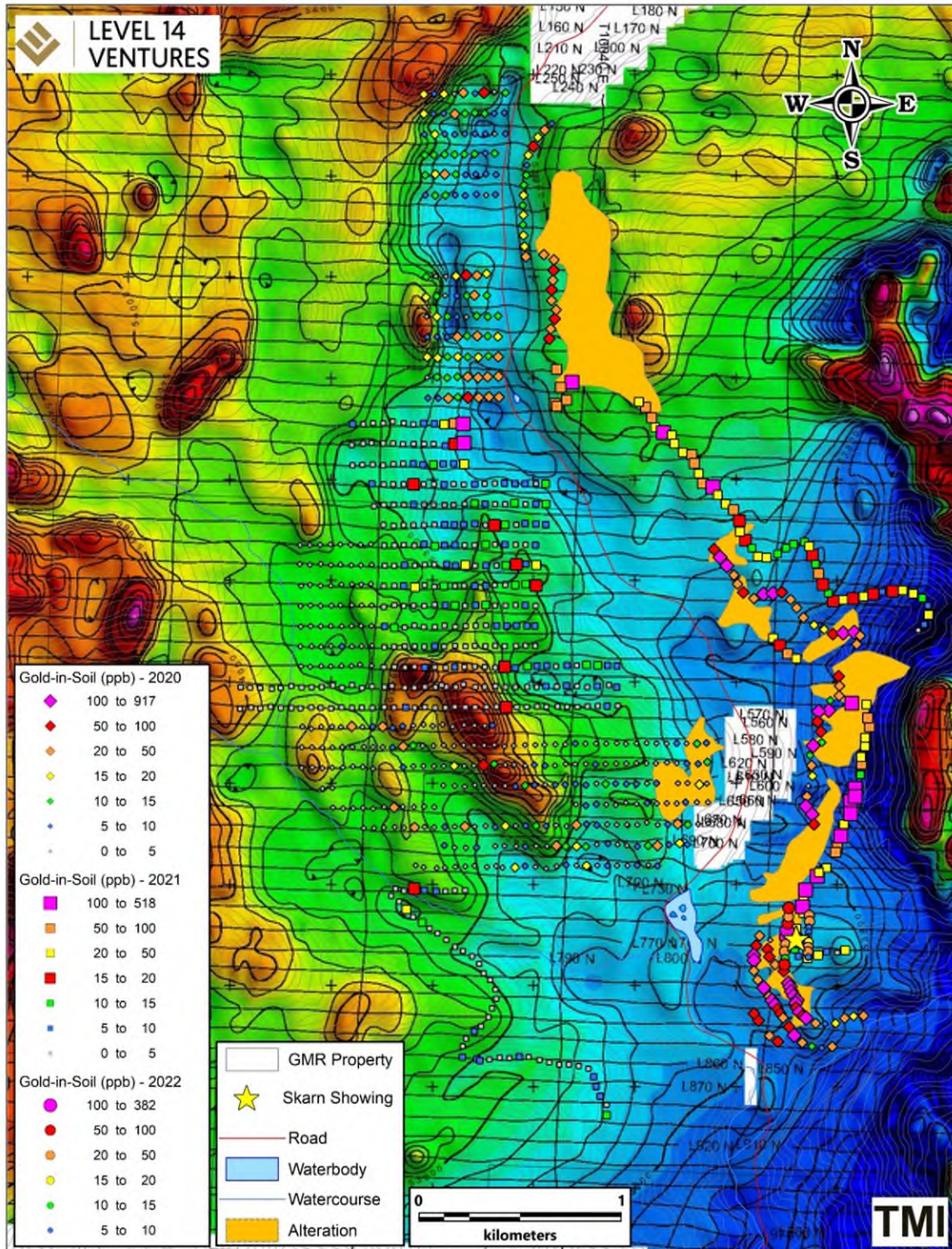


Figure 10.23 Gold-in-soil geochemistry underlain by TMI and alteration polygons.



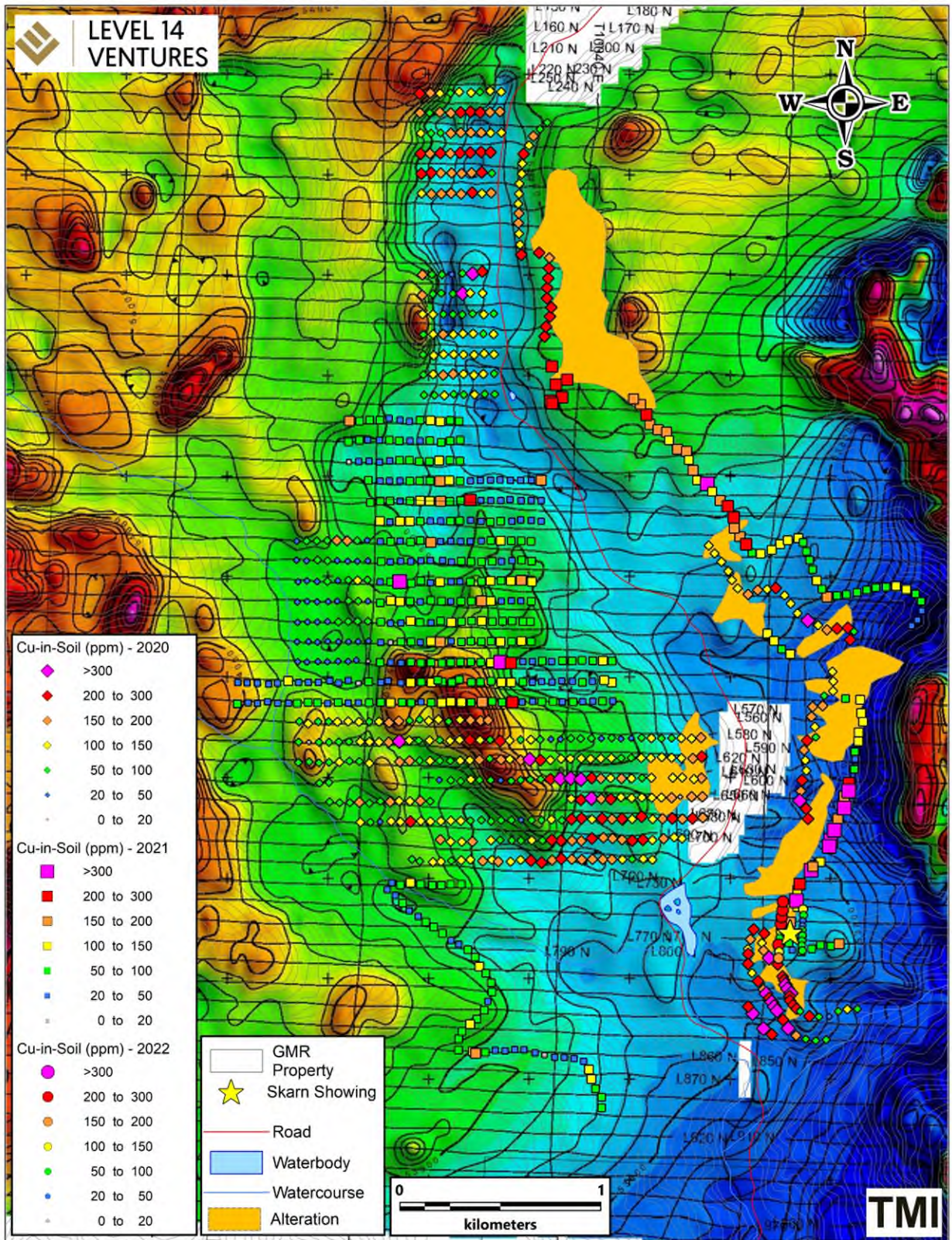


Figure 10.24 Copper-in-soil geochemistry underlain by TMI and alteration polygons.



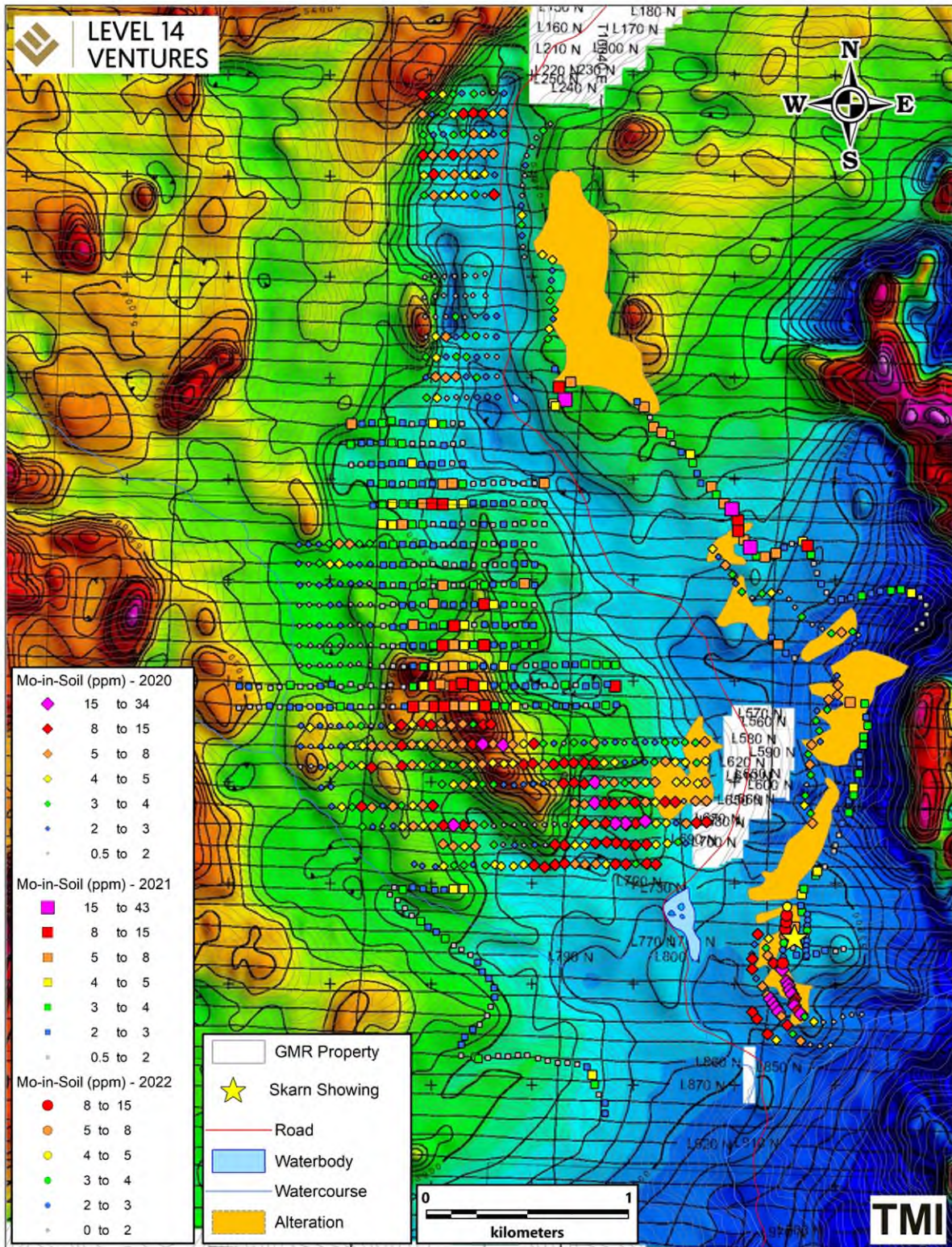


Figure 10.25 Molybdenum-in-soil geochemistry underlain by TMI and alteration polygons.



#### **10.1.4 Rock Sampling 2022**

From October 26th to October 28th, employees of CJ Greig and Associates conducted a field program comprising geological observations and rock samples on the Property on behalf of the Company. The objective of the program was to investigate the sites of soil geochemical anomalies, and upslope from them, from the previous 2020 and 2021 exploration programs and find bedrock sources for the soil anomalies.

Rock samples were collected from 16 of 22 geological stations (Figure 10.26). Samples were taken daily to the CJG office in Penticton, where they were analyzed with a portable X-Ray Fluorescence ('XRF') device for an initial geochemical analysis and were set aside for later possible petrographic study or analysis at ALS Global.

Samples consisted of single pieces of outcrop or float ("grab" samples), or of chips collected along a vein or structure.

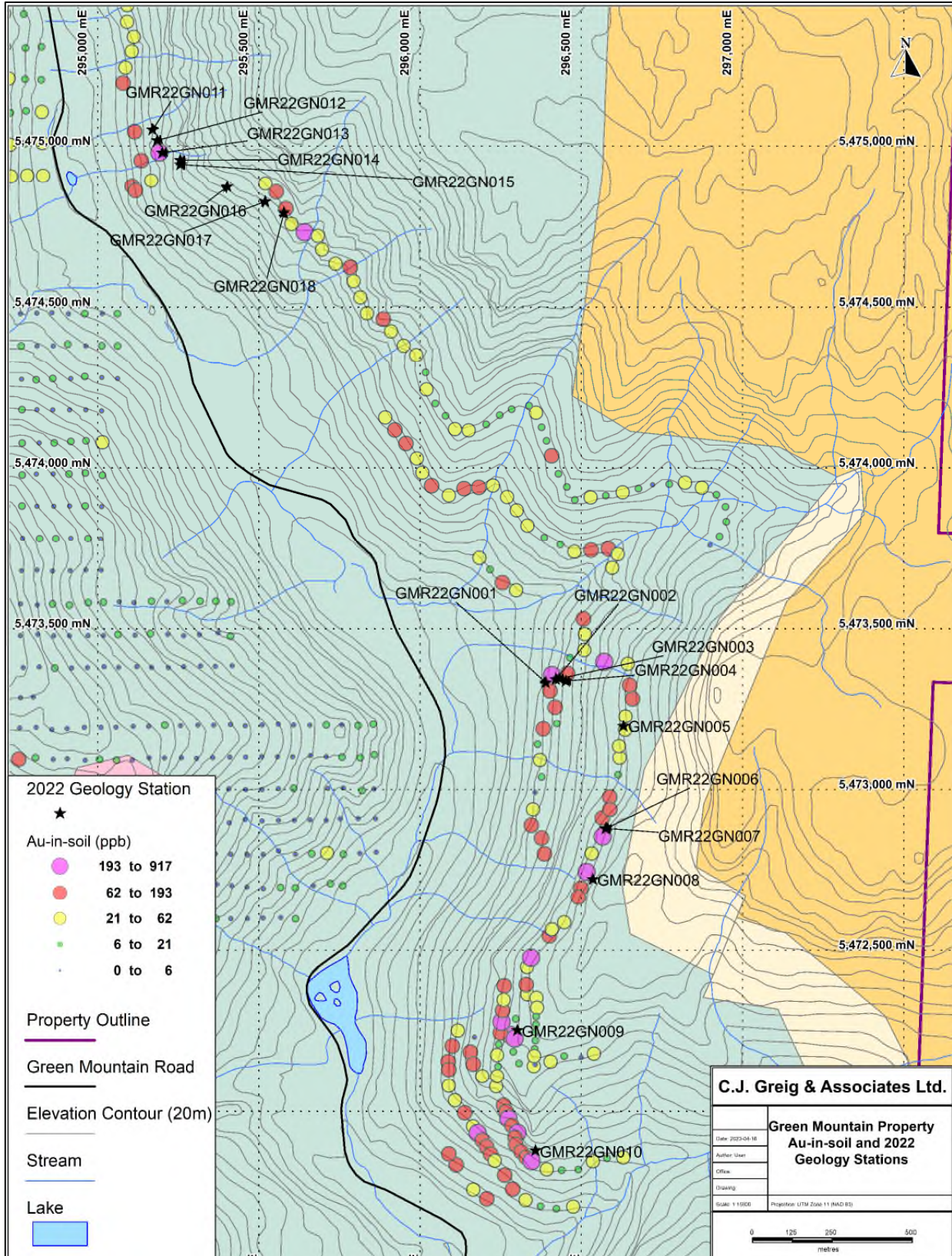


Figure 10.26 Rock sample collection sites from the 2022 field program

### 10.1.5 Soil Sampling 2022

Two north-south lines of nine 25m-spaced soil samples were collected to the east and west of the 2020 skarn showing (Figure 10.27) to search for an extension of the mineralized zone. Samples were taken to the offices of CJ Greig & Associates in Penticton British Columbia, where they were analyzed with a portable XRF device for an initial geochemical analysis and then packed and shipped to ALS Global in North Vancouver, BC for analysis.

Samples were crushed and screened by ALS method PREP-41 and analyzed by Au-ICP21 (30g fire assay with an ICP-AES finish) and ME-ICP41 (35 elements, aqua regia digest and ICP-AES finish). A blank sample was added to the soil sample shipment to ALS and analyses of the blank showed it to contain below the lower limit of detection for all elements of interest (Au, Ag, As, Cu, Pb and Zn) (Newton, 2023).



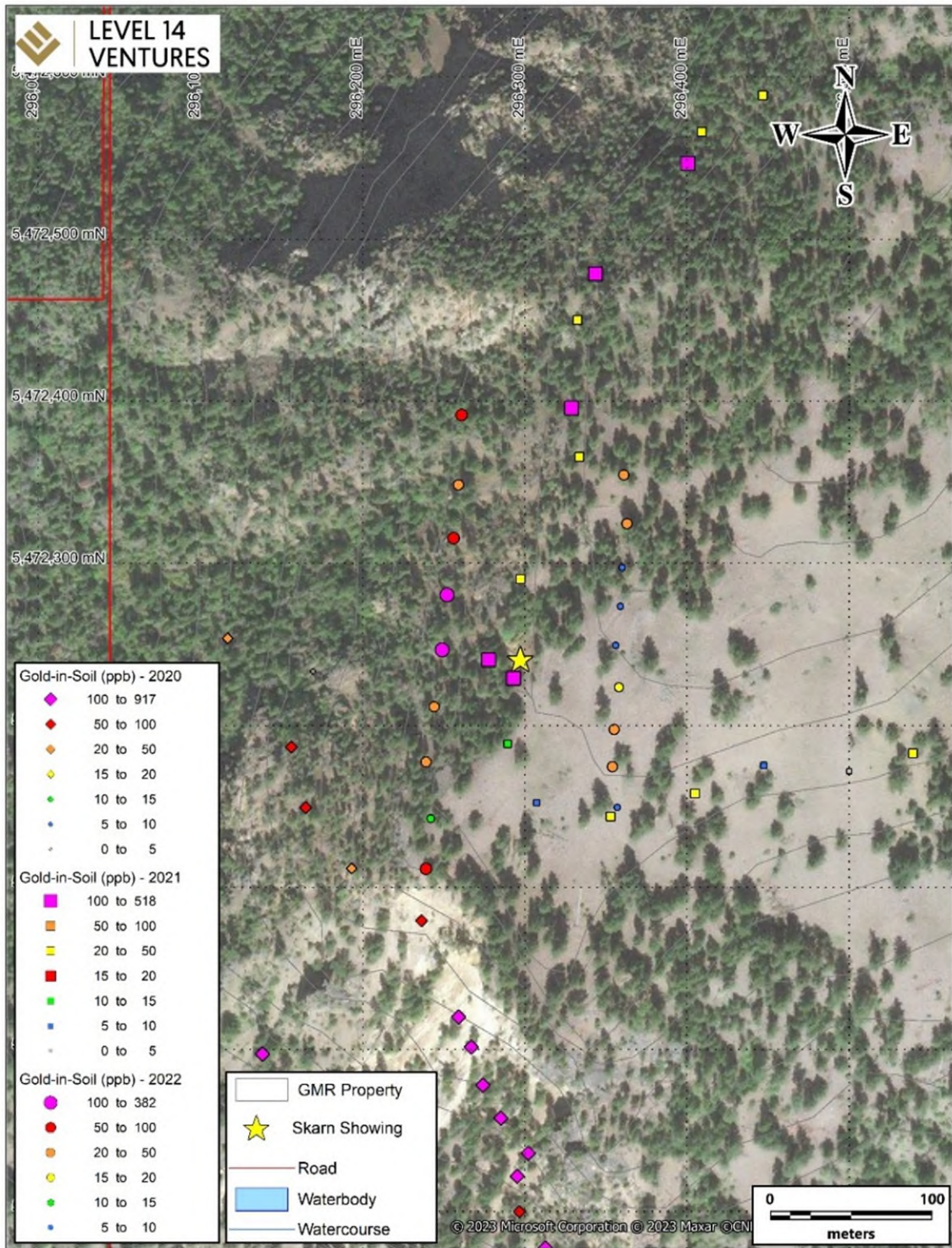


Figure 10.27 Soil sample sites from the 2022 exploration program

## 11 Drilling

The Company has not conducted any drilling to date on the Property. Nearby drilling, undertaken in 1988 by previous operators, is discussed in Section 6.0.

## 12 SAMPLE PREPARATION, ANALYSES AND SECURITY

### 12.1 Sampling Protocol

Soil samples were collected in 2020, 2021 and 2022 from grids and contour lines. Grids were oriented in an east-west direction and samples were collected from 50m sample stations on lines spaced 100m apart. Soil samples were also collected at 50m stations along elevation contours on the east and west side of the Property. UTM co-ordinates were recorded for each station using a hand-held Garmin GPS unit. A Geotul was used to extract the soil at depths ranging from 10 cm to 30 cm. Most of the soil samples comprised B-horizon material, with moderately common talus fines representative of C-horizon.

Soil samples, which generally comprised greater than 500 grams of material, were placed in Kraft paper bags marked with identifying numbers, which were then enclosed in thick plastic bags, packed into rice sacks and transported by freight truck to the offices of ALS Global Laboratories in North Vancouver, B.C. for analysis.

Rock samples consisted primarily of selected chips from mineralized or altered bedrock or float. UTM co-ordinates were recorded for each rock sample site using a hand-held Garmin GPS unit. Data was recorded regarding type, strength and extent of mineralization, as well as host rock characteristics, including alteration and possible controlling structures. Rock samples were secured in thick plastic bags marked with identifying numbers, packed in sacks and transported by freight truck to the offices of ALS Global Laboratories in North Vancouver, BC for preparation and analysis. Samples were stored in a secure location in the camp facility until shipment to the laboratory.

### 12.2 Sample Analysis and Security

Sample analyses were carried out by ALS Global Laboratories in North Vancouver, BC. Neither 1246931 B.C. Ltd. nor the Company has a relationship with ALS other than the procurement of analytical services.

At the laboratory, soil samples were dried and sieved to -180-micron size material and analysed for base and precious metals. For gold analysis, thirty grams of sieved material was homogenised, mixed with a flux and heated to greater than 1000 degrees Celsius. The resulting gold content was then determined by ICP-AES (ALS Laboratory Code: Au-ICP21) with a detection range between 0.001 and 10 ppm. In addition, a 0.5 gram sample of -180 micron material was analysed for 35 elements by aqua regia digestion with an ICP-AES finish (ALS Laboratory Code: ME-ICP41). Blank samples were submitted at approximately one for every fifteen field samples to provide an accuracy check for analytical results. The laboratory also conducts its own internal



QA/QC testing to ensure that their equipment is properly calibrated and providing accurate results. The analytical results for the soil samples collected in 2020 may be viewed in Appendix B of this report.

Rock samples were weighed and crushed to 70% less than 2 mm diameter, from which 250 grams were split and pulverized to 85% passing 75 microns. Fifty grams of -75-micron size pulp was fire assayed and finished by ICP/AES to measure Au contents between 0.01 and 100 ppm (ALS Laboratory Code: Au-AA26). In addition, a 0.25-gram sample was cut from the pulp of each rock sample and was dissolved by 4-acid digestion and then analyzed by ICP-MS for a suite of 48 elements, which includes all common base metals and alteration elements (ALS Laboratory Code: ME-MS61). Four-acid digestion is, in most sample types, capable of near-total extraction for the elements analyzed. Samples that return elemental values greater than detection limit were re-analyzed using 4-acid digestion followed by a higher limit ICP-AES finish to provide accuracy of up to 1500 ppm Ag, 50% Cu, 20% Pb and 30% Zn (Lab code OG62). Blank samples were submitted with the field samples to ensure accuracy of laboratory results. The laboratory conducts its own internal QA/QC testing to ensure that the equipment is properly calibrated and providing accurate results. The analytical results for the rock samples collected in 2020 may be viewed in Appendices B and C of this Report.

### **12.3 QA/QC Results**

The ALS laboratory in North Vancouver, Canada, which analyzed 1246931 B.C. Ltd.'s in 2020, operates to ISO 17025 standards and is accredited by the local regulatory authority.

Quality Managers at the lab maintain the quality system, conduct internal audits, and assist in training and compliance. Staff are supported by a Quality Management System (QMS) framework which is designed to highlight data inconsistencies sufficiently early in the process to enable corrective action to be taken in time to meet reporting deadlines. The QMS framework follows the most appropriate ISO Standard for the service at hand i.e. ISO 17025:2005 UKAS ref 4028 for laboratory analysis.

Blank samples were submitted with both rock and soil samples in 2020 to ensure that the laboratory equipment was properly calibrated and returning consistent values.

### **12.4 Duplicate Analyses**

Field duplicates were not inserted into the rock sample lots because the rock chip samples were not homogeneous enough to split into equal duplicates. However, duplicate cuts from original sample pulps prepared at the lab were selected for some of the rock samples that had returned greater than detection limits for certain metals. These pulps were re-analyzed using a process capable of measuring higher concentrations of metal. The initial analytical method typically provided upper detection limits for the primary metals of interest as follows: 1.00 ppm Au, 100 ppm Ag, 10,000 ppm Cu, 10,000 ppm Pb, 10,000 ppm Zn and 10,000 ppm As.

### **12.5 Discussion**

No outside laboratory checks were performed on the rock samples. However, previous operators sampled some of the same mineral showings and reported similar results to those determined by 1246931 B.C. Ltd. The authors recommend selecting some of the coarse rejects and pulps from the 2020, 2021 and 2022 samples and submitting them to another laboratory for verification of the high metal values.

The sampling, security and analyses protocols employed by 1246931 B.C. Ltd. appear to be consistent with industry standard best practices. One soil blank inserted by 1246931 B.C. Ltd. failed QA/QC thresholds and triggered a resampling of the sample batch. Results between the re-sampled batch and the original assays remained consistent.

### **13 DATA VERIFICATION**

The author (D. Green) visited the Green Mountain Property and area on June 21, 2020. Before, during and after the site visit the author performed the following activities to verify the data presented by 1246931 B.C. Ltd.:

- Reviewed and assessed the historical literature for quality, and participated in the digitization and interpretation of several thousand historical soil and rock samples
- Examined all geological units, alteration styles and historically known showings on the Green Mountain Property.

During the preparation of this Report, the following data verifications were performed:

- Verification of the mineral titles that comprise the Property, as listed on the British Columbia Government MTO website;
- Review of technical reports documenting previous work on the Property and other properties in the vicinity.

The verifications performed by the author, both through on-site observation and sampling on the Property, along with review of the historical documentary record, confirm that the Green Mountain Property has strong mineral discovery potential and merits further exploration work. The tenor of recently collected soil and rock samples, both individually and collectively, agree closely with the results of historical work on the Project area.

The author is of the opinion that the historical and recent data presented herein is reliable, and adequate for the purposes used in this Technical Report.

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

No mineral processing or metallurgical testing has been carried out on mineralization from the Green Mountain Property.

## 15 MINERAL RESOURCE ESTIMATES

No mineral resource estimate has been undertaken for the Green Mountain Property mineralization as there is insufficient data to perform such an estimate.

## 16 ADJACENT PROPERTIES

The Green Mountain Property lies within the eastern part of the prolific Hedley Gold Camp, which, from 1901 to 1955, produced 1.64 million ounces of gold from numerous high-grade gold bearing skarn deposits. A renewed interest in the region beginning in the 1980s saw the further development of the Nickel Plate Mine as an open pit operation. The Nickel Plate Mine ceased operations in 1996, and over its mine life, produced a total of 2.127 million ounces of gold, and 512,000 ounces of silver (Minfile.gov.bc.ca).

*Note: The author has been unable to verify the information concerning the mineral occurrences shown on Figure 16.1 and discussed below. Readers should be aware that these occurrences are not necessarily indicative of the mineralization on the Green Mountain Property that is the subject of this Technical Report.*

Past producing gold mines in the area include the larger Nickel Plate and Mascot Mines, as well as numerous smaller high-grade gold-silver deposits, including the French, Acacia, Good Hope, Iota, Canty and Olalla Mines (Figure 16.1). The voluminous limestone units in the area have also hosted several producing rock quarries (Minfile.gov.bc.ca).

The **Nickel Plate** and **Mascot Mines**, approximately 12 km to the west of the Property, are hosted in skarnified limestone horizons within the Upper Triassic Nicola Group. Skarn mineralization is genetically related to the Early Jurassic, calc-alkaline dioritic Hedley Intrusions. The Nickel Plate and Mascot Mines were developed on a single, very large, westerly dipping skarn-hosted gold deposit. The gold-bearing sulphide zones normally form semi-conformable, tabular bodies situated less than 100 metres from the outer and lower skarn margins. They are both lithologically and structurally controlled along northwesterly plunging minor folds, fractures and intersections of Hedley diorite sills/dykes and Hedley Formation limestones. It was first discovered in 1898 and mined in several underground operations until 1955. During the process of development the Nickel Plate Mine was connected underground at several points to the nearby Hedley Mascot Mine. Two old mill tailings piles from the Nickel Plate and Mascot Mines were reprocessed by heap leach methods during the 1990's. In 1988, open pit operations commenced on the Nickel Plate and Mascot Fractions, and continued to operate until 1996. Over its entire mine life, the Nickel Plate Mine produced a total of 2.127 million ounces of gold, and 512,000 ounces of silver (Minfile.gov.bc.ca).

The **French Mine**, approximately 10.5 km to the southwest of the Property, similarly is a gold bearing skarn-type deposit hosted within the Upper Triassic French Mine Formation of the Nicola Group, characterized by cherty sedimentary units and limestones. Diorite dykes of the Hedley Intrusions are associated with mineralization. Mining occurred in two phases, first from 1950 to 1961, and later from 1982 to 1983. In total, the French Mine produced 52,399 ounces of gold, at an average grade of 20.66 g/t Au (Minfile.gov.bc.ca).

The **Good Hope Mine**, approximately 9 km to the southwest of the Property, occurs in the same French Mine Formation limestone as the nearby French Mine deposit. The main mineralized body is a flat lying and approximately 1.2 m thick skarn zone at the base of the limestone unit, with a 20 x 50 m wide footprint. A second mineralized zone was discovered approximately 70 m south of the main zone, and is approximately 60 m in strike length, and dips variably to the northwest. The deposit was mined in two phases. The main zone was extracted by open pit operations between 1945 and 1948. A second, underground mining operation was undertaken in 1982, on the secondary mineralized zone. In total, 5,365 ounces of gold were produced from the Good Hope Mine (Minfile.gov.bc.ca).

The **Canty Mine**, approximately 8 km to the west of the Property is hosted in the same geological environment as the nearby Nickel Plate and Mascot deposits. Mineralization consists of arsenopyrite, pyrite, chalcopyrite, pyrrhotite and native bismuth. Gold is apparently associated with arsenopyrite. Underground work in 1939 exposed several mineralized shoots, 6 to 21 metres long and 1.5 to 6 metres wide, developed in local fracture zones along a fold. Mining consisted of two phases; underground workings were mined between 1939 and 1941, and a small open pit operation was active between 1990 and 1992. A total of 74,945 ounces of gold was produced from the cumulative mining operations (Minfile.gov.bc.ca).

The **Acacia Mine** is located on the north slopes of a prominent east-west ridge between Apex Mountain and Beaconsfield Mountain, approximately 700 m from the southwest corner of the Green Mountain Property. The Acacia occurrence consists of gold-bearing, pyrrhotite-rich stratabound skarn-type mineralization, dominantly within cherty horizons of the Permian-Triassic Shoemaker Formation. Within the skarn, mineralization consists of up to 15 percent disseminated pyrrhotite, 2 percent chalcopyrite and minor scheelite. The skarn appears to be best developed near the contact between marble-felsic tuff and chert, up to 6 metres in thickness. In 1945, 99 tons of mineralized skarn were taken from the Acacia Occurrence, from which 184 ounces of gold were recovered (Minfile.gov.bc.ca).

The **Iota Occurrence**, approximately 15 km to the west of the Property, is a small hydrothermal breccia zone within Stenwinder Formation sedimentary rocks, located approximately 4.5 km west of the community of Hedley. The Iota Occurrence comprises a steeply dipping, 0.8 – 1.2 m wide zone of brecciation, with a strike length of 146 m, with a vertical extent of 24 m. It is characterized by abundant pyrite, argentite, sphalerite, and galena mineralization, within chalcedonic, epithermal textured quartz veins. A small amount of strongly mineralized material was removed between 1950 and 1951 and was shipped to the Trail smelter. In total, 2,032 ounces of silver, 4.4 ounces of gold, 3.8 tonnes of lead, and 0.73 tonnes of zinc were produced (Minfile.gov.bc.ca).

The **Olalla Occurrence**, approximately 8 km to the south of the Property, is reported to be underlain by cherty limestone rocks of the Permian-Triassic Shoemaker Formation. Little information is available about details of the occurrence but the annual report on mining from 1935 indicates that 45 tonnes of mineralized rock were removed, producing a total of 45 ounces of silver and 16 ounces of gold. Because of sparse information, the mapped location is approximated (Minfile.gov.bc.ca).

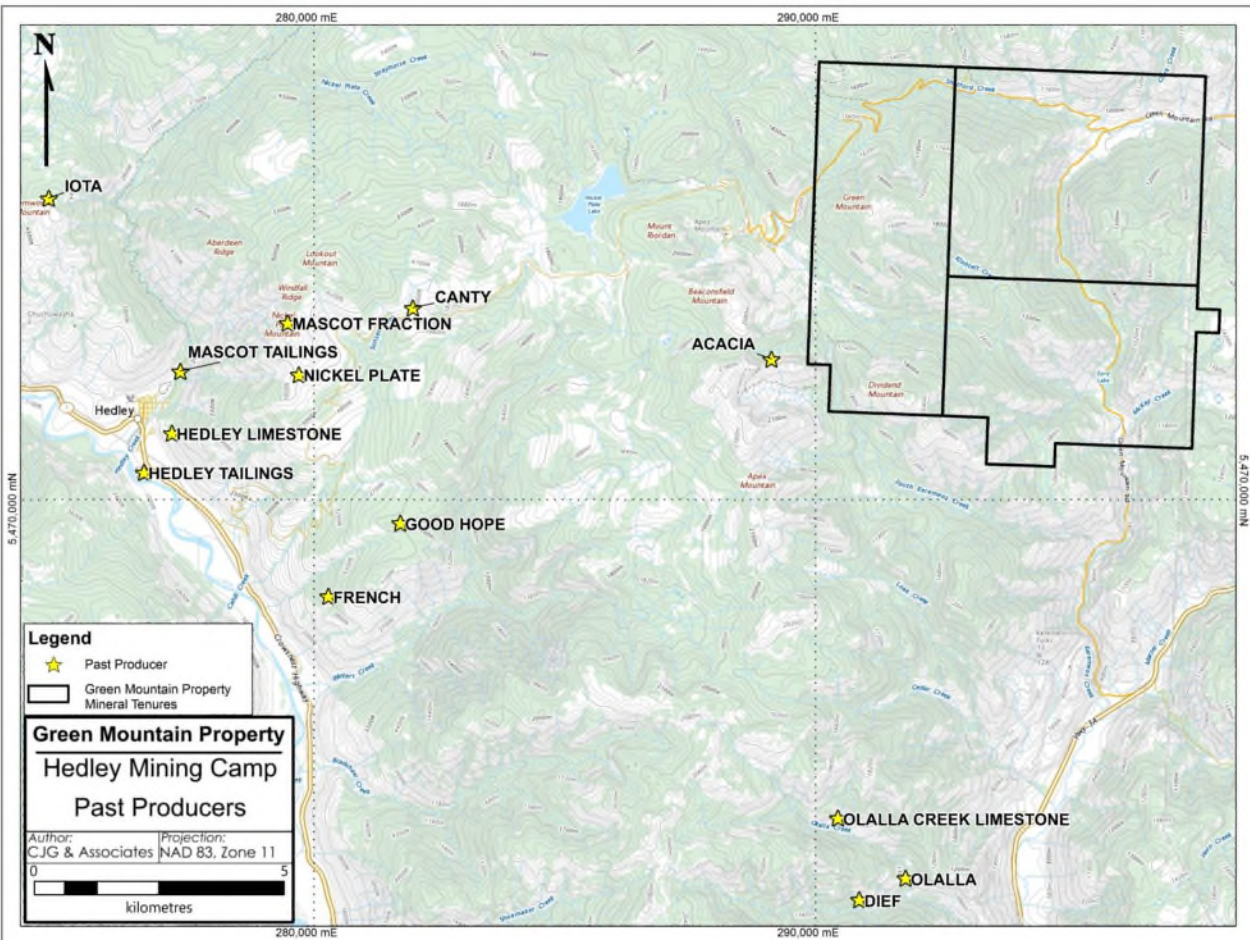


Figure 16.1 Past producing mines and quarries in the Hedley Gold Camp

## 17 OTHER RELEVANT DATA AND INFORMATION

To the authors' best knowledge, there is no other relevant data and information on the Property.

## 18 INTERPRETATIONS AND CONCLUSIONS

The Green Mountain Property hosts broad areas of alteration with occurrences of precious and base metals-enriched mineralization characteristic of intrusion related systems. Mineralization styles include fracture hosted gold-bearing pyrrhotite-arsenopyrite stringer veinlets, gold-rich sulphide replacement in carbonate rocks (i.e., skarn) and potential for Cu-Mo±Ag±Au porphyry-style mineralization. These targets are as follows:

- **Target A:** Comprises a northwest-southeast trending copper-molybdenum-silver soil geochemical anomaly of strong tenor and measuring 1500 x 400m. The anomaly is



associated with mapped diorite to granodiorite stocks and dykes that intrude Permian to Triassic greenstone and sedimentary units. Magnetic surveys conducted in 2021 outline a northwest-southeast oriented magnetic high feature that underlies the soil sample anomalies and the mapped diorite to granodiorite stocks and dykes.

- **Target B:** Located immediately east-southeast of Target A consists of pyrrhotite-arsenopyrite stringers within strongly argillically altered chert and argillite with minor interbedded lenses of copper-gold bearing pyroxene-garnet-pyrrhotite skarn.
- **Target C:** Situated approximately 1 km north of Target A comprises a strong silver, arsenic, zinc geochemical anomaly with associated weak to moderate copper, gold and molybdenum values.

### 18.1 Target A

At Target A, soil sampling conducted in 2020 and 2021 over mapped diorite to granodiorite intrusions outlined a 1400 long by 200 m wide northwest-southeast trending copper, molybdenum and silver geochemical anomaly. Molybdenum extends beyond the copper-silver core, covering an approximately 1500 by 700 m ellipsoidal area. Anomalous zinc geochemistry appears to form a halo around the core of the anomaly. Elevated gold is spotty.

Only cursory prospecting was done during soil sampling traverses; however, rock chips collected from either limonitic/goethitic chert or argillite returned elevated values for copper, molybdenum and zinc. No intrusive rocks were collected along the traverses.

### 18.2 Target B

The Target B area covers a >2.5 km long trend of strong gold, arsenic, silver, copper, zinc and molybdenum-in-soils from the 2020, 2021 and 2022 field programs. The northern part of the sampled area returned lower molybdenum values compared to the south. Soil samples were largely collected along elevation contours downslope from and across strongly argillic altered chert and argillite of the Shoemaker Formation.

Mineralization is associated with pyrrhotite-arsenopyrite stringers filling fractures, and lenses of copper-gold bearing pyroxene-garnet-pyrrhotite skarn. The observed mineralization suggests that Target B is relatively close to a large hydrothermal system, which may have an intrusive source at depth or associated with intrusions in the Target A area.

### 18.3 Target C

Target C is characterized by a 1500 m x 800 m strong silver, copper, molybdenum and zinc soil anomaly with spotty elevated gold. Although the soil geochemistry shows a strong multi-element anomaly based on statistics for rock types in the region, argillite is more common in Target C area, and it may be responsible for higher background levels for the elements listed above. That being said, elevated gold-in-soil is less likely to be caused by higher background levels, therefore the Au anomalies are potentially related to a nearby mineralized hydrothermal system.

## 19 RECOMMENDATIONS

The authors are of the opinion that the Green Mountain Property has considerable merit, offers strong discovery potential in the target areas and warrants further work. The next phase of work should focus primarily on better defining Targets A and C in preparation for drilling. Work should include LiDAR surveys over the entire property, coupled with additional soil geochemical sampling and Induced Polarization geophysical surveys, and should also include expansion of reconnaissance exploration elsewhere on the property. The following are general property-scale and target specific recommendations for exploration. They are accompanied by, and refer to, the figures that follow (Figure 19.1 to Figure 19.4).

### 19.1 Not Target Specific

- An airborne magnetic survey completed in 2021 outlined magnetic features underlying soil and rock geochemistry anomalies returned from field programs in 2020, 2021 and 2022. Additional magnetic anomalies were returned from the 2021 airborne magnetic survey and warrant field investigations including prospecting and geological mapping.
- Induced Polarization (IP) geophysical survey: A program of ground-based IP is recommended to explore for chargeability highs that may indicate areas prospective for bulk tonnage mineralized style mineralization beneath Targets A and B (Figure 19.3 and Figure 19.4). Lines should initially be spaced 400 m apart, with infill lines spaced as close as 100 m over areas showing strong chargeability and high resistivity responses.
- LiDAR survey: A drone, or fixed-wing supported, high resolution LiDAR survey over the entire project area could add significant baseline data to aid the exploration efforts on the Property. A centimetre-scale digital elevation model will assist in geological and structural mapping by allowing geologists to accurately see the surface expression of bedding, faults and mineralized structures.
- Geochemical sampling: A soil grid should be established over the entire Target B area, including magnetic low features outlined by the 2021 airborne magnetic survey (Figure 19.1 and Figure 19.2).
- Diamond drilling: Approximately 1500m of diamond drilling should be completed at Targets A and B should the IP and soil geochemistry surveys yield results which continue to show exploration potential.

### 19.2 Targets A and B

- Undertake detailed geological mapping, focusing on porphyry-style mineralization and alteration in the vicinity of diorite to granodiorite intrusions and multi-element geochemical responses within the Target A area. Detailed mapping at Target B should focus on

structural controls of gold-bearing veins, as well as tracing the extent of limestone and skarnified horizons.

- More tightly spaced soil grids (50 m intervals along lines spaced 100 m apart) should be extended over Target B to build on the 2020, 2021 and 2022 soil sampling programs (Figure 19.1 and Figure 19.2).
- Broadly spaced IP lines should be established over the best mineralization and soil geochemical anomalies identified at Targets A and B. If favourable results are achieved, more tightly spaced lines should be established to better delineate the prospective anomalies (Figure 19.3 and Figure 19.4).
- Drilling should be undertaken to test the most prospective coincident chargeability and/or resistivity and soil geochemistry anomalies for potential bulk-tonnage mineralization.

### **19.3 Target C**

Prospecting should be done to follow up the elevated gold geochemistry outlined at Target C. Due to the mostly homogeneous strong values of the multi-element anomaly at Target C, it may be related to argillite horizons, which can contain elevated background levels of silver, copper, lead and zinc. If argillite units are confirmed by mapping to underlie the soil geochemical anomaly, representative rock samples of this material should be collected to determine if, in fact, this anomaly is a result of the underlying unit.



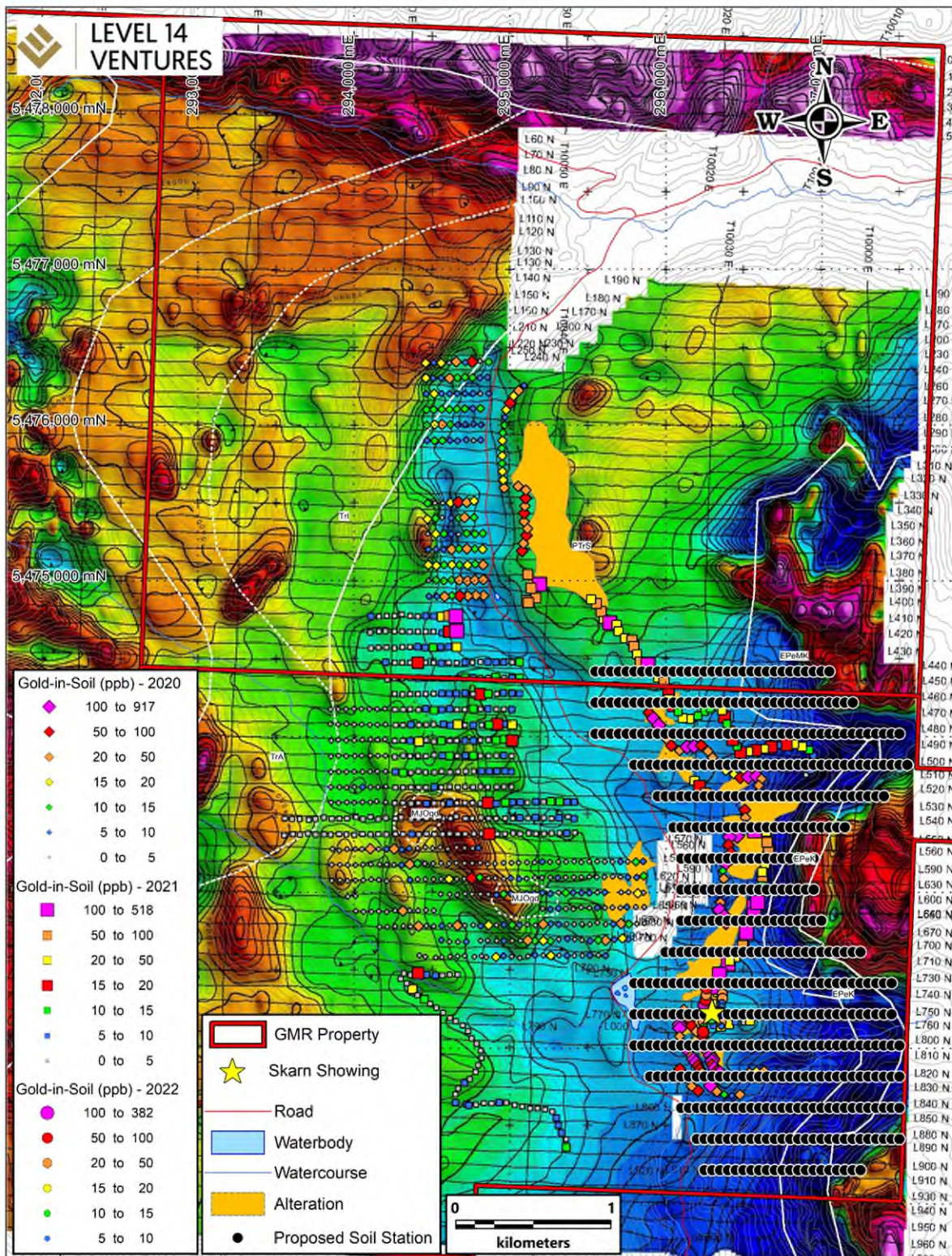


Figure 19.1 Gold-in-soil geochemistry underlain by TMI, alteration polygons and white outlines for regional geology. Black circles are recommended sample sites.



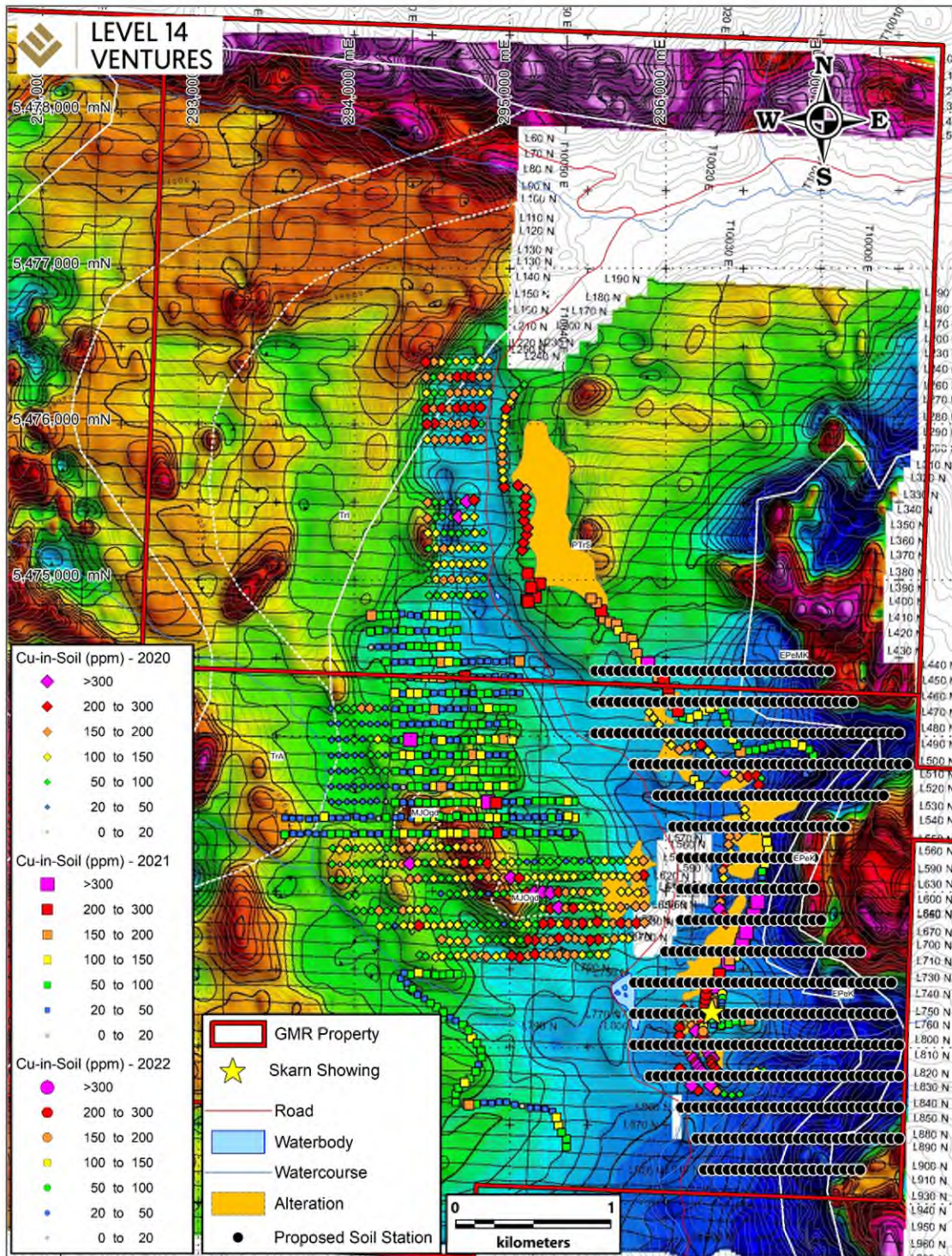


Figure 19.2 Copper-in-soil geochemistry underlain by TMI, alteration polygons and white outlines for regional geology. Black circles are recommended sample sites.



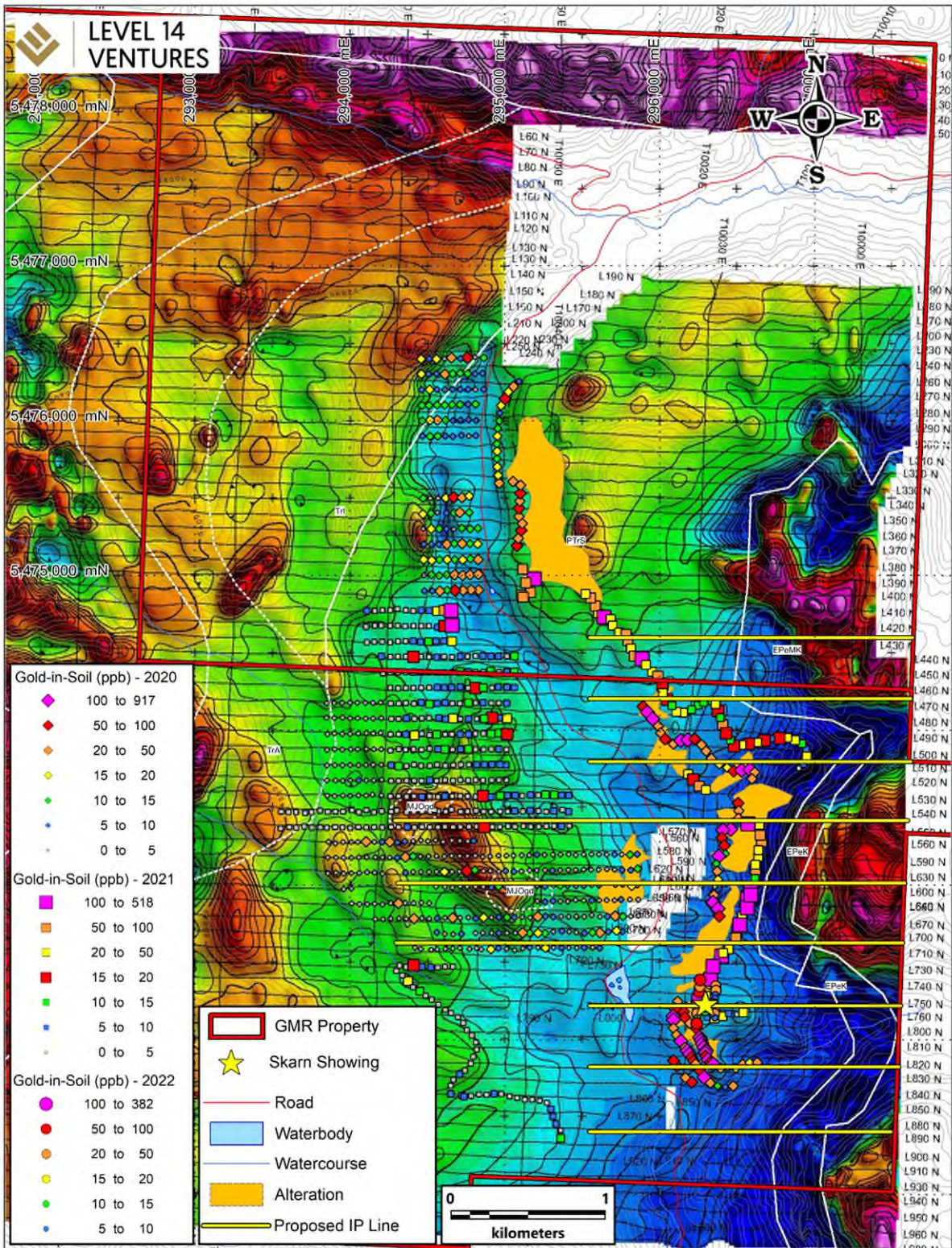


Figure 19.3 Gold-in-soil geochemistry underlain by TMI, alteration polygons and white outlines for regional geology. Proposed IP lines are shown as yellow lines.



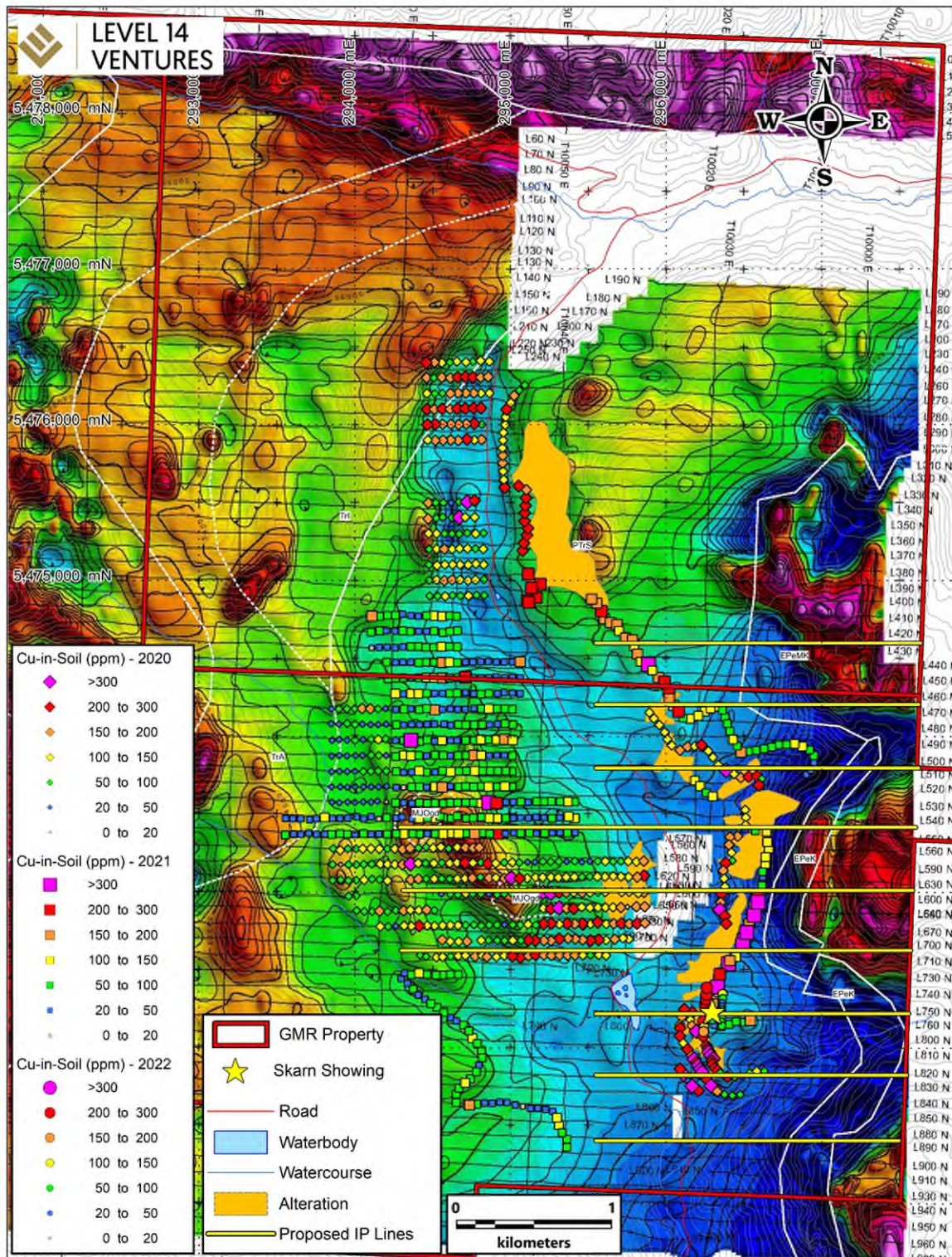


Figure 19.4 Copper-in-soil geochemistry underlain by TMI, alteration polygons and white outlines for regional geology. Proposed IP lines are shown as yellow lines.

## 19.4 Proposed Exploration Budget

The following proposed budget shows Phase II surveys designed to provide additional soil sample coverage and initial induced polarization surveys over soil anomalies and hydrothermal alteration on the east and west sides of Green Mountain Road.

Table 19.1 Proposed exploration budget, Phase II Programs

Activity	Scope	Cost (\$CDN)
IP survey	21 Line Km of IP, Soil Sampling, Drill & IP Permits	\$91,800.00
Field Crews-Soil Samples		\$10,000.00
Assaying		\$17,500.00
Drill and IP Permits		\$57,500.00
Shipping and transport		\$250.00
<b>Grand Total</b>		<b>\$177,050.00</b>

The total budget excludes any provision for corporate support services and activities.

Phase III would be contingent upon the success of Phase II and expand upon results achieved. It would also be predominantly oriented to drilling and encompass 1,500 metres of drilling.

Table 19.2 Proposed exploration budget, Phase III program

Activity	Scope	Cost (\$CDN)
Drill services		\$450,000.00
Drill Core Sampling		\$55,000.00
Core cutting, logging		\$42,000.00
Aircraft rental		\$120,000.00
Fuel		\$40,000.00
Shipping and transport		\$5,000.00
Camp		\$50,000.00
LiDAR Survey		\$40,000.00
<b>Grand Total</b>		<b>\$802,000.00</b>

**Schedule “H”**  
**INFORMATION CONCERNING GREEN MOUNTAIN RESOURCES LTD.**

The following describes the business of Green Mountain Resources Ltd. (“GMR”), post-Plan of Arrangement.

**Name, Address And Incorporation**

GMR was incorporated under the BCBCA on April 9, 2020 under the name “1246931 B.C. Ltd.” and changed its name to “Green Mountain Resources Ltd.” on February 24, 2023. GMR is currently a wholly-owned subsidiary of LVL. Other than the name change, no material amendments have been made to GMR’s articles or other constating documents since its incorporation.

GMR is not currently a reporting issuer and its shares are not listed on any stock exchange. If the Plan of Arrangement is completed, GMR will be a reporting issuer in British Columbia, Alberta and Ontario, however, GMR’s shares will not be listed on any stock exchange following completion of the Plan of Arrangement. GMR does not have any of its securities listed or quoted, and has not applied to list or quote any of its securities, on a U.S. marketplace.

GMR’s head office and registered and records offices are located at Suite 1400 - 400 Burrard Street, Vancouver, B.C. V6C 3A6.

**Intercorporate Relationships**

GMR currently has no subsidiaries.

**Description of Business**

The principal business carried on and intended to be carried on by GMR is mineral exploration, focusing initially on the exploration and development of the Green Mountain Property. GMR will continue to consider other opportunities to acquire and explore mining claims as they arise.

GMR owns the Green Mountain Property, which is located in the Province of British Columbia and consists of 3 contiguous Mineral Titles Online digitally registered mineral tenures. The claims comprising the property were staked on behalf of GMR on April 17, 2020, and then transferred to GMR on September 24, 2020. See “*General Description of the Business – History of GMR*” and “*Material Property*”.

**History of the GMR**

GMR was incorporated under the BCBCA on April 9, 2020. The claims comprising the property were staked on behalf of GMR on April 17, 2020, and then transferred to GMR on September 24, 2020. On October 14, 2020, LVL acquired GMR and on October 22, 2020, GMR issued 33,333 common shares to LVL on a “flow-through” basis at a price of \$3.00 per common share for aggregate consideration of \$100,000.

Beginning in May 2020, GMR performed exploration work with respect to the Green Mountain Property. See “*Material Property*”.

**Stated Business Objectives**

GMR’s Green Mountain Property is in the exploration stage. GMR intends to use its available funds to carry out the Phase II of the exploration program for the Green Mountain Property, which is budgeted for \$177,050 as follows:

Activity	Scope	Cost (\$CDN)
IP survey	21 Line Km of IP, Soil	\$91,800.00
Field Crews-Soil Samples		\$10,000.00
Assaying		\$17,500.00



Activity	Scope	Cost (\$CDN)
Drill and IP Permits	Sampling, Drill & IP Permits	\$57,500.00
Shipping and transport		\$250.00
<b>Grand Total</b>		<b>\$177,050.00</b>

The following proposed budget shows Phase II surveys designed to provide additional soil sample coverage and initial induced polarization surveys over soil anomalies and hydrothermal alteration on the east and west sides of Green Mountain Road. The total budget excludes any provision for corporate support services and activities.

### **Competitive Conditions**

GMR competes with other entities in the search for and acquisition of mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources, GMR may be unable to acquire attractive properties in the future on terms it considers acceptable. GMR also competes for financing with other resource companies, many of whom have more advanced properties. There is no assurance that additional capital or other types of financing will be available to GMR if needed or that, if available, the terms of such financing will be favourable to GMR. See “*Risk Factors*”.

### **Business Cycle**

GMR is an exploration and evaluation stage company, focused on mining. As a result, prices of mineral and other metals will have a direct impact on its business. Declining prices can, for example, impact operations by requiring a re-assessment of the feasibility of a particular project, and they can also impact GMR’s ability to raise capital. See “*Risk Factors*”.

### **Environmental Policies**

GMR will conduct its activities in accordance with high environmental standards, including compliance with environmental laws, policies and regulations.

### **Material Property- The Green Mountain Property**

The Green Mountain Property is located in the southern interior region of British Columbia, approximately 250 km east of Vancouver, and 20 km southwest of the city of Penticton. The Green Mountain Property lies at the eastern end of the historic Hedley mining camp, which hosts past producing gold mines, including the Mascot, Nickel Plate and French mines. Access to the Green Mountain Property is provided via the paved Green Mountain and Apex Mountain roads, which respectively traverse the central and northern parts of the Green Mountain Property. Networks of variably maintained unpaved roads provide good access to the remainder of the Green Mountain Property. The claims are approximately centered at latitude 49°23’47” N, longitude 119°50’10” W or, in the local North American Datum 83 (NAD 83) coordinate system, Zone 11N, at 294402E, 5475621N, on National Topographic System (NTS) Map Sheet 082E/05.

The Green Mountain Property is the subject of a NI 43-101 compliant report entitled “*NI 43-101 Technical Report on the Green Mountain Property*” prepared by Darwin Green, M.Sc. P.Geo. with an effective date of May 25, 2023. The information in this Circular with respect to the Green Mountain Property is derived from the Technical Report.

A summary of the Technical Report containing the relevant technical disclosure on the Green Mountain Property is attached as Schedule “J” to this Circular. For readers to fully understand the technical information in this Circular, they should read the Technical Report in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this Circular. The Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in the Technical Report is subject to the assumptions and qualifications contained in the report.



The full text of the Technical Report is available for review at the registered office of GMR at Suite 1400 – 400 Burrard Street, Vancouver BC V6C 3A6 and if the proposed Arrangement is approved, will also be accessible online, under GMR’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### GMR Selected Financial Information

The following tables set out selected financial information from GMR’s audited financial statements for years ended December 31, 2021 and December 31, 2022 that are appended as Schedule “J” to the Circular. All currency amounts are stated in Canadian dollars. All currency amounts are stated in Canadian dollars and the financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

	As at December 31, 2022 (\$)	As at December 31, 2021 (\$)
Current assets	41,712	58,652
Total assets	52,284	69,224
Total liabilities .	74,440	52,499
GMR Shareholders' equity	(22,156)	16,725

	As at December 31, 2022 (\$)	As at December 31, 2021 (\$)
Operating income	Nil	Nil
Net loss and comprehensive loss	(38,881)	(36,600)
Net loss per share (based and diluted)	0.34	0.36

### Description of the GMR Common Shares

The authorized capital of GMR consists of an unlimited number of common shares. On completion of the Arrangement, it is anticipated that there will be 9,259,884 common shares (the "**GMR Common Shares**") outstanding (assuming no GMR Warrants are exercised prior to the Effective Time), approximately 2,716,600 GMR Common Shares reserved for issuance on exercise of GMR Warrants, and approximately 787,500 GMR Common Shares reserved for issuance on exercise of GMR Options.

### Dividend Policy

GMR has not paid dividends since its incorporation. GMR currently intends to retain all available funds, if any, for use in its business and does not anticipate paying any dividends for the foreseeable future.

### Voting and Other Rights

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

### Consolidated Capitalization

There have not been any material changes in the share and loan capital of GMR since December 31, 2022. For further information, see the balance sheet of GMR in its audited financial statements for the years ended December 31, 2022 and December 31, 2022, appended as Schedule "I" to the Circular.

### Options And Other Rights To Purchase Shares

The board of directors of GMR (the "**GMR Board**") has adopted an equity incentive plan (the "**GMR Plan**"). The purpose of the GMR Plan is to allow GMR to grant awards to directors, officers, employees and consultants, as

additional compensation, and as an opportunity to participate in the success of GMR. The granting of such awards is intended to align the interests of such persons with that of the shareholders.

No awards have been granted under the GMR Plan or otherwise since incorporation. As the date hereof, there is no current market for the GMR Common Shares. As such, the market value of the GMR Common Shares underlying the GMR Options has not been determined.

The full text of the GMR Plan is available for viewing at GMR's offices at Suite 1400 - 400 Burrard Street, Vancouver, B.C. V6C 3A6.

### **Prior Sales**

GMR issued one (1) incorporator GMR Share on April 9, 2020 for aggregate consideration of \$0.05 and 75,000 GMR Shares on a "flow-through" basis on April 20, 2020 for aggregate consideration of \$75,000, all of which were acquired by LVL on October 14, 2020 for \$1.00 per GMR Share. On October 22, 2020, GMR also issued 33,333 GMR Shares to LVL on a "flow-through" basis at a price of \$3.00 per GMR Share for aggregate consideration of \$100,000.

### **Escrowed Securities And Securities Subject To Contractual Restriction On Transfer**

There are no GMR Common Shares currently held in escrow or that are subject to a contractual restriction on transfer. On completion of the Arrangement, no GMR Common Shares will be held in escrow by the Transfer Agent.

### **Resale Restrictions**

See "Canadian Securities Laws and Resale of Securities" in the Circular.

There is currently no market through which the GMR Common Shares may be sold and, unless the GMR Common Shares are listed on a stock exchange, Shareholders may not be able to resell the GMR Common Shares.

### **Principal Securityholders**

As at the date of this Circular, to the knowledge of GMR's directors and executive officers, the only persons who, or corporations or other entities which, will beneficially own, or control or direct, directly or indirectly, GMR Common Shares carrying 10% or more of the voting rights attaching to all issued and outstanding GMR Common Shares, following completion of the Plan of Arrangement, are:

<b>Name of Shareholder</b>	<b>Number GMR Common Shares Owned</b>	<b>Percentage of Outstanding Shares<sup>(1)</sup></b>
Marcel de Groot	985,190	10.8%
Marianne De Witt	1,197,730	13.1%
David De Witt	3,400,000	37.2%
Pathway Capital Ltd. <sup>(2)</sup>	2,0000	0.2%

(1) Based on 9,259,884 GMR Common Shares issued and outstanding.

(2) Pathway Capital Ltd. is a company owned by Messrs. De Witt and de Groot.

### **Directors And Officers**

The following table sets out the names of the current and proposed directors and officers of GMR, the municipalities of residence of each, all offices currently held by each of them, their principal occupations within the five preceding years, the period of time for which each has been a director or executive officer of GMR, and the number and percentage of GMR Common Shares to be beneficially owned by each, directly or indirectly, or over which control or direction will be exercised, upon completion of the Plan of Arrangement.

Name, Province, Country of Residence, and Position(s) with the Company	Principal Occupation, Business, or Employment for Last Five Years	Date First Appointed as a Director	Number of GMR Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly, Immediately Following the Completion of the Arrangement <sup>(1)</sup>	Percentage of GMR Common Shares Issued and Outstanding Immediately Following the Completion of the Arrangement <sup>(3)</sup>
Marcel de Groot <sup>(2)</sup> British Columbia, Canada <i>CEO, CFO and Director</i>	Founder and President of Pathway Capital Ltd.; director of Sandbox Royalties; formerly director of Equinox Gold, Solaris Copper and Galiano Gold	October 25, 2022	985,190	10.64%
Hayley Thomasen <sup>(2)</sup> London, United Kingdom <i>Independent Director</i>	Founder of a metals and mining-focused venture capital and consultancy firm based in London; former Investment Analyst at Orion Resource Partners (UK) LLP	Proposed	559,100	6.04%
Christopher Cooper <sup>(2)</sup> British Columbia, Canada <i>Independent Director</i>	Counterpath Corporation, Director; Canadian Towers & Fiber Optics Inc., CEO	Proposed	10,700	0.12%

<sup>(1)</sup> The information as to the number of GMR Common Shares (being the only voting securities of the Company) beneficially owned, or controlled or directed, directly or indirectly, is as of the Record Date, and has been furnished to LVL and Kobe by the respective nominees individually.

<sup>(2)</sup> Member or proposed of the Audit Committee of the Company.

<sup>(3)</sup> Based on 9,259,884 Kobe Common Shares issued and outstanding.

Upon the completion of the Arrangement, it is expected that the directors and executive officers of GMR as a group, will beneficially own, directly or indirectly, or exercise control or direction over an aggregate of approximately 1,554,990 GMR Common Shares, representing approximately 16.79% of the issued GMR Common Shares, assuming no LVL Warrants are exercised prior to the Effective Time.

The principal occupations of each of the proposed directors and executive officers of GMR within the past five years are disclosed in the brief biographies set forth below.

*Marcel de Groot, Age 50 – President, CEO and Director*

Marcel de Groot co-founded Pathway Capital Ltd., a Vancouver-based venture capital company, in September 2004. Mr. de Groot has extensive public company experience. Mr. de Groot has extensive public company experience and has served as a director of various successful public companies including Equinox Gold, Solaris Copper, Esperanza Resources and Underworld Resources. Mr. de Groot holds a Bachelor of Commerce degree from the University of British Columbia and is a Chartered Professional Accountant with the Chartered Professional Accountants of British Columbia.

*Hayley Thomasen, Age 38 – Director*

Hayley Thomasen founded Pathway Ventures UK Ltd., a metals and mining-focused venture capital and consultancy firm based in London, UK in 2018. Previously, she was an Investment Analyst at Orion Resource Partners (UK) LLP and has held various positions as an exploration geologist in Canada. Ms. Thomasen holds a graduate degree in Economic Geology from the University of Arizona, where she received the Newmont Scholar and SEG Foundation Graduate Student Fellowship, a BSC in EOSC (Geology) from the University of British Columbia, and a BA from

McGill University. She is a holder of the Global ESG Competent Boards Designation (GCB.D), the Institute of Corporate Directors Director Designation (ICD.D), and the Investment Management Certificate (IMC), awarded by the CFA Society of the UK. Ms. Thomasen is currently a director of Sun Peak Metals Corp and Sandbox Royalties.

*Christopher Cooper, Age 51 – Director*

Mr. Cooper has over 20 years of business experience in various aspects of corporate development, senior management, finance and operations, in both the private and public sectors. Mr. Cooper received a B.A. from Hofstra University and an M.B.A. from Dowling College, both in New York State. Mr. Cooper has over 17 years of experience in management and finance in the oil and gas industry and other business sectors and has experience raising funds through brokered and non-brokered equity issues, as well as debt financings for various companies in which he has been involved. His experience includes implementing growth strategies, financial reporting, quarterly and annual budgets and overseeing corporate administration, while achieving company objectives and maintaining internal cost controls. Mr. Cooper has been a director of several private and public companies over the last 20 years.

***Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

Corporate Cease Trade Orders

Other than as set forth below, to the knowledge of the Company, no proposed director of the Company is, as at the date of this Circular, or within ten years prior to the date of this Circular has been, a director, chief executive officer or chief financial officer of any company (including the Company or personal holding companies of any proposed director) that:

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

From February of 2004 until March of 2012, Mr. Cooper served as a director of Copacabana Capital Limited, a company traded on the TSXV, a financial services company incorporated under the laws of and managed in Bermuda. The BCSC issued an order on May 9, 2006 and the ASC issued an order on September 13, 2006 that Copacabana Capital Limited be cease traded due to failure to file certain financial information. Copacabana Capital Limited remains under the cease trade orders as at the date of this Circular.

Mr. Cooper is also the President and CEO of Reparo Energy Partners Corp., formerly Northern Sun Exploration Company Inc., a company traded on the TSXV. On December 23, 2008, trading in the common shares of this company was halted for failure to maintain a transfer agent, but trading of common shares on the TSXV resumed on December 23, 2008. The BCSC issued an order on March 11, 2009 and the ASC issued an order on March 6, 2009, that Reparo Energy Partners Corp. be cease traded due to failure to file certain financial information and it remains under the cease trade orders as at the date of this Circular. In August 2008, Reparo Energy Partners Corp. filed for protection under the *Bankruptcy and Insolvency Act* (British Columbia) and as at August 2009, the restructuring proposal had been fully performed.

Mr. Cooper was the President and CEO of Aroway Energy Inc., a company traded on the TSXV. A management cease trade order was issued by the BCSC on October 29, 2015 against Cooper and Aroway Energy Inc. for failing to file the Company's annual audited financial statements and related management's discussion and analysis. A second cease trade order was issued by the BCSC on January 4, 2016 against Aroway Energy Inc. for failing to file its annual audited financial statements, interim financial report and related management's discussion and analysis. Both cease trade orders remain in effect as at the date of this Circular.

Mr. Cooper was a director of StartMonday Technology Corp., a company traded on the CSE. A cease trade order was issued by the BCSC on May 1, 2019 against StartMonday Technology Corp., Mr. Cooper and another insider of StartMonday Technology Corp. for failing to file the Company's annual audited financial statements, interim financial report and related management's discussion and analysis. StartMonday Technology Corp. was subsequently delisted while the management cease trade order remains in effect.

#### Penalties or Sanctions

To the knowledge of the Company, no proposed director or personal holding companies of any proposed director of the Company:

- (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### Personal Bankruptcies

Except as set out in this Circular, to the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Circular, or within ten years prior to the date of this Circular has been, a director or executive officer of any company (including the Company or personal holding companies of any proposed director) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within ten years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

#### **Indebtedness of Directors, Executive Officers and Senior Officers**

There is and has been no indebtedness of any director, executive officer or senior officer or associate of any of them, to or guaranteed or supported by GMR during the period from incorporation.

#### **STATEMENT OF EXECUTIVE COMPENSATION**

##### **Compensation Discussion and Analysis**

GMR has not yet developed a compensation program. GMR anticipates that it will adopt a compensation program that reflects its stage of development, the main elements of which are expected to be comprised of base salary, option-based awards and annual cash incentives, which elements are similar to those paid by LVL and described in the Circular.

##### **Summary Compensation**

The board of directors of GMR will conduct compensation reviews with regard to the compensation of directors and the Chief Executive Officer of GMR once a year. In making its compensation recommendations, the board will take into account the types and amount of compensation paid to directors and Chief Executive Officers of comparable



Canadian companies. During the recently completed financial year, GMR has not paid any compensation to the Chief Executive Officer or to directors and does not anticipate doing so following completion of the Plan of Arrangement.

The GMR Board has adopted the GMR Plan. The GMR Plan will allow for the granting of incentive stock options to its officers, employees and directors. The purpose of granting such options would be to assist GMR in compensating, attracting, retaining and motivating the directors of GMR and to closely align the personal interests of such persons to that of the shareholders of GMR.

#### **Option-Based Awards**

The purpose of the GMR Plan is to allow GMR to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of GMR. The granting of such options is intended to align the interests of such persons with that of the shareholders. The GMR Plan, once implemented, will be used to provide awards which will be awarded based on the recommendations of the directors of GMR, taking into account the level of responsibility of such person, as well as his or her past impact on or contribution to, and/or his or her ability in future to have an impact on or to contribute to the longer-term operating performance of GMR. In determining the number of awards to be granted, the GMR Board will take into account the number of awards, if any, previously granted, and the exercise price of any outstanding awards to ensure that such grants are in accordance with the policies of the Exchange and to closely align the interests of such person with the interests of shareholders. The GMR Board will determine the vesting provisions of all award grants.

#### **Outstanding Option-Based Awards**

Upon completion of the Arrangement, GMR will have 787,500 Kobe Common Shares reserved for issuance on exercise of Kobe Options.

#### **Incentive Plan Awards**

GMR does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to its Named Executive Officers. Other than the GMR Options that the Named Executive Officers will receive on completion of the Arrangement, GMR has made no option-based or share-based awards to any of its Named Executive Officers.

#### **Pension Plan Benefits**

GMR does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

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

GMR has no employment contracts between it and either of its Named Executive Officers. Further, it has no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of GMR or its subsidiaries, if any, or a change in responsibilities of a Named Executive Officer following a change of control. GMR will consider entering into contracts with its Named Executive Officers following completion of the Arrangement.

#### **Defined Benefit or Actuarial Plan Disclosure**

GMR has no defined benefit or actuarial plans.

#### **Director Compensation**

GMR currently has no arrangements, standard or otherwise, pursuant to which directors are compensated by GMR for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert since its incorporation and up to and including the date of the Circular.

## Aggregate Options Exercised and Option Values

No stock options have been granted by GMR or exercised since the date of its incorporation.

## AUDIT COMMITTEE AND CORPORATE GOVERNANCE

### Audit Committee

GMR will appoint an audit committee (the "**GMR Audit Committee**") following the completion of the Arrangement. Each member of the GMR Audit Committee to be appointed will have adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by GMR's financial statements.

It is intended that the GMR Audit Committee will establish a practice of approving audit and non-audit services provided by the external auditor. The GMR Audit Committee intends to delegate to its Chair the authority, to be exercised between regularly scheduled meetings of the GMR Audit Committee, to pre-approve audit and non-audit services provided by the independent auditor. All such preapprovals would be reported by the Chair at the meeting of the GMR Audit Committee next following the pre-approval.

The charter to be adopted by the GMR Audit Committee is expected to be substantially similar to that of LVL's Audit Committee charter, which is appended to the Circular as Schedule "A".

To date, GMR has paid no fees to its external auditor.

### Corporate Governance

#### *Board of Directors*

The board of directors of GMR will be comprised of three directors, of which two will be independent within the meaning of "independent" in section 1.4 of NI 52-110. The independent directors are Hayley Thomasen and Christopher Cooper. The Chief Executive Officer and Chief Financial Officer of GMR, Marcel de Groot, is not independent by virtue of being an executive officer of GMR. In order to facilitate independent judgment, members of the board of directors of GMR recuse themselves from the discussion of and voting on any matters of GMR which may be perceived to place them in a conflict of interest.

Certain of GMR's directors are directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions, as set out below.

<b>Name of Director of the Company</b>	<b>Names of Other Reporting Issuer</b>	<b>Stock Exchange</b>
Marcel de Groot	Drummond Ventures Corp.	TSXV
Hayley Thomasen	Sun Peak Metals Corp.	TSXV
Christopher Cooper	Sweet Earth Holdings Corp.	Exchange
	Coloured Ties Capital Inc.	TSXV
	New Leaf Ventures Inc.	Exchange
	Manning Ventures Inc.	Exchange
	Alpha Lithium Corporation	TSXV
	Savannah Minerals Corp..	TSXV

Name of Director of the Company	Names of Other Reporting Issuer	Stock Exchange
	Planet Ventures Inc.	TSXV
	Reparo Energy Partners Corp.	NEX
	Global Helium Corp.	Exchange

#### *Orientation and Continuing Education*

Each new director is briefed in respect of the nature of GMR's business, its corporate strategy, and current issues within GMR. New directors are also required to meet with management of GMR to discuss and better understand GMR's business and are given the opportunity to meet with counsel to GMR to discuss their legal obligations as directors of GMR.

#### *Ethical Business Conduct*

The board of directors of GMR has found that the fiduciary duties placed on individual directors by GMR's governing corporate legislation and the common law have been sufficient to ensure that it operates independently of management and in the best interests of GMR.

#### *Nomination of Directors*

Directors are responsible for identifying qualified individuals to become new members of the board of directors of GMR and recommending new director nominees for the next annual meeting of GMR Shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to GMR, the ability to devote the time required, shown support for GMR's mission and strategic objectives, and a willingness to serve.

#### *Compensation*

The board of directors of GMR will conduct compensation reviews with regard to the compensation of directors and the Chief Executive Officer of GMR once a year. In making its compensation recommendations, the board will take into account the types and amount of compensation paid to directors and Chief Executive Officers of comparable Canadian companies. During the recently completed financial year, GMR has not paid any compensation to the Chief Executive Officer or to directors and does not anticipate doing so following completion of the Plan of Arrangement.

#### *Other Board Committees*

Other than the GMR Audit Committee, it is not anticipated that GMR will have any additional board committees immediately following the completion of the Arrangement. The GMR Board may, however, establish additional committees after the completion of the Arrangement, depending on the needs of GMR.

#### *Assessments*

The GMR board of directors has no formal process in place to assess the effectiveness of the board, its committees and individual members. However, through the regular interaction between members of the GMR board of directors, the board satisfies itself that the board, its committees and individual members are performing effectively.

#### **Risk Factors**

In addition to the other information contained in the Circular, the following factors should be considered carefully when considering risk related to GMR's proposed business.

***Nature of the Securities and No Assurance of any Listing***

GMR Common Shares are not currently listed on any stock exchange and there is no assurance that the GMR Common Shares will be listed. Even if a listing is obtained, the holding of GMR Common Shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. GMR Common Shares should not be held by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of GMR should not constitute a major portion of an investor's portfolio.

***Possible Non-Completion of Arrangement***

There is no assurance that the Arrangement will receive regulatory, court or shareholder approval or will complete. If the Arrangement does not complete, GMR will remain a private company. If the Arrangement is completed, GMR Shareholders (which will consist of Shareholders who receive GMR Common Shares) will be subject to the risk factors described below relating to resource properties.

***Limited Operating History***

GMR was incorporated on April 9, 2020 and has a limited operating history and no operating revenues.

***Dependence on Management***

GMR will be very dependent upon the personal efforts and commitment of its directors and officers. If one or more of GMR's proposed executive officers become unavailable for any reason, a severe disruption to the business and operations of GMR could result, and GMR may not be able to replace them readily, if at all. As GMR's business activity grows, GMR will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that GMR will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If GMR is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on GMR's future cash flows, earnings, results of operations and financial condition.

***No History of Earnings***

GMR has no history of earnings or of a return on investment, and there is no assurance that any property or business that GMR may acquire or undertake will generate earnings, operate profitably or provide a return on investment in the future. GMR has no plans to pay dividends for some time in the future. The future dividend policy of GMR will be determined by the GMR Board.

***Substantial Capital Requirements and Liquidity***

It is anticipated GMR will make substantial capital expenditures for the acquisition, exploration, development and production of natural resources in the future. GMR may have limited ability to expend the capital necessary to undertake or complete its projects or to fulfill the Company's obligations under any applicable agreements. There can be no assurance that debt or equity financing, or cash generated by operations, will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require GMR to alter its capitalization significantly. The inability of GMR to access sufficient capital for its operations could have a material adverse effect on GMR's financial condition, results of operations or prospects.

***Speculative Nature of Mineral Exploration***

Resource exploration, development, and operations are highly speculative and characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not mitigate or eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimately developed into producing mines.

Mining investments are also subject to the risks normally associated with any conduct of business, including uncertain political and economic environments, war, terrorism and civil disturbances, changes in laws or policies of particular countries (including those relating to imports, exports, duties and currency), cancellation or renegotiation of contracts, royalty and tax increases or other claims by government entities (including retroactive claims), risk of loss due to disease and other potential endemic health issues, risk of expropriation and nationalization, delays in obtaining or the inability to obtain or maintain necessary governmental permits, currency fluctuations, import and export regulations (including restrictions on the export of gold or other minerals) and increased financing costs.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. GMR will rely in part upon consultants and others for exploration, development, construction and operating expertise.

No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection.

The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in GMR not receiving an adequate return on invested capital. GMR will carefully evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Property and any other properties GMR may acquire or its operations. Such restrictions may have a material adverse effect on GMR 's business and results of operation.

### ***Dilution***

GMR Common Shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into GMR Common Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, GMR will issue additional GMR Common Shares from time to time pursuant to the options to purchase GMR Common Shares issued from time to time by the Board.

### ***Permits and Government Regulations***

The Property and the future operations of GMR may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that GMR will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities a mineral property, once acquired. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. There is no assurance that future changes to existing laws and regulations will not impact GMR. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have material adverse impact on



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

### ***Environmental Risks***

All phases of the natural resource business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. GMR may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development, and production.

Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. Legislation may also require that facility sites and mines be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of tailings or other pollutants into the air, soil or water may give rise to liabilities to domestic or foreign governments and third parties and may require GMR to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect GMR's financial condition, results of operations or prospects.

To the extent GMR is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on GMR. If GMR is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on GMR.

In addition, certain types of operations may require the submission and approval of environmental impact assessments to be conducted before permits can be obtained and there can be no assurances that GMR will be able to obtain or maintain all necessary permits that may be required for operations to be conducted at economically justifiable costs. The cost of compliance has the potential to reduce the profitability of operations by increasing costs and delaying production.

Governments at all levels may be moving towards enacting legislation to address climate change concerns, such as requirements to reduce emission levels and increase energy efficiency, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Where legislation has already been enacted, such regulations may become more stringent, which may result in increased costs of compliance. There is no assurance that compliance with such regulations will not have an adverse effect on GMR's results of operations and financial condition. Furthermore, given the evolving nature of the debate related to climate change and resulting requirements, it is not possible to predict the impact on GMR results of operations and financial condition.

### ***Reliance on Key Individuals***

GMR's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in GMR's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on GMR.

### ***Key Person Insurance***

GMR does not maintain key person insurance on any of its directors or officers, and as result GMR would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by GMR from such loss of any director or office

### *Uninsurable Risks*

In the course of exploration, development and production of mineral properties, certain risks may occur, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased exploration costs, damage to, or destruction of, mineral properties or facilities used for exploration and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on company property, and punitive awards in connection with those claims and other liabilities. It is not always possible to fully insure against such risks and GMR may decide not to take out insurance against such risks as a result of high premiums or other reasons.

Liabilities that GMR incurs may exceed the policy limits of insurance coverage or may not be covered by insurance, in which event GMR could incur significant costs that could adversely impact GMR's business, operations, potential profitability or value. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage GMR's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to us. These could include loss or forfeiture of mineral interests or other assets for nonpayment of fees or taxes, significant tax liabilities in connection with any tax planning effort GMR might undertake and legal claims for errors or mistakes by GMR's personnel. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the GMR Common Shares.

### *Aboriginal Title and Land Claims*

The Property, and properties that may be owned or optioned by GMR in the future, may be the subject of First Nations land claims. The legal nature of Aboriginal and Indigenous land claims is a matter of considerable complexity. The impact of any such claim on GMR's ownership interest in the properties optioned or owned by GMR cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of Aboriginal and Indigenous rights in the area in which the properties optioned or purchased by GMR are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on GMR's activities.

Even in the absence of such recognition, GMR may at some point be required to negotiate with First Nations in order to facilitate exploration and development work on the properties optioned or owned by GMR. On June 26, 2014, the Supreme Court of Canada (the "SCC") released the decision of *Tsilhqot'in Nation v. British Columbia* (the "**William Decision**"), pursuant to which the SCC upheld First Nations' claim to Aboriginal title and rights over a large area of land in central British Columbia, including rights to decide how the land will be used, occupancy and economic benefits. The court ruling held that while the provincial government had the constitutional authority to regulate certain activity on Aboriginal title lands, it had not adequately consulted with the Tsilhqot'in. The SCC also held that provincial laws of general application apply to land held under Aboriginal title if the laws are not unreasonable, impose no undue hardship, and do not deny the Aboriginal title holders their preferred means of exercising their rights. The William Decision has potential application with respect to Aboriginal land claims in British Columbia, the province in which the Property is located. While GMR will endeavour to manage its operations within the existing legal framework while paying close attention to the direction provided by the applicable provincial regulatory authorities and First Nations regarding the application of this ruling, the risks and uncertainties remain consistent with those referenced herein.

### *Competition*

The mining industry is intensely competitive in all its phases. GMR competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than GMR. The competition in the mineral exploration and development business could have an adverse effect on GMR's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

### ***Management***

The success of GMR is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on GMR's business and prospects. There is no assurance GMR can maintain the services of its directors, officers or other qualified personnel required to operate its business.

### ***Financing Risks***

GMR has no history of significant earnings and, due to the nature of its business, there can be no assurance that GMR will be profitable. GMR has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to GMR is through the sale of its securities. Even if the results of exploration are encouraging, GMR may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by GMR. While GMR may generate additional working capital through further equity offerings or through the sale or possible syndication of the property owned by GMR, there is no assurance that any such funds will be available. At present it is impossible to determine what amounts of additional funds, if any, may be required.

### ***Resale of GMR Common Shares***

The continued operation of GMR will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If GMR is unable to generate such revenues or obtain such additional financing, any investment in GMR may be lost. In such event, the probability of resale of the GMR Common Shares purchased would be diminished.

### ***Price Volatility of Publicly Traded Securities***

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the GMR Common Shares will be subject to market trends generally, notwithstanding any potential success of GMR in creating revenues, cash flows or earnings.

There is currently no public trading market for the GMR Common Shares. If a market does not continue to develop or is not sustained, it may be difficult to sell GMR Common Shares at an attractive price or at all. GMR cannot predict the prices as which its GMR Common Shares will trade.

### ***Risks Relating to the GMR Common Shares***

Securities of microcap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. If the GMR Common Shares are listed, the price of the GMR Common Shares is also likely to be significantly affected by short-term changes in gold or other mineral prices or in GMR's financial condition or results of operations.

Other factors unrelated to GMR's performance that may affect the price of the GMR Common Shares include the following: the extent of analytical coverage available to investors concerning GMR's business may be limited if investment banks with research capabilities do not follow GMR; lessening in trading volume and general market interest in the GMR Common Shares may affect an investor's ability to trade significant numbers of Common GMR Shares; the size of GMR's public float may limit the ability of some institutions to invest in GMR Common Shares; and a substantial decline in the price of the GMR Common Shares that persists for a significant period of time could cause the GMR Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the GMR Common Shares at any given point in time may not accurately reflect GMR's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. GMR may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the GMR Common Shares may affect the pricing of the GMR Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the GMR Common Shares. The market price of the GMR Common Shares is affected by many other variables which are not directly related to the success of GMR and are, therefore, not within GMR's control. These include other developments that affect the market for all resource sector securities, the breadth of the public market for GMR's GMR Common Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the GMR Common Shares is expected to make the Share price volatile in the future, which may result in losses to investors.

### ***Shortages of Critical Parts, Equipment and Skilled Labour***

GMR's ability to acquire critical resources such as input commodities, drilling equipment, tires and skilled labour in the future due to increased worldwide demand, may cause unanticipated cost increases and delays in delivery times, thereby impacting capital expenditures and exploration schedules.

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

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with GMR. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia). Some of the directors and officers of GMR are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to GMR and their duties to the other companies on whose boards they serve, the directors and officers of GMR have agreed to the following:

- Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
- No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to GMR except on the same or better terms than the basis on which they are offered to third party participants.

### ***Dividend Policy***

No dividends on GMR Common Shares have been paid by GMR to date. GMR anticipates that it will retain all earnings and other cash resources for the foreseeable future for the operation and development of its business. Lot 49 does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the GMR Board after taking into account many factors, including GMR's operating results, financial condition and current and anticipated cash needs.

### **Promoter**

Level 14 Ventures Ltd. ("LVL") took initiative in founding and organizing GMR and, accordingly, may be considered to be a promoter of GMR. The number and percentage of GMR Common Shares beneficially owned or controlled, directly or indirectly, by LVL, and the nature and amount of anything of value, including money, property, contracts, options or rights of any kind, received or to be received by LVL directly or indirectly from the Company, are set out in this Circular.

### **Legal Proceedings**

GMR is not a party to any material legal proceedings and GMR is not aware of any such proceedings known to be contemplated.

### **Interest Of Management And Others In Material Transactions**

No director, executive officer or greater than 10% shareholder of GMR and no associate or affiliate of the foregoing persons has or had any material interest, direct or indirect, in any transaction since incorporation or in any proposed transaction which in either such case has materially affected or will materially affect GMR save as described herein.

### **Auditors, Transfer Agent And Registrar**

GMR's auditors are Dale Matheson Carr-Hilton Labonte LLP, having an address at #1500 – 1140 West Pender Street, Vancouver, BC V6E 4G1.

The transfer agent and registrar for the GMR Common Shares is TSX Trust at its office in Vancouver, British Columbia.

### **Interest of Experts**

The audited financial statements of each of the Spinout Entities included in Schedules "F" through "G" of this Circular have been included in reliance upon the report of Dale Matheson Carr-Hilton Labonte LLP, also included herein, and upon the authority of such firm as experts in accounting and auditing.

Dale Matheson Carr-Hilton Labonte LLP, are independent of GMR within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The Technical Report was prepared by Darwin Green, M.Sc., P.Geo. Mr. Green has no interest in the Company, the Company's securities or the Property and has not held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when the Technical Report was prepared or thereafter.

### **Material Contracts**

The only agreements or contracts that GMR will be a party to and which may be reasonably regarded as being currently material to GMR are:

- (c) The Arrangement Agreement dated May 25, 2023 made between LVL and each of the Spinout Entities as described under "The Plan of Arrangement" in this Circular; and
- (d) The Transfer Agency and Registrarship Agreement to be dated on or about June 30, 2023 between GMR and TSX Trust Company.

A copy of any material contract or report may be inspected at any time up to the commencement of the Meeting during normal business hours at GMR's registered office.