

ANQUIRO VENTURES LTD.

2024 **Notice of Annual General and Special Meeting of Shareholders**

ANNUAL

Management Information Circular

GENERAL

AND SPECIAL

MEETING

Place: **Suite 303, 595 Howe Street
Vancouver, British Columbia
Canada, V6C 2T5**

Time: **10:00 a.m. (Vancouver Time)**

Date: **December 20, 2024**

**With respect to a Proposed Qualifying Transaction and Amalgamation involving
Anquiro Ventures Ltd. and Black Pine Resources Corp.**

November 13, 2024

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this information circular.

**Anquiro Ventures Ltd.
Suite 303, 595 Howe Street
Vancouver, British Columbia, V6C 2T5**

Dear Securityholders:

The Directors of Anquiro Ventures Ltd. ("**AQR**") invite you to attend the annual general and special meeting (the "**Meeting**") of the shareholders of AQR (the "**AQR Shareholders**") to be held at Suite 303, 595 Howe Street, Vancouver, British Columbia at 10:00 a.m. (Vancouver time), on December 20, 2024.

At the Meeting, AQR Shareholders will be asked to consider and vote, among other things, upon a business combination between AQR and Black Pine Resources Corp. ("**Black Pine**"), whereby AQR will acquire Black Pine by way of an amalgamation and 100% of the issued and outstanding securities of Black Pine will be owned by the Resulting Issuer (as defined in the accompanying management information circular of AQR (the "**Circular**")), which transaction will constitute the Qualifying Transaction (as defined in the Circular) of AQR pursuant to Policy 2.4 of the TSX Venture Exchange, as announced by AQR on February 24, 2023; May 10, 2023; June 19, 2023; November 2, 2023; February 1, 2024; and May 21, 2024, and as more particularly described in the Circular.

The transaction is anticipated to benefit the AQR Shareholders by allowing them to participate in the future upside and growth potential of Black Pine and the option interest that Black Pine has in the Sugarloaf Property (as defined in the Circular). Additionally, following the completion of the Qualifying Transaction, holders of Resulting Issuer Shares (as defined in the Circular) are anticipated to benefit from the liquidity of the Resulting Issuer Shares, which will be listed on the TSX Venture Exchange.

The record date for determining the AQR Shareholders eligible to receive notice of and vote at the Meeting is the close of business on November 19, 2024.

Detailed information in respect of the Transaction (as defined in the Circular) is set out in the Circular. Please review the Circular carefully as it has been prepared to help you make an informed decision on the Transaction.

Please read the Circular carefully, including the Schedules to the Circular. The Circular contains detailed information regarding, among other things, the Transaction and related matters that the AQR Shareholders will be voting on at the Meeting. The Transaction constitutes the Qualifying Transaction of AQR. All summaries of and references to the Transaction in the Circular are qualified in their entirety by reference to the complete text of the Merger Agreement (as defined in the Circular) which can be viewed under AQR's profile on SEDAR+ at www.sedarplus.ca. You are urged to carefully read the full text of the Merger Agreement.

After thorough review and analysis, the board of directors of AQR has determined that the Transaction is in the best interests of AQR and that the Transaction is fair to the Shareholders. THE BOARD OF DIRECTORS OF AQR HAS UNANIMOUSLY APPROVED THE TERMS OF THE TRANSACTION AND RECOMMENDS THAT YOU VOTE IN FAVOUR OF THE TRANSACTION AT THE MEETING FOR THE REASONS SET OUT IN THE CIRCULAR.

On behalf of AQR, we thank you for your past and ongoing support.

Sincerely,

ANQUIRO VENTURE LTD.

(Signed) "*Keturah Nathe*"

Keturah Nathe
Chief Executive Officer

**Anquiro Ventures Ltd.
Suite 303, 595 Howe Street
Vancouver, British Columbia, V6C 2T5**

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the "**Meeting**") of the holders of common shares (the "**AQR Shareholders**") of Anquiro Ventures Ltd. ("**AQR**") will be held at Suite 303, 595 Howe Street, Vancouver, British Columbia at 10:00 a.m. (Vancouver time) on December 20, 2024, for the following purposes:

1. to receive and consider the audited consolidated financial statements of AQR for the financial year ended June 30, 2024 (with comparative statements relating to the preceding fiscal period), together with the independent auditors' report thereon;
2. to appoint DMCL LLP, Chartered Professional Accountants, as auditors of AQR for the ensuing year and to authorize the board of directors of AQR to fix the auditors' remuneration;
3. to elect directors for the ensuing year;
4. to consider and, if thought fit, to pass an ordinary resolution, the full text of which is set forth in Schedule A to the management information circular accompanying this notice (the "**Circular**"), approving, confirming and ratifying AQR's new omnibus equity compensation plan, as more particularly described in the Circular;
5. to consider and, if thought fit, to pass, by Majority of the Minority Approval (as defined in the Circular), with or without variation, the Transaction Resolution (as defined in the Circular), the full text of which is set forth in Schedule A to the Circular, to approve the Transaction (as defined in the Circular) whereby AQR will acquire Black Pine Resources Corp. ("**Black Pine**") by way of an amalgamation between Black Pine and a wholly owned subsidiary of AQR, pursuant to the Merger Agreement (as defined in the Circular); and
6. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Accompanying this notice are the Circular, a form of proxy, and a financial statement request form. The Circular provides information relating to the matters to be addressed at the Meeting or any adjournment or postponement thereof and is incorporated into this notice.

The record date for determining the AQR Shareholders eligible to receive notice of and vote at the Meeting is the close of business on November 19, 2024.

Detailed information in respect of the Transaction is set out in the Circular. Please review the Circular carefully as it has been prepared to help you make an informed decision on the Transaction.

Please read the Circular carefully, including the schedules to the Circular. The Circular contains detailed information regarding, among other things, the Transaction and related matters that the AQR Shareholders will be voting on at the Meeting or any adjournment or postponement thereof. The Transaction constitutes the Qualifying Transaction (as defined in the Circular) of AQR. All summaries of and references to the Transaction in the Circular are qualified in their entirety by reference to the complete text of the Merger Agreement which can be viewed under AQR's profile on SEDAR+ at www.sedarplus.ca. You are urged to carefully read the full text of the Merger Agreement.

AQR's audited financial statements for the financial year ended June 30, 2024, and the related MD&A can be viewed under AQR's profile on www.sedarplus.ca.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are requested to read, complete, sign and mail, phone or email the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Circular.

DATED at Vancouver, British Columbia, on November 13, 2024.

BY ORDER OF THE BOARD

"Keturah Nathe"

Keturah Nathe, President, CEO and Director

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GLOSSARY

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the meanings set forth below when used in this Circular.

"**Affiliate**" has the meaning ascribed thereto in Policy 1.1.

"**Amalco**" means the entity resulting from the Amalgamation.

"**Amalco Shares**" means the common shares in the capital of Amalco, as constituted following the Amalgamation.

"**Amalgamation**" means the amalgamation of AcquisitionCo and Black Pine under the BCBCA to form Amalco.

"**Amalgamation Application**" means the amalgamation application to be filed by AcquisitionCo and Black Pine and with the Registrar in accordance with Section 275(1)(a) of the BCBCA.

"**AcquisitionCo**" means 1504671 B.C. Ltd., a British Columbia corporation that is a wholly-owned subsidiary of AQR.

"**AcquisitionCo Shares**" means the common shares in the capital of AcquisitionCo.

"**AFC**" means Anquiro Financial Corp., a British Columbia corporation.

"**AFC Merger Agreement**" means the second amended and restated merger agreement dated May 21, 2024.

"**AFC SPA**" means the share purchase agreement dated October 17, 2024, between AQR and Richard Barnett.

"**AQR**" means Anquiro Ventures Ltd., a corporation incorporated under the laws of the Province of British Columbia, Canada.

"**AQR Audit Committee**" means the audit committee of AQR.

"**AQR Board**" means the board of directors of AQR.

"**AQR Options**" means incentive stock options of AQR.

"**AQR Shareholders**" means holders of AQR Shares.

"**AQR Shares**" means the common shares in the capital of AQR.

"**Articles of Amalgamation**" means the articles of amalgamation of AcquisitionCo and Black Pine in respect of the Amalgamation that are required by the BCBCA to be filed with the Registrar in order to effect the Amalgamation.

"**Associate**" has the meaning ascribed thereto in Policy 1.1.

"**Author**" means Robert. A. Lunceford, MSc., CPG.

"**Available Funds**" has the meaning ascribed thereto under "*Summary of Circular – Available Funds*".

"**Award Agreement**" has the meaning ascribed thereto in the New Plan.

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

"**BCSC**" means the British Columbia Securities Commission.

"**Black Pine**" means Black Pine Resources Corp., a corporation incorporated under the laws of the Province of British Columbia, Canada.

"**Black Pine Board**" means the board of directors of Black Pine.

"**Black Pine Option Plan**" means the current stock option plan of Black Pine.

"**Black Pine Options**" means options to purchase Black Pine Shares.

"**Black Pine Shareholders**" means the holders of Black Pine Shares.

"**Black Pine Shares**" means the common shares in the capital of Black Pine.

"**Capital Pool Company**" or "**CPC**" has the meaning ascribed thereto in Policy 2.4.

"**CEO**" means chief executive officer.

"**CFO**" means chief financial officer.

"**CIM Definition Standards**" means the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014, which are incorporated by reference in NI 43-101.

"**Circular**" means this management information circular and includes all schedules hereto.

"**Collateral Benefit**" has the meaning ascribed thereto in MI 61-101.

"**Completion of the Qualifying Transaction**" has the meaning ascribed thereto in Policy 2.4.

"**Concurrent Financing**" means a non-brokered private placement of a minimum of 11,000,000 Subscription Receipts.

"**Concurrent Financing Closing**" means the completion of the Concurrent Financing.

"**Concurrent Financing Closing Date**" means the date on which the Concurrent Financing closes.

"**Control Person**" has the meaning ascribed thereto in Policy 1.1.

"**CPC Escrow**" means the escrow of the CPC Escrowed Shares under the CPC Escrow Agreement.

"**CPC Escrow Agreement**" means the escrow agreement dated August 30, 2017, between AQR, Computershare Investor Services Inc., as escrow agent, and certain AQR Shareholders.

"**CPC Escrow Amendment**" has the meaning ascribed thereto under "*Information Concerning AQR – General Development of the Business – History of AQR*".

"**CPC Escrowed Shares**" means the AQR Shares that are subject to the CPC Escrow Agreement.

"**CTO**" means a "failure-to-file cease trade order" under Multilateral Instrument 11-103 – *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*.

"**Currency Rate**" has the meaning ascribed thereto under "*Information Regarding this Circular – Currency Presentation*".

"**Designated Professional**" has the meaning ascribed thereto in Form 51-102F2 of NI 51-102.

"Discounted Market Price" has the meaning ascribed thereto in Policy 1.1.

"Effective Date" means the effective date of the Amalgamation as set forth in and indicated on the certificate of amalgamation issued by the Registrar.

"Effective Time" means such time on the Effective Date as Black Pine and AQR, each acting reasonably, may agree to, such agreement to be evidenced by the filing of the Amalgamation Application.

"Escrow Release Conditions" means (a) the receipt by the SR Agent of the Escrow Release Notice confirming that (i) all conditions to the completion of the Amalgamation have been satisfied or waived, other than the release of the Escrowed Funds, and (ii) no material terms of the Merger Agreement have been modified and/or waived (unless such modifications or waivers were consented to by the parties); (b) the receipt of conditional approval from the TSXV for the listing of the Resulting Issuer Shares on the TSXV; (c) the receipt of all regulatory, shareholder and third-party approval, as applicable, required in connection with the Amalgamation; and (d) Black Pine will not be in breach or default of any of its covenants or obligations under the Subscription Receipt Certificates.

"Escrow Release Deadline" means the deadline for delivery of the Escrow Release Notice to the Subscription Receipt Agent, being 5:00 p.m. (Vancouver time) on February 28, 2025, or such later date as may be agreed upon in writing by Black Pine and AQR.

"Escrow Release Notice" means a duly executed notice from Black Pine and AQR to the SR Agent, confirming the satisfaction of the Escrow Release Conditions and directing the SR Agent to release the Escrowed Funds to Black Pine.

"Escrowed Funds" means the Escrowed Proceeds, together with all interest and other income earned thereon.

"Escrowed Proceeds" means the gross proceeds from the Concurrent Financing.

"Existing Plan" means the current stock option plan of AQR, being a 10% fixed stock option plan, which was approved by the AQR Board on August 30, 2017.

"Final Exchange Bulletin" has the meaning ascribed thereto in Policy 2.4.

"Forward-Looking Information" has the meaning ascribed thereto under *"Information Regarding this Circular – Cautionary Note Regarding Forward-Looking Information"*.

"GBR" means Great Basin Resources Inc.

"GBR Closing Date" means the date of the closing under the Property Agreement, being a date that is within ten business days of the date on which Black Pine receives final approval from the TSXV for the amalgamation and to facilitate the completion of the amalgamation with AQR, including any and all required regulatory and board of directors' approvals required to give effect to the transaction.

"IFRS" means International Financial Reporting Standards.

"Insider" has the meaning ascribed thereto in Policy 1.1.

"KMN Consulting Agreement" has the meaning ascribed thereto under *"Information Concerning Black Pine – Executive Compensation - Employment, Consulting and Management Agreements"*.

"Letter of Intent" means the letter of intent dated February 21, 2023, as amended, between AQR and Black Pine.

"Lock Up Agreements" has the meaning ascribed thereto under *"Information Concerning the Resulting Issuer - Escrowed Securities - Other Resale Restrictions"*.

"Majority of the Minority Approval" means the approval of the Transaction by the majority of the votes cast at the Meeting by AQR Shareholders, or by the written consent of AQR Shareholders holding more than 50% of the issued AQR Shares, other than: (a) Non-Arm's Length Parties to AQR; (b) Non-Arm's Length Parties to the Qualifying Transaction; (c) AQR, if it holds any AQR Shares; and (d) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the Transaction.

"Management Proxyholders" has the meaning ascribed thereto under *"Meeting and Proxy Related Information – Proxy Related Matters – Appointment of Proxyholder"*.

"Market Price" has the meaning ascribed thereto in the New Plan.

"Martel Consulting Agreement" has the meaning ascribed thereto under *"Information Concerning Black Pine – Executive Compensation – Employment, Consulting and Management Agreements"*.

"Material Adverse Change" means any change of circumstances or any event which has, or would reasonably be expected to have, a Material Adverse Effect in respect of an entity, any one or more changes, events or occurrences, and **"Material Adverse Effect"** means, in respect of an entity, any change (or any condition, event or development involving a prospective change) in the business, operations, affairs (including the employment status of key employees), assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise) capitalization, financial condition, licenses, permits, rights or privileges of an entity or any of its subsidiaries which in the judgment of the entity, acting reasonably in the circumstances, could reasonably be expected to materially and adversely affect the entity and its subsidiaries, taken as a whole, or the value of the securities of the entity and its subsidiaries, taken as a whole.

"MCTO" means a "management cease trade order", as defined in National Instrument 12-203 – *Management Cease Trade Orders*.

"MD&A" has the meaning ascribed thereto in NI 51-102.

"Meeting" means the annual general and special meeting of AQR Shareholders to be held on December 20, 2024, and any adjournment or postponement thereof, where AQR Shareholders will vote to approve, among other things, the Transaction and the New Plan, all as further described in this Circular.

"Merger Agreement" means the merger agreement dated October 17, 2024, as amended on November 12, 2024, and as may be further amended or amended and restated from time to time, between Black Pine, AcquisitionCo and AQR, a copy of which is available under AQR's profile on SEDAR+ at www.sedarplus.ca.

"MI 61-101" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* or any successor instrument(s).

"Name Change" means the amendment to the notice of articles of AQR to effect the name change of AQR to "Black Pine Holdings Corp." or such other name as the AQR Board may determine and is acceptable to the regulators.

"Named Executive Officers" or **"NEOs"** has the meaning ascribed thereto in Form 51-102F6 of NI 51-102.

"New Plan" has the meaning ascribed thereto under *"Meeting and Proxy Related Information – Matters To Be Acted Upon at the Meeting – Approval and Ratification of the New Plan"*.

"New Plan Resolution" means the resolution set out under the heading *"New Plan Resolution"* in Schedule A hereto.

"NI 43-101" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* or any successor instrument(s).

"NI 51-102" means National Instrument 51-102 – *Continuous Disclosure Obligations* or any successor instrument(s).

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees* or any successor instrument(s).

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* or any successor instrument(s).

"**Nominee**" has the meaning ascribed thereto under "*Meeting and Proxy Related Information – Proxy Related Matters – Non-Registered Holders*".

"**Non-Arm's Length Party**" has the meaning ascribed thereto in Policy 1.1.

"**Non-Arm's Length Parties to the Qualifying Transaction**" has the meaning ascribed thereto in Policy 2.4.

"**Notice of Meeting**" has the meaning ascribed thereto under "*Meeting and Proxy Related Information – Proxy Related Matters – Voting by Proxy*".

"**Order**" means (a) a cease trade order, (b) an order similar to a cease trade order, or (c) 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.

"**Participant**" has the meaning ascribed thereto in the New Plan.

"**Person**" has the meaning ascribed thereto in Policy 1.1.

"**Plan Administrator**" has the meaning ascribed thereto in the New Plan.

"**Plan of Operation**" has the meaning ascribed thereto under "*Summary of Circular – General Development of the Business of Black Pine*".

"**Policy 1.1**" means Policy 1.1 – *Interpretation* of the TSXV Manual.

"**Policy 2.4**" means Policy 2.4 – *Capital Pool Companies* of the TSXV Manual.

"**Policy 5.9**" means Policy 5.9 – *Protection of Minority Security Holders in Special Transactions* of the TSXV Manual.

"**Pro Forma Adjustments**" means the pro forma adjustments discussed in the notes to the Pro Forma Financial Statements.

"**Pro Forma Assumptions**" means the pro forma assumptions discussed in the notes to the Pro Forma Financial Statements.

"**Pro Forma Financial Statements**" means the unaudited pro forma consolidated financial statements of AQR as at June 30, 2024, including the notes thereto, which are attached as Schedule I hereto.

"**Promoter**" has the meaning ascribed thereto in Policy 1.1.

"**Property Agreement**" means the letter of intent dated April 12, 2022, between GBR and Black Pine, as amended by an amending agreement dated effective as of July 15, 2024.

"**Principal**" has the meaning ascribed thereto in Policy 1.1.

"**Qualifying Transaction**" has the meaning ascribed thereto in Policy 2.4.

"**Related Party Transaction**" has the meaning ascribed to that term under MI 61-101 and includes a related party transaction that is determined by the TSXV to be a Related Party Transaction.

"Registrar" means the Registrar of Companies under the BCBCA.

"Resulting Issuer" means AQR as it will exist after the Transaction Closing.

"Resulting Issuer Audit Committee" means the audit committee of the Resulting Issuer.

"Resulting Issuer Board" means the board of directors of the Resulting Issuer.

"Resulting Issuer DSU" means a deferred share unit of the Resulting Issuer.

"Resulting Issuer Equity Awards" means Resulting Issuer Options, Resulting Issuer RSUs, Resulting Issuer PSUs, Resulting Issuer DSUs and Resulting Issuer SARs.

"Resulting Issuer Options" means stock options of the Resulting Issuer and includes stock options issued in exchange for Black Pine Options at the Effective Time.

"Resulting Issuer PSU" means a performance share unit of the Resulting Issuer.

"Resulting Issuer RSU" means a restricted share unit of the Resulting Issuer.

"Resulting Issuer SAR" means a stock appreciation right of the Resulting Issuer.

"Resulting Issuer Shares" means the common shares in the capital of the Resulting Issuer.

"Resulting Issuer Warrants" means common share purchase warrants of the Resulting Issuer and includes the common share purchase warrants to be issued in exchange for SR Warrants at the Effective Time.

"SEDAR+" means the system for electronic document analysis and retrieval at www.sedarplus.ca.

"Simco" means Simco Financial and Corporate Services Inc.

"Simco Agreement" means the consulting agreement to be entered into between Simco and the Resulting Issuer.

"Simco Services" has the meaning ascribed thereto under *"Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements"*.

"SR Agent" means Simco, or such other parties as Black Pine and AQR may agree.

"SR Escrow Agreement" means the escrow agreement to be entered into between Black Pine and the SR Agent on the Concurrent Financing Closing Date, a copy of which will be made available under AQR's profile on SEDAR+ at www.sedarplus.ca on or after the Concurrent Financing Closing Date.

"SR Subscriber" means a subscriber for Subscription Receipt under the Concurrent Financing.

"SR Unit" means one unit of Black Pine comprised of one Black Pine Share and one SR Warrant.

"SR Warrants" means the common share purchase warrants comprising part of the SR Units issuable on automatic conversion of the Subscription Receipts, with each SR Warrant exercisable for a period of three years after the date of its issuance to acquire one Black Pine Share at the price per share of \$0.20, subject to the SRW Acceleration Right.

"SRW Acceleration Right" means the right to accelerate the expiry time of the SR Warrants if the closing price of the Resulting Issuer Shares exceeds \$0.28 over a period of eight consecutive trading dates commencing four months from the date of the issuance of the SR Warrant. The Resulting Issuer may give notice in writing within 30 days of such an occurrence to the holder of the SR Warrant (or the common share purchase warrants issued in

exchange for the SR Warrants) that such common share purchase warrants shall expire at the accelerated expiry time, being 30 days from the date of the notice, unless previously exercised by the holder.

"Subscription Receipt Certificate" means the subscription receipt certificates issued by Black Pine governing the Subscription Receipts.

"Subscription Receipt Conversion" means the automatic conversion of the issued and outstanding Subscription Receipts into an equivalent number of SR Units immediately prior to the Effective Time, assuming the Effective Time occurs prior to the Escrow Release Deadline.

"Subscription Receipts" means a minimum of 11,000,000 subscription receipts of Black Pine to be sold under the Concurrent Financing, with such Subscription Receipts being governed by the Subscription Receipt Certificates.

"Sugarloaf Property" means the mineral property consisting of approximately 1,540 acres situated in the Gila National Forest, Grant County, New Mexico, with respect to which Black Pine has an option to acquire a 100% interest pursuant to the Property Agreement (subject to a 2% net smelter return royalty and further subject to a cash payment of US\$1,000,000 payable to GBR upon the Sugarloaf Property attaining Commercial Production, as defined in the Property Agreement).

"Tax Act" means the *Income Tax Act* (Canada) and the regulations thereunder.

"Technical Report" means the independent NI 43-101 compliant technical report dated March 24, 2023, entitled *"Geological Report and Summary of Field Examination, Sugarloaf Property, Grant County, New Mexico, USA"*, prepared by the Author.

"Transaction" means the business combination between AQR and Black Pine, whereby AQR will acquire Black Pine by way of the Amalgamation and 100% of the issued and outstanding securities of Black Pine will be owned by the Resulting Issuer, which Transaction will constitute the Qualifying Transaction of AQR pursuant to Policy 2.4.

"Transaction Closing" means the completion of the Transaction.

"Transaction Closing Date" means the date of the Transaction Closing.

"Transaction Resolution" means the resolution set out under the heading *"Transaction Resolution"* in Schedule A hereto.

"Transfer Agent" means Computershare Investor Services Inc., the anticipated transfer agent and registrar of the Resulting Issuer Shares.

"TSXV" means the TSX Venture Exchange.

"TSXV Manual" means the Corporate Finance Manual of the TSXV.

"Value Escrow" means the escrow of Value Securities under the Value Escrow Agreement.

"Value Escrow Agreement" means the escrow agreement to be entered into by the Resulting Issuer, Computershare Investor Services Inc., as escrow agent, and holders of Value Securities.

"Value Securities" has the meaning ascribed thereto in Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* of the TSXV Manual, excluding any CPC Escrow Securities.

INFORMATION REGARDING THIS CIRCULAR

Cautionary Note Regarding Forward-Looking Information

This Circular includes "forward-looking information" and "forward-looking statements" within the meaning of securities laws (referred to herein as "**Forward-Looking Information**"). All information, other than statements of historical facts, included in this Circular that addresses activities, events or developments that AQR or Black Pine expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of AQR's and Black Pine's businesses, operations, plans and other such matters is Forward-Looking Information. Forward-Looking Information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, information regarding: expectations regarding whether the Transaction will be completed, including whether conditions, including shareholder and regulatory approvals, to the Transaction will be satisfied, or the time for completing the Transaction; expectations for the effects of the Transaction, the potential benefits of the Transaction; statements relating to the business and future activities of, and developments related, to AQR and Black Pine after the date of this Circular; statements based on the audited financial statements of AQR or Black Pine; expectations for other economic, business, regulatory and/or competitive factors related to AQR, Black Pine or the digital marketing industry generally; the business objectives and milestones of the Resulting Issuer; the principal uses of available funds, including the funds to be used for anticipated investments; and other events or conditions that may occur in the future.

Investors are cautioned that Forward-Looking Information is not based on historical facts but instead is based on reasonable assumptions and estimates of management of AQR and Black Pine at the time they were made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Information. Such factors include, among others, Forward-Looking Information may prove inaccurate; the Resulting Issuer may issue additional equity securities diluting the ownership interest of existing Resulting Issuer shareholders; the Resulting Issuer's status as a reporting issuer may increase price volatility; AQR and Black Pine have negative operating cash flow and no history of earnings and have had negative cash flow from operating activities since inception; potential profitability of mineral properties is dependent upon many factors beyond the Resulting Issuer's control; substantial expenditures are required to establish commercial production on the Sugarloaf Property; the Resulting Issuer will rely on outside parties and the quality of such parties' work could adversely affect the business of the Resulting Issuer; the Resulting Issuer may enter into strategic alliances with third parties and be exposed to risks inherent in strategic alliances; the Resulting Issuer's future success depends on its continuing ability to attract, develop, motivate, and retain key management personnel; the Resulting Issuer can provide no assurances that its management's past experience will be sufficient to enable the Resulting Issuer to successfully operate as a public company; the Resulting Issuer may be subject to various potential conflicts of interest; the Resulting Issuer's employees, independent contractors and consultants may engage in fraudulent or other illegal activity; reputational loss may result in decreased customer confidence; failure or difficulty in implementing new or improved internal controls could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations; the Resulting issuer's operations could be affected by economic risks; the Resulting Issuer may fail to apply proceeds effectively; the Resulting Issuer may fail to successfully integrate or obtain benefits from acquired businesses; the development of the Resulting issuer may require additional financing which is not guaranteed; sales forecasts could prove inaccurate; market price of Resulting Issuer Shares may be subject to wide price fluctuations; the Resulting Issuer may not manage growth effectively; the Resulting Issuer may fail to turn a profit or generate immediate revenues; the Resulting Issuer may be exposed to equity price risk; anti money-laundering laws could prevent the Resulting Issuer from distributing proceeds to shareholders if violated; existing and future laws and regulations may impede the Resulting Issuer's growth strategies, increase costs of doing business, or have other adverse effects on the business of the Resulting Issuer; challenging global financial conditions could negatively impact the ability of the Resulting Issuer to obtain financing or impact the price of its securities; the Resulting Issuer will be exposed to credit and liquidity risks; the Resulting Issuer may become involved in various claims, legal proceedings, and disputes; there can be no assurance that the Resulting Issuer will declare a dividend on a quarterly, annual or other basis; the Resulting Issuer is exposed to foreign currency risk as the Sugarloaf Property is situated in the United States; mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines; the Resulting Issuer will not have an interest in any mineral property that presently contains any

commercial ore; the grade of material ultimately mined may differ from that indicated by drilling or other laboratory results; failure to obtain mining equipment when needed may result in delays in the Resulting Issuer's exploration programs; the Resulting Issuer will be subject to risks and hazards typical of companies engaged in the mining industry; operations during mining cycle peaks are more expensive; there is no assurance that the Resulting Issuer will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSXV; the Sugarloaf Property is not a producing property and its ultimate success will depend on its operating ability to generate cash flow from producing properties in the future; the Resulting Issuer's operations are at an early stage of development and its success will depend on the outcome of proposed exploration programs; there can be no guarantee that the Resulting Issuer 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; no assurances can be given that the Resulting Issuer may not face challenges to the title of the Sugarloaf Property or subsequent properties it may acquire; there is no assurance that local community or native land claims with respect to the Resulting Issuer's property will not be asserted in the future; there is no guarantee the Resulting Issuer will be able to raise sufficient funding in the future to make required payments within prescribed time periods pursuant to the Property Agreement in order for the Resulting Issuer to explore and develop the Sugarloaf Property so as to maintain its interests therein; the mining industry is intensely competitive in all its phases; several of the Resulting Issuer's directors and officers act as directors and officers of other mineral exploration companies and situations may arise where these directors and officers will be in direct competition with the Resulting Issuer; environmental laws and regulations may affect the operations of the Resulting Issuer; social and environmental activism may affect the operations of the Resulting Issuer; health and safety laws and regulations may affect the operations of the Resulting Issuer; natural disasters, geopolitical instability, or other unforeseen events could adversely impact the Resulting Issuer; and not all risks to the Resulting Issuer's operations are insurable. Risks involving, among other things, the Transaction and the Resulting Issuer that may affect results of operations, earnings and expected benefits of the Transaction are discussed under the heading "*Information Concerning the Resulting Issuer – Risk Factors*".

Although AQR and Black Pine have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. Forward-Looking Information is made as of the date given and AQR and Black Pine do not undertake any obligation to revise or update any Forward-Looking Information other than as required by applicable law.

Financial Statement Presentation

This Circular contains financial information for AQR and Black Pine for the periods and dates indicated. The "selected financial information" and "selected pro forma financial information" of AQR and Black Pine in this Circular has been derived from (i) the audited consolidated financial statements of AQR for the years ended June 30, 2024 and 2023; (ii) the audited financial statements of AQR for the years ended June 30, 2023 and 2022; (iii) the audited financial statements of AQR for the years ended June 30, 2022 and 2021; (iv) the audited financial statements of Black Pine for the years ended December 31, 2023 and 2022 (v) the audited financial statements of Black Pine for the years ended December 31, 2022 and 2021; (vi) the audited financial statements of Black Pine for the years ended December 31, 2021 and 2020, (vii) the unaudited interim financial statements of Black Pine for the three and six months ended June 30, 2024; and (viii) the Pro Forma Financial Statements, each of which have been prepared in accordance with IFRS and are included in this Circular, as follows:

- | | | |
|------------|---|--|
| Schedule B | — | the audited consolidated financial statements of AQR for the years ended June 30, 2024 and 2023; |
| Schedule C | — | the audited consolidated financial statements of AQR for the years ended June 30, 2023 and 2022; |
| Schedule D | — | the audited financial statements of AQR for the years ended June 30, 2022 and 2021; |

Schedule E	—	the audited financial statements of Black Pine for the years ended December 31, 2023 and 2022;
Schedule F	—	the audited financial statements of Black Pine for the years ended December 31, 2022 and 2021;
Schedule G	—	the audited financial statements of Black Pine for the years ended December 31, 2021 and 2020;
Schedule H	—	the unaudited financial statements of Black Pine for the three and six months ended June 30, 2024; and
Schedule I	—	the Pro Forma Financial Statements

Technical Information

Except where otherwise stated, the disclosure in this Circular related to the Sugarloaf Property is based on the Technical Report prepared and published in accordance with NI 43-101.

The Sugarloaf Property is the only interest currently held by Black Pine and as such, is material to Black Pine for the purposes of NI 43-101. Black Pine will continue to assess the materiality of its assets as new assets are acquired or move into production.

CIM Definition Standards

Any reference to Proven, Probable, Measured, Indicated and Inferred Resources regarding the Sugarloaf Property have been used in accordance with the CIM Definition Standards, which are incorporated by reference in NI 43-101.

Qualified Person

Robert. A. Lunceford, MSc., CPG, the author of the Technical Report, is a qualified person for the purposes of NI 43-101 and has reviewed and approved the scientific and technical disclosure contained in this Circular.

Currency Presentation

Unless otherwise indicated, all references to "\$" or "dollars" in this Circular refer to Canadian dollars. References to "US\$" in this Circular refer to United States dollars.

The table below sets forth the following: (a) the rate of exchange for the Canadian dollar, expressed in U.S. dollars, in effect at the end of the periods indicated; (b) the average exchange rates for the Canadian dollar, expressed in U.S. dollars, on the last day of each month on which exchange rates are published during such periods; and (c) the high and low exchange rates for the Canadian dollar, expressed in U.S. dollars, during such periods, each based on the rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into U.S. dollars.

	Year ended December 31		Three months ended June 30		Three months ended September 30	
	2023	2022	2024	2023	2024	2023
Rate at end of period	US\$0.7561	US\$0.7383	US\$0.7306	US\$0.7553	US\$1.3499	US\$1.3520
Average rate of period	US\$0.7410	US\$0.7692	US\$0.7308	US\$0.7447	US\$1.3641	US\$1.3414
High for period	US\$0.7617	US\$0.8031	US\$0.7405	US\$0.7604	US\$1.3858	US\$1.3674
Low for period	US\$0.7207	US\$0.7217	US\$0.7235	US\$0.7338	US\$1.3460	US\$1.3414

The daily exchange rate on November 12, 2024, the day immediately preceding the date of this Circular, as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars, was US\$1.00 equals \$1.3944 (**the "Currency Rate"**).

SUMMARY OF CIRCULAR

The following is a summary of information relating to AQR, Black Pine and the Resulting Issuer (assuming completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular.

The Meeting

The Meeting will be held at Suite 303, 595 Howe Street, Vancouver, British Columbia at 10:00 a.m. (Vancouver time), on December 20, 2024, for the following purposes:

- (1) to receive and consider the audited consolidated financial statements of AQR for the financial year ended June 30, 2024 (with comparative statements relating to the preceding fiscal period), together with the independent auditors' report thereon;
- (2) to appoint DMCL LLP, Chartered Professional Accountants, as auditors of AQR for the ensuing year and to authorize the board of directors of AQR to fix the auditors' remuneration;
- (3) to elect directors for the ensuing year;
- (4) to consider and, if thought fit, to pass an ordinary resolution, the full text of which is set forth in Schedule A hereto, approving, confirming and ratifying the New Plan, as more particularly described herein;
- (5) to consider and, if thought fit, to pass, by Majority of the Minority Approval, with or without variation, the Transaction Resolution, the full text of which is set forth in Schedule A hereto, to approve the Transaction, whereby AQR will acquire Black Pine by way of an amalgamation between Black Pine and AcquisitionCo, a wholly owned subsidiary of AQR, pursuant to the Merger Agreement; and
- (6) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The record date for determining the AQR Shareholders eligible to receive notice of and vote their AQR Shares at the Meeting is the close of business on November 19, 2024.

See "*Meeting and Proxy Related Information – Proxy Related Matters*" and "*Meeting and Proxy Related Information – Requisite Securityholder Approvals*".

Receiving the Financial Statements

The audited consolidated financial statements of AQR for the financial year ended June 30, 2024, and accompanying management disclosure and analysis have been prepared and will be sent to registered and beneficial AQR Shareholders who so request.

See "*Meeting and Proxy Related Information – Matters To Be Acted Upon at the Meeting – Receipt of Financial Statements*".

Appointment of Auditors

At the Meeting, AQR Shareholders will be asked to vote on the appointment of the external auditors and authorizing the AQR Board to set the external auditors' compensation. The AQR Board recommends that you **VOTE FOR** the reappointment of the external auditors and authorizing the AQR Board to set the external auditors' compensation. Unless otherwise instructed, it is the intention of the Management Proxyholders in the enclosed proxy to vote in favour of the reappointment of the external auditors and authorizing the AQR Board to fix the external auditors' remuneration.

See "*Meeting and Proxy Related Information – Matters To Be Acted Upon at the Meeting – Appointment of Auditors*".

Electing Directors

At the Meeting, AQR Shareholders will be asked to elect directors for the ensuing year.

The AQR Board presently consists of five directors, being Keturah Nathe, Joe DeVries, Christopher Cherry, Richard Barnett and Huitt Tracey, each of whom management of AQR propose to nominate for re-election at the Meeting until the next annual meeting of AQR Shareholders.

However, upon Completion of the Qualifying Transaction, it is anticipated that the AQR Board will be reconstituted, with Christopher Cherry and Richard Barnett resigning, and with Richard Drew Martel and Richard Kern to be appointed as directors to fill the vacancies created by such resignations. Pursuant to Section 14.8 of the Articles of AQR, directors may appoint one or more additional directors, but the number of the directors appointed must not at any time exceed one-third of the number of current directors elected. As AQR has five directors, the Resulting Issuer will be appointing one additional director to the Resulting Issuer Board, being Elyssia Patterson. See "*Information Concerning the Resulting Issuer - Officers, Directors and Promoters*".

The AQR Board recommends that AQR Shareholders **VOTE FOR** the directors whom management of AQR propose to nominate for re-election at the Meeting. Unless otherwise instructed, it is the intention of the Management Proxyholders in the enclosed proxy to vote in favour of the election of directors whom management of AQR propose to nominate for re-election at the Meeting.

See "*Meeting and Proxy Related Information – Matters To Be Acted Upon at the Meeting – Election of Directors*".

Approval and Ratification of the New Plan

At the Meeting, AQR Shareholders will be asked to consider and, if thought appropriate, approve the New Plan Resolution.

The AQR Board recommends that you **VOTE FOR** the approval of the New Plan. Unless otherwise instructed, it is the intention of the Management Proxyholders in the enclosed proxy to vote in favour of the New Plan.

See "*Meeting and Proxy Related Information – Matters To Be Acted Upon at the Meeting – Approval and Ratification of the New Plan*", "*Information Concerning AQR – Stock Option Plan*", "*Information Concerning the Resulting Issuer - Description of Securities – Resulting Issuer Equity Awards*" and "*Information Concerning the Resulting Issuer – Security Based Compensation*".

Approval of the Transaction

At the Meeting, AQR Shareholders will be asked to consider and, if thought appropriate, approve the Transaction by passing, with or without variation, the Transaction Resolution.

The AQR Board recommends that you **VOTE FOR** the approval of the Transaction Resolution. Unless otherwise instructed, it is the intention of the Management Proxyholders in the enclosed proxy to vote in favour of the Transaction.

See "*Meeting and Proxy Related Information – Matters To Be Acted Upon at the Meeting – Approval of the Transaction*", "*Information Concerning AQR – The Transaction*", "*Information Concerning Black Pine*" and "*Information Concerning the Resulting Issuer*".

Anquiro Ventures Ltd.

AQR was incorporated pursuant to the provisions of the BCBCA on March 1, 2012, and completed its initial public offering on February 23, 2018. AQR has one subsidiary, AcquisitionCo, which is wholly-owned by AQR. The AQR Shares are listed on the TSXV under the symbol "AQR.P". Trading of the AQR Shares was suspended, effective at the open, on February 28, 2020, as a result of AQR having failed to complete a Qualifying Transaction within 24 months of its listing. Trading remains suspended as of the date of this Circular. The closing price of the AQR Shares on the TSXV on February 24, 2020, the last full day of trading immediately prior to the halt, was \$0.035. The head office and registered and records office of AQR are located at Suite 303, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

See "*Information Concerning AQR – Corporate Structure*" and "*Information Concerning AQR – General Development of the Business*".

The Transaction

On October 17, 2024, AQR, AcquisitionCo, and Black Pine entered into the Merger Agreement. Pursuant to the Merger Agreement, AQR and Black Pine have agreed to complete the Transaction pursuant to which, among other things, Black Pine and AcquisitionCo will amalgamate pursuant to the provisions of the BCBCA to form Amalco and each Black Pine Shareholder will be entitled to receive that number of Resulting Issuer Shares as is equal to the number Black Pine Shares held by such Black Pine Shareholder immediately prior to the Effective Time, at a deemed price of \$0.10 per share.

Immediately after the Transaction Closing and assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) the Subscription Receipt Conversion and (iii) no exercise of any Black Pine Options, it is anticipated there will be approximately 31,431,729 Resulting Issuer Shares issued and outstanding on an undiluted basis, of which approximately:

- (a) 11,000,000 Resulting Issuer Shares will be held by SR Subscribers;
- (b) 4,500,001 Resulting Issuer Shares will be held by former AQR Shareholders; and
- (c) 15,931,728 Resulting Issuer Shares will be held by former Black Pine Shareholders (excluding SR Subscribers).

See "*Information Concerning AQR – The Transaction*" and "*Information Concerning the Resulting Issuer*".

Black Pine Resources Corp.

Black Pine was incorporated under the BCBCA, on October 20, 2017, under the name "Digital Asset Management Corp." On February 23, 2021, Black Pine changed its name to "Black Pine Resources Corp." No public market exists for the securities of Black Pine as of the date hereof. The registered and records office and principal office of Black Pine are located at Suite 303, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

See "*Information Concerning Black Pine – Corporate Structure*".

General Development of the Business of Black Pine

Black Pine is a mineral exploration company focused on the acquisition and exploration of prospective mineral properties, focusing on exploring and developing copper and/or gold deposits. Black Pine is primarily seeking prospects in North America that host porphyry and/or sedimentary copper and gold deposits, from calc-alkaline to alkaline porphyry deposits, to higher grade volcanogenic massive sulphide (VMS) and skarn deposits.

See "*Information Concerning Black Pine – Description of the Business*" and "*Information Concerning Black Pine – Consolidated Capitalization*".

Concurrent Financing

Black Pine anticipates completing a non-brokered private placement offering of a minimum of 11,000,000 Subscription Receipts to SR Subscribers for aggregate gross proceeds of a minimum of \$1,100,000 at a price per Subscription Receipt of \$0.10. The Subscription Receipts will be governed by the Subscription Receipt Certificates. A finder's fee of up to 10% of the gross proceeds of the Concurrent Financing will be payable from the Escrowed Funds on or after the date on which the Escrowed Funds will be released to Black Pine.

On the Concurrent Financing Closing Date, the Escrowed Proceeds will be delivered to and held by the SR Agent and invested in an interest bearing account pursuant to the terms and conditions of the SR Escrow Agreement. Prior to the Effective Time, and upon delivery by Black Pine of the Escrow Release Notice to the SR Agent before the Escrow Release Deadline: (i) the Escrowed Funds will be released by the SR Agent to Black Pine and (ii) each Subscription Receipt will automatically convert, without payment of any additional consideration and without further action on the part of the holder thereof, into one SR Unit, subject to adjustments in certain events.

Each SR Unit is comprised of one Black Pine Share and one SR Warrant, with each SR Warrant being exercisable for a period of three years after its issuance to acquire one Black Pine Share at the price per share of \$0.20, subject to the SRW Acceleration Right.

At the Effective Time, the Black Pine Shares and the SR Warrants comprising the SR Units will be exchanged for Resulting Issuer Shares and Resulting Issuer Warrants, respectively, with each such Resulting Issuer Warrant being exercisable for a period of three years from the issuance date of the exchanged SR Warrant to acquire one Resulting Issuer Share at the price per share of \$0.20, subject to the SRW Acceleration Right.

See "*Information Concerning AQR – General Development of the Business – The Transaction – Concurrent Financing*".

Interests of Insiders, Promoters and Control Persons

Mr. Richard Barnett is the CFO of Black Pine and a director of AQR. Ms. Keturah Nathe is a director of Black Pine and the CEO, President and a director of AQR. Mr. Joe DeVries is a director of each of Black Pine and AQR. As such, each of Ms. Nathe, Mr. DeVries and Mr. Barnett is a Non-Arm's Length Party and Insider to Black Pine and AQR. Each of Ms. Nathe, Mr. DeVries, and Mr. Barnett has informed the Black Pine Board and the AQR Board of his or her disclosable interest and will recuse himself or herself from voting on matters relating to the Transaction that are to be approved prior to the Transaction Closing, and will not receive any consideration in connection with the Transaction, other than as described below.

Richard Drew Martel may be considered to be a Promoter of Black Pine and the Resulting Issuer, as he took the initiative in founding and organizing the business of Black Pine. Mr. Martel is the CEO and President of Black Pine and is anticipated to act as CEO and a director of the Resulting Issuer. As of the date hereof, Mr. Martel owns 1,664,800 Black Pine Shares and holds 538,054 Black Pine Options, representing 10.45% of the Black Pine Shares on an undiluted basis, 13.38% on a partially-diluted basis, and 12.63% on a fully-diluted basis. Mr. Martel does not own any securities of AQR. Immediately after the Transaction Closing, Mr. Martel is anticipated to beneficially own, or control or direct 1,664,800 Resulting Issuer Shares and hold 538,054 Resulting Issuer Options, representing 5.30% of the anticipated issued and outstanding Resulting Issuer Shares on an undiluted basis (assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) Mr. Martel does not participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion and (iv) no exercise of Black Pine Options or SR Warrants prior to the Effective Time), 6.89% on a partially-diluted basis (assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) Mr. Martel does not participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion, and (iv) no exercise of Black Pine Options or SR Warrants prior to the Effective Time, other than the 538,054 Black Pine Options held by Mr. Martel) and 5.01% on a fully-diluted basis (assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) Mr. Martel does not participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion and (iv) the exercise of 1,513,054 Black Pine Options and 11,000,000 SR Warrants).

As of the date of this Circular, the Principals of AQR listed in the table below hold an aggregate of 46.67% of the issued and outstanding AQR Shares and 21.03% of the issued and outstanding Black Pine Shares, in each case, on an undiluted basis, and an aggregate of 28.21% of the issued and outstanding Black Pine Shares, on a partially-diluted basis. Ms. Nathe, Mr. DeVries and Mr. Barnett collectively hold an aggregate of 37.78% of the issued and outstanding AQR Shares and 17.26% of the issued and outstanding Black Pine Shares, in each case, on an undiluted basis, and are anticipated to hold an aggregate of 15.66% of the issued and outstanding Resulting Issuer Shares, on a partially-diluted basis, immediately after the Effective Time (assuming the minimum amount under the Concurrent Financing is raised, that such persons do not participate, directly or indirectly, in the Concurrent Financing, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants prior to the Effective Time). Joe DeVries, a Control Person of AQR, will receive Resulting Issuer Shares pursuant to the Transaction as a result of Mr. DeVries' securityholdings in Black Pine.

The table below sets out the holdings of such Principals in the securities of AQR and Black Pine, as at the date hereof, and the anticipated holdings in the securities the Resulting Issuer, immediately after the Transaction Closing.

Name	Positions	Number and percentage of AQR Shares ⁽¹⁾	Number and percentage of Black Pine Shares ⁽²⁾	Number and percentage of anticipated Resulting Issuer Shares ⁽³⁾
Keturah Nathe ⁽⁴⁾	Director, president and CEO of AQR; director of Black Pine; and proposed director and corporate secretary of the Resulting Issuer	100,000 AQR Shares 2.22%	750,000 Black Pine Shares 4.71% ⁽¹¹⁾	850,000 Resulting Issuer Shares 2.70% ⁽¹⁸⁾
Teresa Cherry ⁽⁵⁾	CFO and corporate secretary of AQR; consultant of Black Pine; and proposed CFO of the Resulting Issuer	100,000 AQR Shares 2.22%	Nil ⁽¹²⁾	100,000 Resulting Issuer Shares 0.32% ⁽¹⁹⁾
Joe DeVries ⁽⁶⁾⁽⁷⁾	Director of AQR and Black Pine; and proposed director of the Resulting Issuer	1,400,001 AQR Shares ⁽⁹⁾ 31.11%	1,750,000 Black Pine Shares ⁽¹³⁾ 10.98% ⁽¹⁴⁾	3,150,001 Resulting Issuer Shares 10.02% ⁽²⁰⁾
Christopher Cherry	Director of AQR	100,000 AQR Shares ⁽¹⁰⁾ 2.22%	500,000 Black Pine Shares 3.14% ⁽¹⁵⁾	600,000 Resulting Issuer Shares 1.91% ⁽²¹⁾
Huitt Tracey	Director of AQR and proposed director of the Resulting Issuer	200,000 AQR Shares 4.44%	100,000 Black Pine Shares 0.63% ⁽¹⁶⁾	300,000 Resulting Issuer Shares 0.95% ⁽²²⁾
Richard Barnett ⁽⁸⁾	Director of AQR; CFO of Black Pine; and proposed sole director of Amalco.	200,000 AQR Shares 4.44%	250,000 Black Pine Shares 1.57% ⁽¹⁷⁾	450,000 Resulting Issuer Shares 1.43% ⁽²³⁾

Notes:

- (1) Percentages are calculated on an undiluted basis and are based on an aggregate of 4,500,001 AQR Shares issued and outstanding as of the date of this Circular. AQR does not have any convertible securities outstanding as of the date of this Circular.
- (2) Percentages are calculated on an undiluted basis and are based on an aggregate of 15,931,728 Black Pine Shares issued and outstanding as of the date of this Circular. Black Pine also has 1,513,054 Black Pine Options outstanding as of the date of this Circular.
- (3) Percentages are calculated on an undiluted basis and are based on an aggregate of 31,431,729 Resulting Issuer Shares anticipated to be outstanding on the Effective Date, assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) none of the persons listed in the table above participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion and (iv) no exercise of Black Pine Options or SR Warrants prior to the Effective Time. The Resulting Issuer is also anticipated to have 1,513,054 Resulting Issuer Options and 11,000,000 Resulting Issuer Warrants outstanding on the Effective Date, assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) the Subscription Receipt Conversion and (iii) no exercise of Black Pine Options or SR Warrants prior to the Effective Time.

- (4) Ms. Nathe also holds 375,000 Black Pine Options, each exercisable for the purchase of one Black Pine Share at a price of \$0.10 per share until March 31, 2027. At the Effective Time, such Black Pine Options will be exchanged for 375,000 Resulting Issuer Options with equivalent terms.
- (5) Ms. Cherry also holds 175,000 Black Pine Options, each exercisable for the purchase of one Black Pine Share at a price of \$0.10 per share until March 31, 2027. At the Effective Time, such Black Pine Options will be exchanged for 175,000 Resulting Issuer Options with equivalent terms.
- (6) Mr. DeVries also holds 125,000 Black Pine Options, each exercisable for the purchase of one Black Pine Share at a price of \$0.10 per share until March 31, 2027. At the Effective Time, such Black Pine Options will be exchanged for 125,000 Resulting Issuer Options with equivalent terms.
- (7) Mr. DeVries is the sole controlling shareholder of Simco. Concurrently with the Transaction Closing, it is anticipated that the Resulting Issuer will enter into the Simco Agreement to retain Simco as an independent contractor to provide the Simco Services for consideration of \$5,506.20 (plus GST) per month. The Resulting Issuer will also reimburse Simco for all reasonable out-of-pocket expenses, plus a 10% payment charge. See "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters*" and "*Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements*".
- (8) Mr. Barnett also holds 175,000 Black Pine Options, each exercisable for the purchase of one Black Pine Share at a price of \$0.10 per share until March 31, 2027. At the Effective Time, such Black Pine Options will be exchanged for 175,000 Resulting Issuer Options with equivalent terms.
- (9) These AQR Shares are held indirectly through Simco Services Inc., a private company that is wholly owned by Mr. DeVries.
- (10) These AQR Shares are held indirectly through Cherry Consulting Ltd., a private company that is wholly owned by Mr. Cherry.
- (11) On a fully-diluted basis, assuming the exercise of 1,513,054 Black Pine Options, Ms. Nathe holds 6.45% of the Black Pine Shares.
- (12) On a fully-diluted basis, assuming the exercise of 1,513,054 Black Pine Options, Ms. Cherry holds 1.00% of the Black Pine Shares.
- (13) These Black Pine Shares are held as follows: 250,000 are held by Mr. DeVries directly, 500,000 are held by Mr. DeVries through G&O Energy Investments Ltd., a private company that is wholly owned by Mr. DeVries, and 1,000,000 are held by Mr. DeVries through Simco, a private company that is wholly owned by Mr. DeVries.
- (14) On a fully-diluted basis, assuming the exercise of 1,513,054 Black Pine Options, Mr. DeVries holds 10.75% of the Black Pine Shares.
- (15) On a fully-diluted basis, assuming the exercise of 1,513,054 Black Pine Options, Mr. Cherry holds 2.87% of the Black Pine Shares.
- (16) On a fully-diluted basis, assuming the exercise of 1,513,054 Black Pine Options, Mr. Tracey holds 0.57% of the Black Pine Shares.
- (17) On a fully-diluted basis, assuming the exercise of 1,513,054 Black Pine Options, Mr. Barnett holds 2.44% of the Black Pine Shares.
- (18) On a fully-diluted basis, assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) Ms. Nathe does not participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion and (iv) the exercise of 1,513,054 Black Pine Options and 11,000,000 SR Warrants, Ms. Nathe holds 2.79% of the Resulting Issuer Shares.
- (19) On a fully-diluted basis, assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) Ms. Cherry does not participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion and (iv) the exercise of 1,513,054 Black Pine Options and 11,000,000 SR Warrants, Ms. Cherry holds 0.63% of the Resulting Issuer Shares.
- (20) On a fully-diluted basis, assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) Mr. DeVries does not participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion and (iv) the exercise of 1,513,054 Black Pine Options and 11,000,000 SR Warrants, Mr. DeVries holds 7.45% of the Resulting Issuer Shares.
- (21) On a fully-diluted basis, assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) Mr. Cherry does not participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion and (iv) the exercise of 1,513,054 Black Pine Options and 11,000,000 SR Warrants, Mr. Cherry holds 1.37% of the Resulting Issuer Shares.
- (22) On a fully-diluted basis, assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) Mr. Tracey does not participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion and (iv) the exercise of 1,513,054 Black Pine Options and 11,000,000 SR Warrants, Mr. Tracey holds 0.68% of the Resulting Issuer Shares.
- (23) On a fully-diluted basis, assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) Mr. Barnett does not participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion and (iv) the exercise of 1,513,054 Black Pine Options and 11,000,000 SR Warrants, Mr. Barnett holds 1.02% of the Resulting Issuer Shares.

See "*Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon*", "*Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions*", "*Information Concerning AQR – Non-Arm's Length Transactions*", "*Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction*", "*Information Concerning Black Pine – Non-Arm's Length Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest*", "*Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements*" and "*Information Concerning the Resulting Issuer – Risk Factors*".

Non-Arm's Length and Related Party Transaction

The Transaction is a Non-Arm's Length Qualifying Transaction as the same parties and their Associates or Affiliates are Control Persons in both AQR and Black Pine. Furthermore, the Transaction may be considered a Related Party Transaction because (a) Ms. Keturah Nathe (President, CEO and a director of AQR) is also a director of Black Pine, Mr. Joe DeVries (a director of AQR) is also a director of Black Pine, and Mr. Richard Barnett (a director of AQR) is also the CFO of Black Pine; and (b) the aggregated holdings of the issued and outstanding AQR Shares and Black Pine Shares by Principals of AQR exceed 20%.

As a Non-Arm's Length Qualifying Transaction and a Related Party Transaction, the Transaction must receive Majority of the Minority Approval pursuant to Policy 2.4 in conjunction with Policy 5.9, which incorporates the provisions of MI 61-101. As a result, the Transaction is conditional upon (among other things) the Transaction Resolution being approved at the Meeting by Majority of the Minority Approval. If Majority of the Minority Approval is obtained at the Meeting for the Transaction Resolution and all of the conditions precedent to the completion of the Transaction contained in the Merger Agreement have been satisfied or waived, the AQR Board intends to complete the Transaction in accordance with the terms of the Merger Agreement.

Policy 2.4 requires that Majority of the Minority Approval is required if the proposed Qualifying Transaction is subject to Policy 5.9, which incorporates the provisions of MI 61-101. Generally speaking, MI 61-101 requires a reporting issuer, unless exempted, to obtain a formal valuation and minority shareholder approval where the transaction in question is a "business combination", an "issuer bid", an "insider bid" or a "related party transaction".

Consequently, AQR is required, unless an exemption is available, to obtain a formal valuation and minority shareholder approval in respect of the Transaction. AQR is not required to obtain a formal valuation because the AQR Shares are not listed on a prescribed stock exchange listed in MI 61-101. However, MI 61-101 does not provide an exemption from the requirement to obtain minority shareholder approval in respect of the Transaction. AQR must therefore obtain Majority of the Minority Approval of the Transaction in accordance with Policy 2.4.

In order to obtain Majority of the Minority Approval of the Transaction, Policy 2.4 requires that the Transaction be approved by the majority of votes cast by AQR Shareholders at the Meeting, other than (a) Non-Arm's Length Parties to AQR; (b) Non-Arm's Length Parties to the Qualifying Transaction; (c) AQR, if it holds any AQR Shares, and (d) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the Transaction.

To the knowledge of AQR and its directors and management, after reasonable inquiry, votes attaching to AQR Shares will be excluded for the purposes of the Majority of the Minority Approval of the Transaction Resolution as set out in the table below.

Name	Number of AQR Shares beneficially owned or over which control or direction is exercised as at the date hereof	Percentage of issued and outstanding AQR Shares as at the date hereof⁽¹⁾
Keturah Nathe	100,000	2.22%
Teresa Cherry	100,000	2.22%
Joe DeVries	1,400,001	31.11%
Christopher Cherry	100,000	2.22%
Huitt Tracey	200,000	4.44%
Richard Barnett	200,000	4.44%
TOTAL	2,100,001	46.67%

Note:

(1) Percentages are on an undiluted basis and are based on an aggregate of 4,500,001 AQR Shares issued and outstanding as of the date of this Circular.

See "*Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon*", "*Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions*", "*Information Concerning AQR – Non-Arm's Length Transactions*", "*Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction*", "*Information Concerning Black Pine – Non-Arm's Length Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest*", "*Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements*" and "*Information Concerning the Resulting Issuer – Risk Factors*".

Information about the Resulting Issuer

The corporate name of the Resulting Issuer is anticipated to be "Black Pine Holdings Corp." or such other name as the AQR Board and the Black Pine Board may determine and is acceptable to the regulators. The Resulting Issuer's head office and registered and records office will be located at Suite 303, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

See "*Information Concerning the Resulting Issuer*".

Available Funds

The table below sets out the estimated funds available to the Resulting Issuer as at October 31, 2024, after giving effect to the Transaction and assuming the minimum amount under the Concurrent Financing is raised and the Subscription Receipt Conversion (the "**Available Funds**").

Source of funds	Amount
Estimated AQR working capital as at October 31, 2024	\$(99,564)
Estimated Black Pine working capital as at October 31, 2024	\$61,656 ⁽¹⁾
Estimated Escrowed Funds	\$990,000 ⁽²⁾
Total estimated Available Funds:	\$952,092

Note:

- (1) Assumes no exercise of Black Pine Options or SR Warrants prior to the Effective Time and does not include the Escrowed Funds. It is anticipated that the Escrowed Funds will be released by the SR Agent to Black Pine immediately prior to the Effective Time, assuming the Subscription Receipt Conversion.
- (2) Assumes the maximum finder's fee is paid in connection with the Concurrent Financing. A finder's fee of up to 10% of the Escrowed Proceeds is payable from the Escrowed Funds on or after the date on which the Escrowed Funds will be released to Black Pine.

The table below sets out the proposed use of the Available Funds as at October 31, 2024, by the Resulting Issuer after giving effect to the Transaction.

Principal uses of estimated Available Funds	Amount
Exploration expenditures sufficient to satisfy the Property Agreement for the next 12 months	\$202,000 ⁽¹⁾⁽²⁾
General and administrative costs for the next 12 months	\$350,000 ⁽³⁾
Estimated transaction costs	\$254,500 ⁽⁴⁾
Repayment of shareholder loan	\$5,499 ⁽⁵⁾
Unallocated working capital	\$140,093 ⁽⁶⁾
Total uses of funds:	\$952,092

Notes:

- (1) The Phase 1 exploration program recommended in the Technical Report is \$202,000. See "*Information Concerning Black Pine – Description of the Business – Technical Report*".
- (2) Pursuant to the Property Agreement, an aggregate of US\$300,000 worth of exploration expenditures are required by no later than the first anniversary of the GBR Closing Date and expenditures paid by Black Pine prior to such date are applied against the first-year expenditures. The table below sets out the year 1 expenditures that were incurred before October 31, 2024, and the balance of the year 1 expenditures required to be incurred.

Expenditure requirement for year 1	US\$300,000
Expenditures incurred as at October 31, 2024	US\$224,488
Balance of year 1 expenditures required	US\$75,512
Currency Rate:	1.3944
Balance of year 1 expenditures converted to Canadian dollars using the Currency Rate	\$105,293 (rounded down)

See "*Information Concerning the Resulting Issuer – Business Objectives and Milestones*".

- (3) The general and administrative costs are anticipated to be comprised of NEO salaries and management fees of \$186,074.40, legal fees of \$15,000, sustain fees of \$6,000, costs related to the annual general meeting of shareholders of the Resulting Issuer of \$6,000, transfer agent and filing fees of \$12,000, shareholder communication fees of \$5,000, audit related fees of \$50,000, travel fees of \$20,000, and additional miscellaneous costs of \$49,925.60.
- (4) Estimated transaction costs are anticipated to be comprised of TSXV filing fee of \$25,000, legal fees of \$130,000, transfer agent costs (including any costs associated with the Meeting) of \$9,000, and additional transaction costs of \$90,500.
- (5) On May 30, 2012, shortly after the incorporation of AQR, \$5,499 was loaned to AQR by Simco, a company that is wholly-owned by Mr. Joe DeVries, a director of AQR, to fund AQR's working capital needs. The Resulting Issuer anticipates that the repayment of the loan to Simco is exempt from the formal valuation and shareholder approval requirements set forth in Section 5.4(1) and 5.6 of MI 61-101, respectively, as the fair market value of the loan to be repaid to Simco will not exceed 25% of the market capitalization of the Resulting Issuer at the

time of such repayment for the purposes of section 5.5(a) and 5.7(1)(a) of MI 61-101. The repayment of the loan may be seen as a Collateral Benefit of Simco, and Joe DeVries, in connection with the Transaction.

- (6) Unallocated working capital may be allocated to additional exploration program expenditures beyond what is sufficient to satisfy the exploration expenditure requirements pursuant to the Property Agreement.

See "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Selected Pro Forma Financial Information

The table below sets out a summary of selected pro forma consolidated financial information of the Resulting Issuer as at June 30, 2024, after giving effect to the Pro Forma Adjustments and assuming the Pro Forma Assumptions. The table below should be read in conjunction with the Pro Forma Financial Statements attached as Schedule I hereto.

Balance sheet data	As of June 30, 2024
Current assets	\$1,186,024
Total assets	\$4,266,275
Current liabilities	\$243,438
Total liabilities	\$243,438
Shareholders' equity	\$4,022,837

See "*Information Concerning the Resulting Issuer – Selected Pro Forma Financial Information*".

Selected Financial Information of AQR

The table below sets out certain selected financial information of AQR as at and for the dates and periods indicated, which information is derived from, and should be read in conjunction with, the financial statements of AQR attached as Schedule B, Schedule C and Schedule D hereto.

	As at and for the year ended June 30, 2024 (audited)	As at and for the year ended June 30, 2023 (audited)	As at and for the year ended June 30, 2022 (audited)
Balance sheet data			
Total assets	\$1,265	\$18,377	\$51,291
Total liabilities	\$209,149	\$83,769	\$38,377
Shareholders' equity (deficit)	\$(207,884)	\$(65,392)	\$12,914
Summary operating results			
Total revenues	Nil	Nil	Nil
Total expenses	\$47,492	\$173,306	\$51,392
Net loss	\$47,492	\$173,306	\$51,392

See "*Information Concerning AQR – Selected Financial Information*" and "*Information Concerning AQR – Management's Discussion and Analysis*".

Selected Financial Information of Black Pine

The table below sets out certain selected financial information of Black Pine as at and for the dates and periods indicated, which information is derived from, and should be read in conjunction with, the financial statements of Black Pine attached as Schedule E, Schedule F and Schedule H hereto.

	As at and for the year ended December 31, 2023 (audited)	As at and for the year ended December 31, 2022 (audited)	As at and for the six months ended June 30, 2024 (unaudited)
Balance sheet data			
Total assets	\$676,956	\$1,028,759	\$473,953

	As at and for the year ended December 31, 2023 (audited)	As at and for the year ended December 31, 2022 (audited)	As at and for the six months ended June 30, 2024 (unaudited)
Total liabilities	\$29,078	\$36,080	\$34,289
Shareholders' equity (deficit)	\$647,878	\$992,679	\$439,664
Summary operating results			
Revenue	Nil	Nil	Nil
Gross profit	Nil	Nil	Nil
Operating expenses	\$371,322	\$173,209	\$208,214
Net loss before taxes	\$371,322	\$173,209	\$208,214
Tax expense	Nil	Nil	Nil
Loss and comprehensive loss	\$371,322	\$173,209	\$208,214

Black Pine declared no cash dividends during the periods ended December 31, 2023, December 31, 2022, and June 30, 2024.

See "*Information Concerning Black Pine – Selected Financial Information*" and "*Information Concerning Black Pine – Management's Discussion and Analysis*".

Conditional Listing Approval

The TSXV has conditionally approved the Transaction, subject to AQR and Black Pine fulfilling all of the requirements of the TSXV on or before February 11, 2025.

See "*Information Concerning AQR – General Development of the Business – The Transaction – Conditional Listing Approval*".

Trading Price

The AQR Shares have been posted for trading on the TSXV since February 23, 2018, under the trading symbol "AQR.P". Trading of the AQR Shares was suspended, effective at the open, on February 28, 2020, as a result of AQR having failed to complete a Qualifying Transaction within 24 months of its listing. Trading remains suspended as of the date of this Circular. The closing price of the AQR Shares on the TSXV on February 24, 2020, the last full day of trading immediately prior to the halt, was \$0.035. AQR Shares remain halted as of the date of this Circular.

See "*Information Concerning AQR – Trading Price and Volume*".

Sponsorship

Sponsorship for a Qualifying Transaction is required by Policy 2.4 unless an exemption or waiver from the sponsorship requirement is granted to AQR by the TSXV. AQR is exempt from sponsorship pursuant to section 3.4(a)(i) of Policy 2.2 – Sponsorship and Sponsorship Requirements of the TSXV Manual.

See "*General Matters – Sponsorship*".

Conflicts of Interest

Mr. Richard Barnett is the CFO of Black Pine and a director of AQR. Ms. Keturah Nathe is a director of Black Pine and the CEO, President and a director of AQR. Mr. Joe DeVries is a director of each of Black Pine and AQR. As such, each of Ms. Nathe, Mr. DeVries and Mr. Barnett is a Non-Arm's Length Party and Insider to Black Pine and AQR. Each of Ms. Nathe, Mr. DeVries, and Mr. Barnett has informed the Black Pine Board and the AQR Board of his or her disclosable interest and will recuse himself or herself from voting on matters relating to the Transaction that are to be approved prior to the Transaction Closing, and will not receive any consideration in connection with the Transaction.

Mr. Joe DeVries is a "related party" (as such term is defined in MI 61-101) to AQR and is anticipated to be a "related party" to the Resulting Issuer on the Transaction Closing Date. Mr. DeVries is also the sole shareholder of Simco. Concurrently with the Transaction Closing, it is anticipated that the Resulting Issuer will enter into the Simco Agreement to retain Simco as an independent contractor to provide the Simco Services for consideration of \$5,506.20 (plus GST) per month. The Resulting Issuer will also reimburse Simco for all reasonable out-of-pocket expenses, plus a 10% payment charge.

Mr. Richard Kern, a director of Black Pine and a proposed director of the Resulting Issuer, is the president of GBR, which is the counterparty to the Property Agreement. Mr. Kern has advised the Black Pine Board of his disclosable interest and has recused himself from voting on matters relating to the Property Agreement. Mr. Kern has advised Black Pine that he has not received any consideration in connection with the Property Agreement.

In addition, certain directors and officers of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest. In accordance with the BCBCA, directors or officers of the Resulting Issuer who have a material interest in a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Some of the directors and officers of the Resulting Issuer have or will have either other employment or other business or time restrictions placed on them and, accordingly, these directors and officers of the Resulting Issuer will only be able to devote part of their time to the affairs of the Resulting Issuer.

See "*Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon*", "*Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions*", "*Information Concerning AQR – Non-Arm's Length Transactions*", "*Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction*", "*Information Concerning Black Pine – Non-Arm's Length Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest*", "*Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements*" and "*Information Concerning the Resulting Issuer – Risk Factors*".

Interests of Experts

No person or company who is named as having prepared or certified a part of this Circular or prepared or certified a report or valuation described or included in this Circular has, or will have, immediately following the Transaction Closing, any direct or indirect interest in Black Pine, AQR or the Resulting Issuer, other than as disclosed in this section.

DMCL LLP, Chartered Professional Accountants, are the auditors of AQR and have confirmed with respect to AQR that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

Davidson & Company LLP are the auditors of Black Pine and have confirmed with respect to Black Pine that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

R. A. Lunceford, MSc., CPG, an independent consulting geologist and "qualified person" as defined in NI 43-101 is the author responsible for the preparation of the Technical Report. As of the date hereof, Mr. Lunceford has not received, and will not receive, any registered or beneficial interest, direct or indirect in any securities or other property of AQR or Black Pine.

See "*General Matters – Interests of Experts*".

Risk Factors

The following risk factors are not a definitive list of all risk factors associated with the Transaction. Additional risks and uncertainties, including those currently unknown or considered immaterial by AQR and Black Pine, may also adversely affect the Resulting Issuer Shares and/or the business of the Resulting Issuer following the Transaction Closing: Forward-Looking Information may prove inaccurate; the Resulting Issuer may issue additional equity securities diluting the ownership interest of existing Resulting Issuer shareholders; the Resulting Issuer's status as a reporting issuer may increase price volatility; AQR and Black Pine have negative operating cash flow and no history of earnings and have had negative cash flow from operating activities since inception; potential profitability of mineral properties is dependent upon many factors beyond the Resulting Issuer's control; substantial expenditures are required to establish commercial production on the Sugarloaf Property; the Resulting Issuer will rely on outside parties and the quality of such parties' work could adversely affect the business of the Resulting Issuer; the Resulting Issuer may enter into strategic alliances with third parties and be exposed to risks inherent in strategic alliances; the Resulting Issuer's future success depends on its continuing ability to attract, develop, motivate, and retain key management personnel; the Resulting Issuer can provide no assurances that its management's past experience will be sufficient to enable the Resulting Issuer to successfully operate as a public company; the Resulting Issuer may be subject to various potential conflicts of interest; the Resulting Issuer's employees, independent contractors and consultants may engage in fraudulent or other illegal activity; reputational loss may result in decreased customer confidence; failure or difficulty in implementing new or improved internal controls could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations; the Resulting issuer's operations could be affected by economic risks; the Resulting Issuer may fail to apply proceeds effectively; the Resulting Issuer may fail to successfully integrate or obtain benefits from acquired businesses; the development of the Resulting issuer may require additional financing which is not guaranteed; sales forecasts could prove inaccurate; market price of Resulting Issuer Shares may be subject to wide price fluctuations; the Resulting Issuer may not manage growth effectively; the Resulting Issuer may fail to turn a profit or generate immediate revenues; the Resulting Issuer may be exposed to equity price risk; anti money-laundering laws could prevent the Resulting Issuer from distributing proceeds to shareholders if violated; existing and future laws and regulations may impede the Resulting Issuer's growth strategies, increase costs of doing business, or have other adverse effects on the business of the Resulting Issuer; challenging global financial conditions could negatively impact the ability of the Resulting Issuer to obtain financing or impact the price of its securities; the Resulting Issuer will be exposed to credit and liquidity risks; the Resulting Issuer may become involved in various claims, legal proceedings, and disputes; there can be no assurance that the Resulting Issuer will declare a dividend on a quarterly, annual or other basis; the Resulting Issuer is exposed to foreign currency risk as the Sugarloaf Property is situated in the United States; mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines; the Resulting Issuer will not have an interest in any mineral property that presently contains any commercial ore; the grade of material ultimately mined may differ from that indicated by drilling or other laboratory results; failure to obtain mining equipment when needed may result in delays in the Resulting Issuer's exploration programs; the Resulting Issuer will be subject to risks and hazards typical of companies engaged in the mining industry; operations during mining cycle peaks are more expensive; there is no assurance that the Resulting Issuer will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSXV; the Sugarloaf Property is not a producing property and its ultimate success will depend on its operating ability to generate cash flow from producing properties in the future; the Resulting Issuer's operations are at an early stage of development and its success will depend on the outcome of proposed exploration programs; there can be no guarantee that the Resulting Issuer 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; no assurances can be given that the Resulting Issuer may not face challenges to the title of the Sugarloaf Property or subsequent properties it may acquire; there is no assurance that local community or native land claims with respect to the Resulting Issuer's property will not be asserted in the future; there is no guarantee the Resulting Issuer will be able to raise sufficient funding in the future to make required payments within prescribed time periods pursuant to the Property Agreement in order for the Resulting Issuer to explore and develop the Sugarloaf Property so as to maintain its interests therein; the mining industry is intensely competitive in all its phases; several of the Resulting Issuer's directors and officers act as directors and officers of other mineral exploration companies and situations may arise where these directors and officers will be in direct competition with the Resulting Issuer; environmental laws and regulations may affect the operations of the Resulting Issuer; social and environmental activism may affect the operations of the Resulting Issuer; health and safety laws and regulations may affect the operations of the Resulting Issuer; natural disasters, geopolitical instability, or other unforeseen

events could adversely impact the Resulting Issuer; and not all risks to the Resulting Issuer's operations are insurable.

See "*Information Concerning the Resulting Issuer – Risk Factors.*"

MEETING AND PROXY RELATED INFORMATION

Proxy Related Matters

AQR is providing this Circular and a form of proxy in connection with management's solicitation of proxies for use at the Meeting. AQR will conduct its solicitation by mail and officers and employees of AQR may, without receiving special compensation, also telephone or make other personal contact at nominal cost. AQR will pay the cost of solicitation.

Appointment of Proxyholder

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

An AQR Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the AQR 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 an AQR Shareholder.

Voting by Proxy

Only registered AQR Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the notice of meeting accompanying this Circular (the "**Notice of Meeting**") in accordance with the instructions of the AQR Shareholder on any ballot that may be called for and if the AQR Shareholder specifies a choice with respect to any matter to be acted upon, the AQR Shares will be voted accordingly.

If an AQR Shareholder does not specify a choice and the AQR Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of AQR knows of no such amendments, variations or other matters to come before the Meeting.

Completion and Return of Proxy

Completed forms of proxy must be deposited at the office of AQR's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by mail or facsimile, or vote by telephone or through the Internet in accordance with the instructions set out in the form of proxy accompanying this Circular not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

Notice-and-Access

AQR is not sending this Circular to registered or beneficial AQR Shareholders using "notice-and-access" as defined under NI 54-101.

Non-Registered Holders

Only AQR Shareholders whose names appear on the records of AQR as the registered holders of AQR Shares or duly appointed proxyholders are permitted to vote at the Meeting. Most AQR Shareholders are

"non-registered" shareholders because the AQR Shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the AQR Shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your AQR Shares through a broker, you are likely an unregistered holder.

In accordance with securities regulatory policy, AQR has distributed copies of the Meeting materials, being the Notice of Meeting, this Circular and the related proxy, to the Nominees for distribution to non-registered holders.

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

If you, as a non-registered holder, wish to vote at the Meeting in person, 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 Nominee and return the form to the Nominee 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 now permits AQR to forward meeting materials directly to "non objecting beneficial owners". If AQR or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, AQR (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

NOBOs

AQR is sending the proxy-related materials for the Meeting directly to "non objecting beneficial owners" as such term is defined under NI 54-101 ("**NOBOs**"). The name and address and information about NOBO holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominees holding on behalf of NOBOs. By choosing to send these materials to NOBOs directly, AQR (and not the Nominees holding on behalf of NOBOs) has assumed responsibility for (i) delivering these materials to NOBOs and (ii) executing the proper voting instructions of NOBOs.

OBOs

AQR is not paying for Nominees to deliver the proxy-related materials and Form 54-101F7 to "objecting beneficial owners", as such term is defined under NI 54-101 ("**OBOs**"). As a result, OBOs may not receive the Meeting materials.

Revocability of Proxy

Any registered AQR 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 registered AQR Shareholder, his attorney authorized in writing or, if the registered AQR Shareholder is a Company, a Company under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of AQR, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered AQR 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 Nominees to revoke the proxy on their behalf.**

Voting Shares and Principal Holders Thereof

There are 4,500,001 AQR Shares issued and outstanding as of the date of this Circular. Persons who are registered AQR Shareholders at the close of business on November 19, 2024 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each AQR Share held.

To the knowledge of the directors and executive officers of AQR, no person beneficially owns, controls or directs, directly or indirectly, AQR Shares carrying 10% or more of the voting rights attached to all AQR Shares, other than Mr. Joe DeVries, who owns 1,400,001 AQR Shares, representing 31.11% of the AQR Shares that are issued and outstanding as at the date of this Circular.

See "*Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon*", "*Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions*", "*Information Concerning AQR – Non-Arm's Length Transactions*", "*Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction*", "*Information Concerning Black Pine – Non-Arm's Length Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest*", "*Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements*" and "*Information Concerning the Resulting Issuer – Risk Factors*".

Interest of Certain Persons in Matters To Be Acted Upon

Except as described elsewhere in this Circular, management of AQR is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (a) any director or executive officer of AQR, (b) any proposed nominee for election as a director of AQR or the Resulting Issuer, and (c) any associates or affiliates of any of the persons or companies listed in (a) and (b), in any matter to be acted on at the Meeting.

See "*Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions*", "*Information Concerning AQR – Non-Arm's Length Transactions*", "*Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction*", "*Information Concerning Black Pine – Non-Arm's Length Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest*", "*Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements*" and "*Information Concerning the Resulting Issuer – Risk Factors*".

Requisite Securityholder Approvals

The requisite approval for the New Plan Resolution is a majority of votes cast by AQR Shareholders present in person or represented by proxy at the Meeting.

The requisite approval for the Transaction Resolution is Majority of the Minority Approval. The Transaction must be approved at the Meeting by a majority of votes cast on the Transaction Resolution excluding votes cast by any Non-Arm's Length Parties due to the Majority of the Minority Approval requirements imposed pursuant to Policy 2.4 in conjunction with Policy 5.9, which incorporates the provisions of MI 61-101.

See "*Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon*", "*Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions*", "*Information Concerning AQR – Non-Arm's Length Transactions*", "*Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction*", "*Information Concerning Black Pine – Non-Arm's Length Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest*", "*Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements*" and "*Information Concerning the Resulting Issuer – Risk Factors*".

Matters To Be Acted Upon at the Meeting

Receipt of Financial Statements

At the Meeting, the audited financial statements of AQR for the financial year ended June 30, 2024, together with the report of the auditors thereon, will be placed before the AQR Shareholders. No vote by the AQR Shareholders is required with respect to this matter.

Appointment of Auditors

Unless otherwise instructed, the Management Proxyholders will vote for the re-appointment of DMCL LLP as the auditors of AQR, to hold office for the ensuing year at a remuneration to be fixed by the directors. DMCL LLP were first appointed as auditors on August 21, 2017.

Election of Directors

The directors of AQR are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

AQR currently has five directors, all of whom are being nominated for re-election. At the Meeting, AQR Shareholders will be asked to re-elect the five nominees set forth in the table below as directors of AQR, to hold office until the next annual meeting of the AQR Shareholders or until their successors are duly elected or appointed. Each of the nominees, if elected as a director of AQR, will hold office until the next annual meeting of AQR Shareholders or until his successor is duly elected or appointed or his office is vacated earlier in accordance with the articles and by-laws of AQR. Each director nominee will be elected on an individual basis and not as a member of a slate.

Management of AQR proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, and each other person whose term office as a director will continue after the Meeting, is as follows:

Name, jurisdiction of residence and position	Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years	Previous service as a director	Number of AQR Shares beneficially owned, controlled or directed, directly or indirectly ⁽²⁾
Keturah Nathe Pitt Meadows, B.C. President, CEO and Director	Corporate Advisor for several public companies; CEO and President of American Biofuels Inc., since January 2019; and CEO and President of AQR since June 2017.	June 12, 2017	100,000 AQR Shares
Joe DeVries ⁽¹⁾ Delta, B.C. Director	Business Manager for several public companies; CEO, President and a director of Altima Resources Ltd., and Petrichor Energy Inc.	March 1, 2012	1,400,001 AQR Shares ⁽³⁾
Christopher Cherry ⁽¹⁾ Vancouver, B.C. Director	Chartered Professional Accountant, (CPA, CA); self-employed management consultant providing management and accounting consulting services to public companies since 2007; director and/or officer of several public companies.	June 12, 2017	100,000 AQR Shares ⁽⁴⁾
Richard Barnett ⁽¹⁾ Port Moody, B.C. Director	Chartered Professional Accountant (CPA, CGA), director or CFO of several TSXV and CSE listed companies; CFO or Controller of public and private companies for over 26 years.	June 12, 2017	200,000 AQR Shares

Name, jurisdiction of residence and position	Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years	Previous service as a director	Number of AQR Shares beneficially owned, controlled or directed, directly or indirectly ⁽²⁾
Huitt Tracey Vancouver, B.C. Director	Licensed Realtor since May 2003.	June 12, 2017	200,000 AQR Shares

Notes:

- (1) Member of the AQR Audit Committee.
- (2) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date hereof, based upon information furnished to AQR by individual directors. Unless otherwise indicated, such AQR Shares are held directly.
- (3) These AQR Shares are held indirectly through Simco Services Inc., a private company controlled by Joe DeVries.
- (4) These AQR Shares are held indirectly through Cherry Consulting Ltd., a private company controlled by Christopher Cherry.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.

Except as set out below and under "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters*", to the knowledge of AQR, no proposed director (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including AQR) that (i) was subject to an Order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order 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, (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including AQR) 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, (c) has, within the 10 years before the date of this 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, or (d) has been subject to (i) 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 (ii) 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.

The table below sets out those directors of AQR that are, or have been within the five years prior to the date hereof, director or officers of other reporting issuers (or the equivalent) in Canada or elsewhere.

Director	Name of reporting issuer	Exchange	Position	From	To
Keturah Nathe	Nevada Lithium Resources Inc (NVLH)	CSE	Director	Jul 7/23	Present
	American Biofuels Inc. (ABS)	TSXV	Interim President, CEO, Director	Mar 20/19	Present
	Iconic Minerals Ltd. (ICM)	TSXV	Director	Jan 14/19	Present
	St. Georges Eco Mining (SX)	CSE	Director	Aug 2/21	Present
Joe DeVries	Petrichor Energy Inc. (PTP)	TSXV	President, CEO, Director	Aug 25/05	Present
	Altima Resources Ltd. (ARH)	TSXV	President, CEO, Director	Oct 28/16	Present
Christopher Cherry	American Biofuels Inc. (ABS)	TSXV	Director	Oct 25/18	Present

Director	Name of reporting issuer	Exchange	Position	From	To
	AI Artificial Intelligence Ventures Inc.(AIVC)	TSXV	CFO	Oct 26/16	Present
	AuQ Gold Mining Inc. (AUQ)	TSXV	CFO	Jul 11/16	Present
	Blackwell Intelligence Inc. (BLKWF)	OTC Markets	CFO	Dec 31/21	Jul 6/22
	Christina Lake Cannabis Corp. (CLS)	CSE	Director	May 25/17	Present
	CloudMD Software & Services Inc. (DOC)	TSXV	Director	Sep 24/19	Present
	Clydesdale Resources Inc. (CEO.H)	NEX	Director	Oct 6/16	Present
	Columbus Energy Limited (CEL.H)	NEX	CFO	Oct 1/16	Present
	Critical Reagent Processing Corp. (CRPC)	CSE	Director	Apr 4/18	Present
	Doubleview Gold Corp. (DBG)	TSXV	CFO and Director	Jul 17/17	Present
	Energy Plug Technologies Corp (PLUG)	CSE	CFO and Director	Dec 21/16	Jun 28/22
	Eon Lithium Corp (EON)	CSE	CFO	Jan 13/22	Present
	Gold Port Corporation (GPO)	CSE	CFO and Director	Jan 18/17	Present
	Harvest Gold Corporation (HVG)	TSXV	Director	Oct 1/14	Present
	Infinity Stone Ventures Corp. (GEMS)	CSE	Director	Jul 12/21	Present
	Leef Brands Inc. (LEEF)	CSE	Director	May 28/19	Nov 30/22
	Lightspeed Discoveries Inc. (LSD.H)	NEX	Director	Nov 12/19	Present
	Lithium South Development Corp. (LIS)	TSXV	CFO and Director	Nov 25/14	Present
	Lynx Global Digital Financial Corporation (LYNX)	CSE	CFO and Director	Jan 12/21	Present
	Medbright AI Investments Inc. (MBAI)	CSE	Director	Sep 17/21	Present
	NetCents Technology Inc. (NC)	CSE	CFO	Oct 1/18	May 21/21
	Petrichor Energy Inc. (PTP)	TSXV	Director	May 3/17	Present
	Treatment.com International Inc. (TRUE)	CSE	Director	Mar 31/21	Present
	WPD Pharmaceuticals Inc. (WBIO)	CSE	CFO	Dec 27/19	Aug 19/20
Richard Barnett	Altima Resources Ltd. (ARH)	TSXV	CFO, Secretary and Director	Jul 31/09	Present
	Iconic Minerals Ltd. (ICM)	TSXV	CFO, Secretary	Jan 30/09	Present
	Petrichor Energy Inc. (PTP)	TSXV	CFO, Secretary and Director	Jul 31/09	Present
	St-Georges Eco-Mining Corp. (SX)	CSE	CFO	May 22/15	Present
	Margaret Lake Diamonds Inc. (DIA)	TSXV	CFO	Aug 2/22	Present
	American Biofuels Inc. (ABS)	TSXV	Director	Dec 3/08	Present
	Gold Port Corporation (GPO)	CSE	Director	Jul 20/20	Present
Huitt Tracey	Iconic Minerals Ltd. (ICM)	TSXV	Director	Jul 23/14	Present

Approval and Ratification of the New Plan

The AQR Board adopted the Existing Plan on August 30, 2017. The Existing Plan was accepted for filing by the TSXV on December 13, 2017, and was last approved by the AQR Shareholders on May 24, 2023.

As at November 24, 2021, the TSXV amended its rules and policies regarding issuer security based compensation plans under TSXV Policy 4.4 *Security Based Compensation*. In order to comply with such amendments, on November 13, 2024, the AQR Board approved the adoption of an omnibus equity incentive plan (the "**New Plan**"), subject to the approval of the AQR Shareholders and the TSXV, and with the intention of having the New Plan implemented following the Transaction Closing. The New Plan will allow the Resulting Issuer to grant equity-based incentive awards in the form of Resulting Issuer Equity Awards, as described in further detail below.

A summary of the New Plan is set out below. The summary is qualified in its entirety by the full text of the New Plan. In the case of conflict between this summary and the New Plan, the terms of the New Plan will govern. The summary below uses certain terms that are defined in the New Plan, a copy of which can be found attached as Schedule N hereto. Capitalized terms not otherwise defined in this section shall have the meaning ascribed to such term in the New Plan.

The purpose of the New Plan is to, among other things: (i) provide the Resulting Issuer with an equity-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Resulting Issuer and its subsidiaries, (ii) reward directors, officers, employees and consultants that have been granted awards under the New Plan for their contributions toward the long-term goals and success of the Resulting Issuer, and (iii) enable and encourage such directors, officers, employees and consultants to acquire Resulting Issuer Shares as long-term investments in the Resulting Issuer.

The New Plan allows the grant of equity-based incentive awards in the form of Resulting Issuer Options, Resulting Issuer RSUs, Resulting Issuer PSUs, Resulting Issuer DSUs and Resulting Issuer SARs, as described in further detail below.

Shares Subject to the New Plan

The New Plan is a "fixed" plan in that, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Resulting Issuer Shares), it provides that the aggregate maximum number of Resulting Issuer Shares that may be reserved for issuance under the New Plan, at any time, shall not exceed 15% of the issued and outstanding Resulting Issuer Shares at the time of implementation of the New Plan. Assuming the minimum amount under the Concurrent Financing is raised, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants prior to the Effective Time, it is anticipated that there will be 31,431,729 Resulting Issuer Shares issued and outstanding immediately following the Transaction Closing. As such, it is anticipated that there will be an aggregate of 4,714,759 Resulting Issuer Shares reserved for issuance under the New Plan, including 1,513,054 Resulting Issuer Shares reserved for issuance pursuant to the 1,513,054 Resulting Issuer Options anticipated to be issued in exchange for the 1,513,054 Black Pine Options outstanding as of the date of this Circular.

Insider Participation Limit

The New Plan provides that unless disinterested shareholder approval is obtained, the aggregate number of Resulting Issuer Shares (a) issuable to Insiders at any time (under all of the Resulting Issuer's security-based compensation arrangements) cannot exceed ten (10%) percent of the Resulting Issuer's issued and outstanding Resulting Issuer Shares, and (b) issued to Insiders within any one-year period (under all of the Resulting Issuer's security-based compensation arrangements) cannot exceed ten (10%) percent of the issued and outstanding Resulting Issuer Shares.

Furthermore, the New Plan provides that for so long as Resulting Issuer Shares are listed and posted for trading on the TSXV, (a) not more than 2% of the issued and outstanding Resulting Issuer Shares may be granted to any one consultant in any 12 month period, (b) investor relations service providers may not receive any Resulting Issuer Equity Awards other the Resulting Issuer Options, (c) not more than an aggregate of 2% of the issued and

outstanding Resulting Issuer Shares may be granted in aggregate pursuant to Resulting Issuer Equity Awards to investor relations service providers in any 12 month period, (d) unless the Resulting Issuer has obtained disinterested approval, not more than 5% of the issued and outstanding Resulting Issuer Shares may be issued to any one person in any 12 month period and (e) unless the Resulting Issuer has obtained disinterested shareholder approval, the Resulting Issuer shall not decrease the exercise price or extend the term of Resulting Issuer Options previously granted to Insiders.

Except for so long as Resulting Issuer Shares are listed and posted for trading on the TSXV, any Resulting Issuer Shares issued by the Resulting Issuer through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Resulting Issuer Shares available for issuance pursuant to the exercise of Resulting Issuer Equity Awards granted under the New Plan.

Administration of the New Plan

The Plan Administrator will be determined by the Resulting Issuer Board, and will initially be the Resulting Issuer Board. The administration of the New Plan may in the future be delegated to a committee of the Resulting Issuer Board. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive Resulting Issuer Equity Awards under the New Plan, the time or times at which Resulting Issuer Equity Awards may be granted, the conditions under which Resulting Issuer Equity Awards may be granted or forfeited to the Resulting Issuer, the number of Resulting Issuer Shares to be covered by any Resulting Issuer Equity Award, the exercise price of any Resulting Issuer Equity Award, whether restrictions or limitations are to be imposed on Resulting Issuer Shares issuable pursuant to grants of any Resulting Issuer Equity Award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any Resulting Issuer Equity Award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the New Plan and may adopt administrative rules, regulations, procedures and guidelines governing the New Plan or any Resulting Issuer Equity Awards granted under the New Plan as it deems appropriate.

Eligibility

All directors, officers, consultants and employees are eligible to participate in the New Plan. The extent to which any such individual is entitled to receive a grant of a Resulting Issuer Equity Award pursuant to the New Plan will be determined in the discretion of the Plan Administrator.

Types of Awards

Awards of Resulting Issuer Options, Resulting Issuer RSUs, Resulting Issuer PSUs, Resulting Issuer DSUs and Resulting Issuer SARs may be made under the New Plan. All of the Resulting Issuer Equity Awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the New Plan, and will generally be evidenced by an Award Agreement. In addition, subject to the limitations provided in the New Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of Resulting Issuer Equity Awards, cancel or modify outstanding Resulting Issuer Equity Awards, and waive any condition imposed with respect to Resulting Issuer Equity Awards or Resulting Issuer Shares issued pursuant to Resulting Issuer Equity Awards.

Options

A Resulting Issuer Option entitles a holder thereof to purchase a prescribed number of Resulting Issuer Shares at an exercise price set at the time of the grant. The Plan Administrator will establish the exercise price at the time each Resulting Issuer Option is granted, which exercise price must in all cases be not less than the Discounted Market Price for so long as Resulting Issuer Shares are listed and posted for trading on the TSXV. Subject to any accelerated termination as set forth in the New Plan, each Resulting Issuer Option expires on its respective expiry date. The Plan Administrator will have the authority to determine the vesting terms applicable to grants of Resulting Issuer Options, subject to the restrictions in the New Plan relating to Resulting Issuer Options granted to investor

relations service providers. Once a Resulting Issuer Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Resulting Issuer Option, unless otherwise specified by the Plan Administrator, or as otherwise set forth in any written employment agreement, consulting agreement, Award Agreement or other written agreement between the Resulting Issuer or a subsidiary of the Resulting Issuer and the Participant. The Plan Administrator has the right to accelerate the date upon which any Resulting Issuer Option becomes exercisable. The Plan Administrator may provide at the time of granting a Resulting Issuer Option that the exercise of that Resulting Issuer Option is subject to restrictions, in addition to those specified in the New Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Plan Administrator at the time of granting a Resulting Issuer Option and set forth in the particular Award Agreement, an exercise notice must be accompanied by payment of the exercise price. The exercise price of Resulting Issuer Options must be fully paid by certified cheque, wire transfer, bank draft or money order payable to the Resulting Issuer or by such other means as might be specified by the Plan Administrator, which, to the extent permitted by and otherwise subject to the rules and policies of the TSXV, may include through a cashless exercise process. For more details regarding the cashless exercise process, please see the New Plan.

Restricted Share Units

A Resulting Issuer RSU is a unit equivalent in value to a Resulting Issuer Share credited by means of a bookkeeping entry in the books of the Resulting Issuer which entitles the holder to receive one Resulting Issuer Share (or the value thereof) for each Resulting Issuer RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the New Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Resulting Issuer RSUs to any Participant in respect of services rendered by the applicable Participant in a taxation year (the "**RSU Service Year**").

The number of Resulting Issuer RSUs (including fractional Resulting Issuer RSUs) granted at any particular time under the New Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in Resulting Issuer RSUs (including the elected amount, as applicable), as determined by the Plan Administrator, by (b) the greater of (i) the Discounted Market Price of a Resulting Issuer Share on the date of grant, or and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of Resulting Issuer RSUs, provided that, for so long as the Resulting Issuer Shares are listed and posted for trading on the TSXV, no RSUs may vest before the date that is one year following the date of grant.

Upon settlement, holders will receive (a) one Resulting Issuer Share in respect of each vested Resulting Issuer RSU, (b) a cash payment or (c) a combination of Resulting Issuer Shares and cash, in each case as determined by the Plan Administrator. Any such cash payments made by the Resulting Issuer shall be calculated by multiplying the number of Resulting Issuer RSUs to be redeemed for cash by the Market Price per Resulting Issuer Share as at the settlement date. Subject to the provisions of the New Plan and except as otherwise provided in an Award Agreement, no settlement date for any Resulting Issuer RSU shall occur, and no Resulting Issuer Share shall be issued or cash payment shall be made in respect of any Resulting Issuer RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

Performance Share Units

A Resulting Issuer PSU is a unit equivalent in value to a Resulting Issuer Share credited by means of a bookkeeping entry in the books of the Resulting Issuer which entitles the holder to receive one Resulting Issuer Share (or the value thereof) for each Resulting Issuer PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any Resulting Issuer PSUs granted, the termination of a Participant's employment and the amount of any payment or transfer to be made pursuant to any Resulting Issuer PSU will be determined by the Plan Administrator and by the other terms and conditions of any Resulting Issuer PSU, all as set forth in the applicable Award Agreement. The Plan Administrator may, from time to time, subject to the provisions of the New Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Resulting Issuer PSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the "**PSU Service Year**").

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of Resulting Issuer PSUs, provided that, for so long as the Resulting Issuer Shares are listed and posted for trading on the TSXV, no PSUs may vest before the date that is one year following the date of grant. Upon settlement, holders will receive (a) one Resulting Issuer Share in respect of each vested Resulting Issuer PSU, (b) a cash payment, or (c) a combination of Resulting Issuer Shares and cash, in each case as determined by the Plan Administrator. Any such cash payments made by the Resulting Issuer to a Participant shall be calculated by multiplying the number of Resulting Issuer PSUs to be redeemed for cash by the Market Price per Resulting Issuer Share as at the settlement date. Subject to the provisions of the New Plan and except as otherwise provided in an Award Agreement, no settlement date for any Resulting Issuer PSU shall occur, and no Resulting Issuer Share shall be issued or cash payment shall be made in respect of any Resulting Issuer PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

Deferred Share Units

A Resulting Issuer DSU is a unit equivalent in value to a Resulting Issuer Share credited by means of a bookkeeping entry in the books of the Resulting Issuer which entitles the holder to receive one Resulting Issuer Share (or, at the election of the holder and subject to the approval of the Plan Administrator, the cash value thereof) for each Resulting Issuer DSU on a future date. The Board may fix from time to time a portion of the total compensation paid by the Resulting Issuer to an eligible person in a calendar year for service that are to be payable in the form of Resulting Issuer DSUs. In addition, subject to the prior approval of the Plan Administrator, certain persons designated by the Plan Administrator are given, subject to the provisions of the New Plan, the right to elect to receive a portion of his or her compensation owing to them in the form of Resulting Issuer DSUs.

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of Resulting Issuer DSUs, provided that, for so long as the Resulting Issuer Shares are listed and posted for trading on the TSXV, no DSUs may vest before the date that is one year following the date of grant. The number of Resulting Issuer DSUs (including fractional Resulting Issuer DSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation elected to be paid by the issuance of Resulting Issuer DSUs that are paid in Resulting Issuer DSUs, by (b) the Market Price of a Resulting Issuer Share on the date of grant. Upon settlement, holders will receive (a) one Resulting Issuer Share in respect of each vested Resulting Issuer DSU, (b) a cash payment, or (c) a combination of Resulting Issuer Shares and cash, in each case as determined by the Plan Administrator in its sole discretion. Any cash payments made under the New Plan by the Resulting Issuer to a Participant in respect of Resulting Issuer DSUs to be redeemed for cash shall be calculated by multiplying the number of Resulting Issuer DSUs to be redeemed for cash by the Market Price per Resulting Issuer Share as at the settlement date.

Stock Appreciation Rights

A Resulting Issuer SAR is a right of a recipient to be paid compensation equivalent to an appreciation in the value of Resulting Issuer Shares over a certain period of time. Each Resulting Issuer SAR entitles the holder to receive, upon the payment of the exercise price in respect thereto, one Resulting Issuer Share (or, at the election of the holder and subject to the approval of the Plan Administrator, the cash value thereof) for each Resulting Issuer SAR on a future date.

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of Resulting Issuer SARs, provided that, for so long as the Resulting Issuer Shares are listed and posted for trading on the TSXV, no SARs may vest before the date that is one year following the date of grant. Upon payment of the exercise price in respect of each Resulting Issuer SAR, which shall be the fair market value of Resulting Issuer Shares as determined by the Plan Administrator at the time of grant, provided that such fair market value shall not be less than the minimum price permitted by applicable laws and the policies of the TSXV, holders will receive (a) one Resulting Issuer Share in respect of each vested Resulting Issuer SAR, (b) a cash payment, or (c) a combination of Resulting Issuer Shares and cash, in each case as determined by the Plan Administrator in its sole discretion. Any cash payments made under the New Plan by the Resulting Issuer to a Participant in respect of Resulting Issuer SAR to be redeemed for cash shall be calculated by multiplying the number of Resulting Issuer SAR to be redeemed for cash by the difference between the Market Price and the exercise price in respect of such Resulting Issuer SAR

(assuming that the holder thereof has elected to exercise such Resulting Issuer SARs by way of a cashless exercise) per Resulting Issuer Share as at the settlement date.

Dividend Equivalents

Unless otherwise determined by the Plan Administrator, awards of Resulting Issuer RSUs, Resulting Issuer PSUs, Resulting Issuer DSUs and Resulting Issuer SARs shall be credited with dividend equivalents in the form of additional Resulting Issuer RSUs, Resulting Issuer PSU, Resulting Issuer DSUs and Resulting Issuer SARs, as applicable. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the Resulting Issuer Equity Awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Resulting Issuer Share by the number of Resulting Issuer RSUs, Resulting Issuer PSUs, Resulting Issuer DSUs and Resulting Issuer SARs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places. For clarity, any dividend equivalents granted shall be included in calculating the limits prescribed by the New Plan. If the Resulting Issuer does not have a sufficient number of available Resulting Issuer Shares under the New Plan to grant such dividend equivalents, the Resulting Issuer shall make such dividend payment in cash.

Term

While the New Plan does not stipulate a specific term for Resulting Issuer Equity Awards granted thereunder, other than the Resulting Issuer Options, which are subject to a maximum term of 10 years from the date of grant, subject to certain adjustments, as discussed below, shareholder approval is required to permit an Resulting Issuer Option to be exercisable beyond 10 years from its date of grant, except where an expiry date would have fallen within a blackout period of the Resulting Issuer under the New Plan. All Resulting Issuer Equity Awards must vest and settle in accordance with the provisions of the New Plan and any applicable Award Agreement, which Award Agreement may include an expiry date for a specific Resulting Issuer Equity Award.

Payment of Exercise Price

A Participant may elect to exercise Resulting Issuer Options on a cashless basis (a "**Cashless Exercise**"). A "Cashless Exercise" means the exercise of Resulting Issuer Options where the Resulting Issuer has an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to the Participant to purchase the Resulting Issuer Shares underlying the Resulting Issuer Options and then the brokerage firm sells a sufficient number of Resulting Issuer Shares to cover the exercise price of the Resulting Issuer Options in order to repay the loan made to the Participant and receives an equivalent number of Resulting Issuer Shares from the exercise of the Resulting Issuer Options as were sold to cover the loan and the Participant then receives the balance of the Resulting Issuer Shares or the cash proceeds from the balance of the Resulting Issuer Shares. Pursuant to a Cashless Exercise, a Participant shall deliver a properly executed exercise notice together with irrevocable instructions to a broker providing for assignment to the Resulting Issuer of the proceeds of a sale or loan with respect to some or all of the Resulting Issuer Shares being acquired upon the exercise of the Resulting Issuer Options. The Resulting Issuer reserves the right, in the Resulting Issuer's sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Resulting Issuer Options by means of a Cashless Exercise, including with respect to one or more Participants specified by the Resulting Issuer notwithstanding that such program or procedures may be available to other Participants.

Termination of Employment or Services

The table below describes the impact of certain events upon the Participants under the New Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a Participant's applicable employment agreement, consulting agreement, Award Agreement or other

written agreement and subject to applicable employment standards legislation or regulations applicable to the Participant's employment or other engagement with the Resulting Issuer or any of its subsidiaries.

Event	Provisions
Termination for Cause	Any unvested Resulting Issuer Equity Awards held that have not been exercised, settled or surrendered as of the Termination Date shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Resulting Issuer Equity Awards.
Resignation Termination without Cause	Any vested Resulting Issuer Equity Awards may, subject to the terms of the New Plan be exercised, settled or surrendered to the Resulting Issuer by the Participant at any time during the period that terminates on the date that is 90 days after the Termination Date, with any Resulting Issuer Equity Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Resulting Issuer Equity Awards.
Disability	A portion of any Resulting Issuer Equity Award held by the Participant that has not vested as of the date of the Disability of such Participant will continue to vest for a period of 12 months following the date of such Disability in accordance with its terms and, if any such Resulting Issuer Equity Awards vest, shall be exercised, settled or surrendered to the Resulting Issuer by the Participant in accordance with this Plan; provided that with respect to any Resulting Issuer PSUs held by such Participant, the attainment of Performance Goals shall be assessed on the basis of actual achievement of the Performance Goals up to the Termination Date, if the applicable performance period has been completed and the Resulting Issuer can determine if the Performance Goals have been attained, failing which the Resulting Issuer will assume Target Performance. Notwithstanding the foregoing, if, following his or her Disability, the Participant breaches the terms of any restrictive covenant in the Participant's written or other applicable employment or other agreement with the Resulting Issuer or a subsidiary of the Resulting Issuer, any Resulting Issuer Equity Award held by the Participant that has not been exercised, surrendered or settled shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Resulting Issuer Equity Awards. For avoidance of doubt, if any Resulting Issuer Equity Awards have not: (i) vested; or (ii) been exercised, settled or surrendered to the Resulting Issuer by the Participant in accordance with this Plan, in each case, prior to the 12 month anniversary of the date of Disability, all such unvested and/or unexercised, unsettled or unsurrendered Resulting Issuer Equity Awards shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Resulting Issuer Equity Awards
Death	Any Resulting Issuer Equity Award held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date and may, subject to the terms of the New Plan, be exercised, settled or surrendered to the Resulting Issuer by the Participant (its heirs and legal administrator) at any time during the period that terminates on the first anniversary of the date of death, provided that with respect to any Resulting Issuer PSUs held by such Participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the date of death of such Participant, if the applicable performance period has been completed and the Resulting Issuer can determine if the performance goals have been attained, failing which the Resulting Issuer will assume Target Performance. Any Resulting Issuer Equity Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Resulting Issuer Equity Awards.
Retirement	Any Resulting Issuer Equity Award held by the Participant that has not vested as of the date of Retirement shall continue to vest in accordance with its terms and, if any such Resulting Issuer Equity Awards vest, shall be exercised, settled or surrendered by the Resulting Issuer to the Participant provided that (a) with respect to any Resulting Issuer PSUs held by such Participant, the attainment of performance goals shall be assessed on the basis of actual achievement of

Event	Provisions
	<p>the performance goals up to the Termination Date, if the applicable performance period has been completed and the Resulting Issuer can determine if the performance goals have been attained, failing which the Resulting Issuer will assume Target Performance, and (b) for so long as the Resulting Issuer Shares are listed and posted for trading on the TSXV, any such Resulting Issuer Equity Award shall expire within a reasonable period, not exceeding twelve (12) months from the Termination Date, following which the Participant shall not be entitled to any damages or other amounts in respect of such expired Resulting Issuer Equity Awards.</p> <p>Notwithstanding the foregoing, if, following his or her Retirement, the Participant breaches the terms of any restrictive covenant in the Participant's written or other applicable employment or other agreement with the Resulting Issuer or a subsidiary of the Resulting Issuer, any Resulting Issuer Equity Award held by the Participant that has not been exercised, surrendered or settled shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Resulting Issuer Equity Awards.</p>

The Plan Administrator may, in its discretion, at any time prior to, or following the events listed above, or in an employment agreement, consulting agreement, Award Agreement or other written agreement between the Resulting Issuer or a subsidiary of the Resulting Issuer and a person receiving an Resulting Issuer Equity Award under the New Plan, permit the acceleration or vesting of any or all Resulting Issuer Equity Awards or waive termination of any or all Resulting Issuer Equity Awards, all in the manner and on the terms as may be authorized by the Plan Administrator; provided that, for so long as Resulting Issuer Shares are listed and posted for trading on the TSXV, (a) no acceleration of the vesting of Resulting Issuer Options granted to investor relations service providers is permitted without prior TSXV acceptance; and (b) no Resulting Issuer Equity Awards (other than Resulting Issuer Options) may vest before the date that is one year following the date it is granted or issued, other than as may be permitted or not prohibited pursuant to TSXV policies.

At the Meeting, AQR Shareholders will be asked to consider and, if thought appropriate, approve the New Plan by passing, with or without variation, the New Plan Resolution, the full text of which is set forth in Schedule A hereto.

The New Plan requires approval by a majority of the votes cast by AQR Shareholders present in person or by proxy at the Meeting.

THE AQR BOARD UNANIMOUSLY RECOMMENDS THAT THE AQR SHAREHOLDERS APPROVE THE NEW PLAN. UNLESS OTHERWISE INSTRUCTED, IT IS THE INTENTION OF THE MANAGEMENT PROXYHOLDERS IN THE ENCLOSED PROXY TO VOTE IN FAVOUR OF THE NEW PLAN RESOLUTION.

Approval of the Transaction

At the Meeting, AQR Shareholders will be asked to consider and, if thought appropriate, approve the Transaction by passing, with or without variation, the Transaction Resolution, the full text of which is set forth in Schedule A hereto.

See "*Information Concerning AQR – General Development of the Business – The Transaction*", "*Information Concerning Black Pine*", "*Information Concerning the Resulting Issuer*" and Schedule A for information and considerations regarding Black Pine, the Transaction, and the Transaction Resolution.

See also "*Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon*", "*Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions*", "*Information Concerning AQR – Non-Arm's Length Transactions*", "*Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction*", "*Information Concerning Black Pine – Non-Arm's Length Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest*", "*Information Concerning the Resulting Issuer – Executive*

Compensation – Employment, Consulting and Management Agreements" and "Information Concerning the Resulting Issuer – Risk Factors".

The Transaction must receive Majority of the Minority Approval.

THE AQR BOARD UNANIMOUSLY RECOMMENDS THAT THE AQR SHAREHOLDERS APPROVE THE TRANSACTION. UNLESS OTHERWISE INSTRUCTED, IT IS THE INTENTION OF THE MANAGEMENT PROXYHOLDERS IN THE ENCLOSED PROXY TO VOTE IN FAVOUR OF THE TRANSACTION RESOLUTION.

Other Business

Management is not aware of any other matters to come before the Meeting, other than those set out in the Notice of Meeting. If other matters come before the Meeting, it is the intention of the Management Proxyholders, if named as proxyholders, to vote the same in accordance with their best judgment in such matters.

Executive Compensation

Compensation Discussion and Analysis

AQR currently makes no compensation payments to its executive officers or directors. After the Transaction Closing, the Resulting Issuer will implement the compensation policies discussed under "*Information Concerning the Resulting Issuer – Executive Compensation – Compensation Discussion and Analysis*".

Process for Determining Executive Compensation

The independent directors will review the levels of compensation for executive officers based on internal discussions, but to date have not yet established any formal objectives, criteria, or benchmark analyses.

Total compensation for executive officers may include base salary or management fee and long-term incentive stock options.

Hedging of Economic Risks in AQR's Securities

AQR has not adopted a policy forbidding directors and officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of AQR's securities granted as compensation or held, directly or indirectly, by directors or officers. AQR is not, however, aware of any directors or officers having entered into this type of transaction.

Option-Based Awards

AQR's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of AQR. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSXV, and closely align the interests of the executive officers with the interests of AQR Shareholders.

As there is currently no compensation committee, the independent directors of AQR (currently being Joe DeVries, Huitt Tracey and Richard Barnett) have the responsibility to administer the compensation policies related to the executive management of AQR, including option-based awards.

Summary Compensation Table

AQR currently has two Named Executive Officers, being Keturah Nathe, CEO, and Teresa Cherry, CFO. AQR has not paid any compensation to its NEOs during the financial years ended June 30, 2024, 2023, and 2022.

Incentive Plan Awards

AQR does not currently 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.

Outstanding Share-Based Awards and Option-Based Awards

As at June 30, 2024, there were no AQR Options issued and outstanding.

Value Vested Or Earned During The Year

There was no value vested in respect of option-based awards and share-based awards and no value earned in respect of non-equity incentive plan compensation by the NEOs of AQR during the financial year ended June 30, 2024.

Pension Plan Benefits

AQR does not have a pension plan that provides for payments or benefits to the NEOs at, following or in connection with retirement.

Termination and Change of Control Benefits

AQR and its subsidiaries have no employment contracts with any Named Executive Officer. Neither AQR, nor its subsidiaries, has a contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of AQR or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

Director Compensation

AQR did not paid any compensation to its directors during the financial year ended June 30, 2024.

AQR has no arrangements, standard or otherwise, pursuant to which directors are compensated by AQR 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 financial year or subsequently, up to and including the date of this Circular.

Incentive Stock Option Plan

The Existing Plan allows AQR to grant AQR Options to its officers, employees, consultants and directors. The purpose of granting AQR Options is to assist AQR in compensating, attracting, retaining and motivating the directors, officers, consultants and employees of AQR, and to closely align the personal interests of such persons to that of the AQR Shareholders.

AQR is a Capital Pool Company listed on the TSXV. AQR adopted the Existing Plan on August 31, 2017. The terms of the Existing Plan provide that the number of AQR Shares which may be reserved for issuance under the Existing Plan (together with all other share compensation arrangements of AQR) shall not exceed 10% (being 450,000) of the number of AQR Shares outstanding at the closing of AQR's initial public offering, being 4,500,001.

The number of AQR Shares which may be issuable under the Existing Plan is subject to the following limitations (a) prior to the Completion of the Qualifying Transaction, to any individual director or officer may not exceed 5% of the AQR Shares outstanding at the closing of AQR's initial public offering; (b) prior to the Completion of the Qualifying Transaction, to all technical consultants may not exceed 2% of the AQR Shares outstanding at the closing of AQR's initial public offering; (c) after the Completion of the Qualifying Transaction, within a one-year period to any one

optionee, shall not exceed 5% of the total number of issued and outstanding AQR Shares on the grant date of such options on an undiluted basis, unless AQR has obtained disinterested shareholder approval to exceed such limit; (d) after the Completion of the Qualifying Transaction, within a one-year period to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares on the date of grant on an undiluted basis, unless AQR has obtained disinterested shareholder approval to exceed such limit; (e) after the Completion of the Qualifying Transaction, within a one-year period to any one consultant shall not exceed 2% of the total number of issued and outstanding AQR Shares on the date of grant on an undiluted basis; and (f) after the Completion of the Qualifying Transaction, within a one-year period to all eligible persons who undertake investor relations activities shall not exceed 2% in the aggregate of the total number of issued and outstanding AQR Shares on the date of grant on an undiluted basis.

No option may be exercised before Completion of the Qualifying Transaction unless the optionee agrees in writing to deposit the AQR Shares acquired upon exercise of such option in escrow until the issuance of the Final Exchange Bulletin.

Securities Authorized for Issuance under Equity Compensation Plans

The table below sets forth AQR's compensation plans under which equity securities are authorized for issuance as at June 30, 2024.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Nil	N/A	450,000 ⁽¹⁾⁽²⁾
Equity compensation plans not approved by securityholders	Nil	N/A	N/A ⁽¹⁾⁽²⁾
Total	Nil	N/A	450,000⁽¹⁾⁽²⁾

Notes:

- (1) The terms of the Existing Plan provide that, until completion of a Qualifying Transaction, the number of AQR Shares reserved for issuance shall not exceed 450,000, being 10% of the number of issued and outstanding AQR Shares on closing of AQR's initial public offering February 23, 2018. As at the date hereof, there are no AQR Options outstanding under the Existing Plan.
- (2) Assuming the AQR Shareholders approve the New Plan at the Meeting, the New Plan will replace the Existing Plan at the Effective Time and the 450,000 Resulting Issuer Shares reserved for issuance under the Existing Plan will become reserved for issuance under the New Plan. It is anticipated that an aggregate of 4,714,759 Resulting Issuer Shares will be reserved for issuance under the New Plan, including 1,513,054 Resulting Issuer Shares reserved for issuance pursuant to the 1,513,054 Resulting Issuer Options anticipated to be issued in exchange for the 1,513,054 Black Pine Options outstanding as of the date of this Circular.

Outstanding Share-Based Awards and Option-Based Awards

As at June 30, 2024, there were no AQR Options issued and outstanding.

Value Vested Or Earned During The Year

There was no value vested in respect of option-based awards and share-based awards and no value earned in respect of non-equity incentive plan compensation by the NEOs of AQR during the financial year ended June 30, 2024.

Corporate Governance Disclosure

AQR is currently listed on the TSXV as a Capital Pool Company and currently has no assets, other than cash, and has not commenced commercial operations. National Instrument 58-201, *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. AQR has reviewed its own

corporate governance practices in light of these guidelines. In certain cases, AQR's practices comply with the guidelines. However, the AQR Board considers that some of the guidelines are not suitable for AQR at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101, *Corporate Governance Disclosure*, mandates disclosure of corporate governance practices which disclosure is set out below.

Independence of Members of Board

As at the date hereof, the AQR Board consists of five directors, a majority of whom are independent based upon the tests for independence set forth in NI 52-110. Joe DeVries, Huitt Tracey and Richard Barnett are independent. Keturah Nathe is not independent as she is the President and CEO of AQR. Christopher Cherry is not independent as he is the spouse of Teresa Cherry, the CFO of AQR.

Management Supervision by Board

The size of AQR is such that all AQR's operations are conducted by a small management team which is also represented on the AQR Board. The AQR Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are involved in reviewing and supervising the operations of AQR and have full access to management. The independent directors are, however, able to meet at any time without any members of management including the non-independent directors being present. Further supervision is performed through the audit committee which is composed of a majority of independent directors who meet with AQR's auditors without management being in attendance.

Participation of Directors in Other Reporting Issuers

Certain directors of AQR are, or have been within the five years prior to the date hereof, director or officers of other reporting issuers (or the equivalent) in Canada or elsewhere.

See "*Meeting and Proxy Related Information – Matters To Be Acted Upon at the Meeting – Election of Directors*".

Orientation and Continuing Education

While AQR does not have formal orientation and training programs, new Board members are provided with access to recent, publicly filed documents of AQR, technical reports and AQR's internal financial information; and access to management.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars. Board members have full access to AQR's records.

Ethical Business Conduct

The AQR Board views good corporate governance as an integral component to the success of AQR and to meet responsibilities to AQR Shareholders.

Nomination of Directors

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

Compensation of Directors and the CEO

The independent directors of AQR are Joe DeVries, Richard Barnett and Huitt Tracey. These directors have the responsibility for determining compensation for the directors and senior management.

AQR is currently listed on the TSXV as a CPC and is therefore prohibited from making payments to its directors and officers as remuneration (e.g., salaries, consulting fees, management contract fees and directors' fees). Accordingly, the AQR Board does not consider it necessary or useful at this stage of AQR's development to take any steps to determine compensation for the directors and CEO.

Board Committees

As the directors are actively involved in the operations of AQR and the size of AQR's operations does not warrant a larger AQR Board, the Board has determined that additional committees are not necessary at this stage of AQR's development.

Assessments

The AQR Board does not consider that formal assessments would be useful at this stage of AQR's development.

Expectations of Management

The AQR Board expects management to operate the business of AQR in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute AQR's business plan and to meet performance goals and objectives.

Audit Committee

Audit Committee's Charter

The AQR Audit Committee's charter is attached as Schedule M hereto.

Composition of the AQR Audit Committee

The members of the AQR Audit Committee are Joe DeVries, Christopher Cherry and Richard Barnett, each of whom financially literate, as such term is defined in NI 52-110. Joe DeVries and Richard Barnett are independent, as such term is defined in NI 52-110, and Christopher Cherry is not independent as he is the spouse of Teresa Cherry, the CFO of AQR.

Relevant Education and Experience

Joe DeVries: Mr. DeVries has been a self-employed business manager for several Canadian public companies since January 1990, and has been Chief Executive Officer and a director of three other public companies. He meets on a regular basis with employees involved with in-house accounting, as well as the AQR Audit Committee and outside Auditors.

Christopher Cherry: Mr. Cherry is a Chartered Professional Accountant (CPA, CA) and self-employed management consultant providing management and accounting consulting services to public companies since 2007.

Richard Barnett: Mr. Barnett is a Chartered Professional Accountant (CPA, CGA) and has been director, CFO or Controller for several public companies for over 29 years.

Audit Committee Oversight

At no time since the commencement of AQR's most recently completed financial year was a recommendation of the AQR Audit Committee to nominate or compensate an external auditors not adopted by the AQR Board.

Reliance on Certain Exemptions

At no time since the commencement of AQR's most recently completed financial year has AQR relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. AQR is relying upon the exemption in Section 6.1 of NI 52-110 (*Venture Issuers*).

Pre-Approval Policies and Procedures

The AQR Audit Committee has adopted specific policies and procedures for the engagement of non-audit services.

External Auditors Service Fees (By Category)

The table below sets out the aggregate fees billed by AQR's external auditors in the fiscal years ended June 30, 2023 and 2024.

Financial year ending	Audit fees	Audit-related fees ⁽¹⁾	Tax fees	All other fees
2024	\$18,220	\$15,000	Nil	Nil
2023	\$15,186	\$5,000	Nil	Nil

Note:

- (1) Audit related fees means the aggregate fees billed for assurance and related services by AQR's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" in the table above, including assistance with specific audit procedures on interim financial information.

Exemption in Section 6.1 of NI 52-110

AQR is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

Indebtedness of Directors and Executive Officers

As at the date hereof, there was no indebtedness outstanding of any current or former director, executive officer or employee of AQR which is owing to AQR or which is owing to another entity, which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by AQR entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the financial year was, a director or executive officer of AQR, no proposed nominee for election as a director of AQR and no associate of such persons (a) is or at any time since the beginning of the most recently completed financial year has been, indebted to AQR; or (b) whose indebtedness to another entity is, or at any time since the beginning of 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 AQR, in relation to a securities purchase program or other program.

Interest of Informed Persons in Material Transactions

Except as described elsewhere in this Circular, none of the informed persons (as such term is defined in NI 51-102) of AQR, any proposed director of AQR or the Resulting Issuer, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of AQR since the commencement of AQR's last financial year or in any proposed transaction which has materially affected or would materially affect AQR or AcquisitionCo.

See *"Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon"*, *"Information Concerning AQR – Non-Arm's Length Transactions"*, *"Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction"*, *"Information Concerning Black Pine – Non-Arm's Length Transactions"*, *"Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions"*, *"Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest"*, *"Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements"* and *"Information Concerning the Resulting Issuer – Risk Factors"*.

Additional Information

Additional information relating to AQR is on SEDAR+ at www.sedarplus.ca. AQR Shareholders may contact AQR at Suite 303, 595 Howe Street, Vancouver, British Columbia, V6C 2T5 to request copies of AQR's financial statements and MD&A.

INFORMATION CONCERNING AQR

Corporate Structure

Name, Address and Incorporation

AQR was incorporated pursuant to the provisions of the BCBCA on March 1, 2012, and completed its initial public offering on February 23, 2018.

On October 19, 2018, pursuant to a resolution of AQR Board, AQR adopted an advance notice policy, which is intended to provide shareholders, directors and management of AQR with a clear framework for nominating directors of AQR. The advance notice provisions set a deadline by which AQR Shareholders must submit written director nomination notices to AQR and set forth information that must be included in the written director nomination notices. The advance notice policy was ratified by AQR Shareholders at annual general meeting held on December 21, 2018.

The AQR Shares are listed on the TSXV under the symbol "AQR.P". Trading of the AQR Shares was suspended, effective at the open, on February 28, 2020, as a result of AQR having failed to complete a Qualifying Transaction within 24 months of its listing. Trading remains suspended as of the date of this Circular. The closing price of the AQR Shares on the TSXV on February 24, 2020, the last full day of trading immediately prior to the halt, was \$0.035.

The head office and registered and records office of AQR are located at Suite 303, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

Intercorporate Relationships

AQR has one subsidiary, AcquisitionCo, which is wholly-owned by AQR. AcquisitionCo was incorporated pursuant to the provisions of the BCBCA on October 1, 2024. See "*Information Concerning AQR – General Development of the Business – History of AQR – Unwinding of Acquisition of*".

General Development of the Business

History of AQR

AQR is a CPC and its principal business is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction and having identified and evaluated such opportunities, to negotiate an acquisition or participation subject to acceptance by the TSXV.

As of June 29, 2017, AQR had issued 2,500,001 AQR Shares at a price of \$0.05 for gross proceeds of \$125,000.05.

On December 20, 2017, AQR became a reporting issuer in the Provinces of British Columbia and Alberta.

On February 23, 2018, AQR completed its initial public offering of 2,000,000 AQR Shares at a price of \$0.10 per share for aggregate gross proceeds of \$200,000. The AQR Shares are listed on the TSXV under the symbol "AQR.P" and commenced trading on the TSXV on February 26, 2018.

Trading of the AQR Shares was suspended, effective at the open, on February 28, 2020, as a result of AQR having failed to complete a Qualifying Transaction within 24 months of its listing. Trading remains suspended as of the date of this Circular.

On July 8, 2021, AQR held its annual general and special meeting of AQR Shareholders. At the meeting, the AQR Shareholders approved (i) the removal of the consequences associated with AQR not completing a Qualifying Transaction within 24 months of its listing date, and (ii) authorized AQR to make certain amendments to AQR's

existing escrow agreement to effect changes contemplated under the new Policy 2.4, which came into effect January 1, 2021 (the "**CPC Escrow Amendment**").

On February 21, 2023, AQR and Black Pine entered into the Letter of Intent in connection with the Transaction. The Letter of Intent was amended on April 30, 2023, May 30, 2023, and June 9, 2023, to extend the deadline to enter into the Merger Agreement.

AQR held an annual general meeting of AQR Shareholders on May 24, 2023, where AQR Shareholders approved, among other things, the election of certain directors and the approval of the Existing Plan.

On June 19, 2023, AQR, AFC, and Black Pine entered into a merger agreement, which superseded and replaced the Letter of Intent. AQR, AFC, and Black Pine subsequently entered into an amended and restated merger agreement on October 22, 2023, and an amending letter dated January 31, 2024, in connection with certain amendments to such merger agreement. On May 21, 2024, AQR, AFC, and Black Pine entered into the AFC Merger Agreement.

On October 17, 2024, AQR, AFC and Black Pine terminated the AFC Merger Agreement pursuant to a termination agreement and AQR, AcquisitionCo and Black Pine entered into the Merger Agreement.

On November 12, 2024, AQR, AcquisitionCo and Black Pine entered into an amending agreement to amend the Merger Agreement to, *inter alia*, increase the Concurrent Financing from up to 10,000,000 Subscription Receipts to a minimum of 11,000,000 Subscription Receipts and to confirm that a finder's fee of up to 10% of the gross proceeds of the Concurrent Financing will be payable from the Escrowed Funds on or after the date on which the Escrowed Funds will be released to Black Pine.

See "*Information Concerning AQR – Trading Price and Volume*", "*Information Concerning the Resulting Issuer – Escrowed Securities – Escrowed Securities – CPC Escrow*", "*Information Concerning the Resulting Issuer – Security Based Compensation – New Omnibus Equity Incentive Plan*" and "*Information Concerning AQR – The Transaction*".

Unwinding of Acquisition of AFC

On November 6, 2020, Richard Barnett, a director of AQR, incorporated AFC in anticipation of a potential Qualifying Transaction. The intention was to transfer the incorporator share to AQR shortly after incorporation; however, due to an administrative delay, this transfer was not effected until June 8, 2023.

On June 8, 2023, AQR acquired 100% of the common shares of AFC, being one common share of AFC, for consideration of \$1.00.

On October 17, 2024, at the request of the TSXV, AQR unwound the acquisition of AFC through the sale of the one common share of AFC back to Mr. Barnett for consideration of \$1.00 pursuant to the AFC SPA.

The Transaction

The following description of the material terms and conditions of the Merger Agreement is a summary only and is qualified in its entirety by reference to the terms of the Merger Agreement. The full text of the Merger Agreement is available under AQR's profile on SEDAR+ at www.sedarplus.ca. The terms and conditions of the Merger Agreement were established through negotiations between AQR and Black Pine.

The Transaction is intended to result in a reverse take-over of AQR by Black Pine which, upon completion, will constitute a Qualifying Transaction for AQR under Policy 2.4 and Black Pine Shareholders (including the SR Subscribers) will own the substantial majority of the Resulting Issuer Shares. Black Pine is a company incorporated under the BCBCA, is not a reporting issuer in any Province or Territory of Canada and does not have any of its securities listed or quoted on any stock exchange.

The Transaction is a Non-Arm's Length Qualifying Transaction as the same parties and their Associates or Affiliates are Control Persons in both AQR and Black Pine. Furthermore, the Transaction may be considered a Related Party Transaction because (a) Ms. Keturah Nathe (President, CEO and a director of AQR) is also a director of Black Pine, Mr. Joe DeVries (a director of AQR) is also a director of Black Pine, and Mr. Richard Barnett (a director of AQR) is also the CFO of Black Pine; and (b) the aggregated holdings of the issued and outstanding AQR Shares and Black Pine Shares by Principals of AQR exceed 20%.

As a Non-Arm's Length Qualifying Transaction and a Related Party Transaction, the Transaction must receive Majority of the Minority Approval pursuant to Policy 2.4 in conjunction with Policy 5.9, which incorporates the provisions of MI 61-101. As a result, the Transaction is conditional upon (among other things) the Transaction Resolution being approved at the Meeting by Majority of the Minority Approval. If Majority of the Minority Approval is obtained at the Meeting for the Transaction Resolution and all of the conditions precedent to the completion of the Transaction contained in the Merger Agreement have been satisfied or waived, the AQR Board intends to complete the Transaction in accordance with the terms of the Merger Agreement.

Pursuant to the Merger Agreement, AQR and Black Pine have agreed to complete the Transaction pursuant to which, among other things, Black Pine and AcquisitionCo will amalgamate pursuant to the provisions of the BCBCA to form Amalco and each Black Pine Shareholder will be entitled to receive that number of Resulting Issuer Shares as is equal to the number Black Pine Shares held by such Black Pine Shareholder immediately prior to the Effective Time, at a deemed price of \$0.10 per share.

After the Transaction Closing, the business of AQR will be the current business of Black Pine and AQR will own, through Amalco, the assets of Black Pine, including Black Pine's current interest in the Sugarloaf Property. Pursuant to the Property Agreement, Black Pine has an option to acquire a 100% interest in the Sugarloaf Property, subject to a 2% net smelter return royalty and further subject to a cash payment of US\$1,000,000 payable to GBR upon the Sugarloaf Property attaining Commercial Production, as defined in the Property Agreement. The Sugarloaf Property is located in Gila National Forest, Grant County, New Mexico, and consists of approximately 1,540 acres. See "*Information Concerning Black Pine – Description of the Business – The Sugarloaf Property and the Property Agreement*" and "*Information Concerning Black Pine – Description of the Business – Technical Report*".

As at the date of this Circular, there are (a) 4,500,001 AQR Shares; (b) 15,931,728 Black Pine Shares; and (c) 1,513,054 Black Pine Options.

On the Transaction Closing Date, assuming the minimum amount under the Concurrent Financing is raised, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants prior to the Effective Time, it is anticipated the Resulting Issuer will:

- (a) issue 26,931,728 Resulting Issuer Shares at a deemed price of \$0.10 per Resulting Issuer Share in exchange for all of the issued and outstanding Black Pine Shares, including 11,000,000 SR Shares issuable upon the Subscription Receipt Conversion;
- (b) issue 11,000,000 Resulting Issuer Warrants, each with an exercise price of \$0.20 and exercisable for a period of three years from the issuance date of the exchanged SR Warrant to acquire one Resulting Issuer Share, subject to the SRW Acceleration Right, in exchange for the SR Warrants to be issued upon the Subscription Receipt Conversion;
- (c) grant 625,000 Resulting Issuer Options, each with an exercise price of \$0.10 and exercisable until March 31, 2027, to acquire one Resulting Issuer Share, in exchange for an equivalent number of Black Pine Options;
- (d) grant 800,000 Resulting Issuer Options, each with an exercise price of \$0.10 and exercisable until February 17, 2028, to acquire one Resulting Issuer Share, in exchange for an equivalent number of Black Pine Options;

- (e) grant 88,054 Resulting Issuer Options, each with an exercise price of \$0.20 and exercisable until March 7, 2029, to acquire one Resulting Issuer Share, in exchange for an equivalent number of Black Pine Options; and
- (f) reserve 12,513,054 Resulting Issuer Shares for issuance in connection with the exercise of the Resulting Issuer Warrants and Resulting Issuer Options.

Immediately after the Transaction Closing, assuming the minimum amount under the Concurrent Financing is raised, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants prior to the Effective Time, it is anticipated that there will be approximately 31,431,729 Resulting Issuer Shares issued and outstanding on an undiluted basis, of which approximately:

- (a) 11,000,000 (35.00%) Resulting Issuer Shares will be held by SR Subscribers;
- (b) 4,500,001 (14.32%) Resulting Issuer Shares will be held by former AQR Shareholders; and
- (c) 15,931,728 (50.69%) Resulting Issuer Shares will be held by former Black Pine Shareholders (excluding SR Subscribers).

See "*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*".

Immediately after the Transaction Closing and on a fully-diluted basis, assuming the minimum amount under the Concurrent Financing is raised, the Subscription Receipt Conversion and the exercise of 1,513,054 Resulting Issuer Options and 11,000,000 Resulting Issuer Warrants, it is anticipated that the Resulting Issuer will have approximately 43,944,783 Resulting Issuer Shares issued and outstanding, of which:

- (a) 22,000,000 (50.06%) of the Resulting Issuer Shares will be held by SR Subscribers;
- (b) 4,500,001 (10.24%) Resulting Issuer Shares will be held by former AQR security holders; and
- (c) 17,444,782 (39.70%) of the Resulting Issuer Shares will be held by former Black Pine Shareholders (excluding SR Subscribers).

See "*Information Concerning the Resulting Issuer – Fully Diluted Share Capital*".

Following the Transaction Closing, the Resulting Issuer Shares are anticipated to be listed and posted for trading on the TSXV under the trading symbol "BPR".

Implementation of the Transaction is subject to receipt of all requisite regulatory approvals, shareholder and director approvals, third party consents and other customary conditions.

No finder's fee or commission in relation to the Transaction is payable and no deposit, advance or loan has been made by AQR to Black Pine. Pursuant to the Merger Agreement, Black Pine has agreed to be responsible for all costs and charges incurrent with respect to the Transaction, including, without limitation, all costs and charges incurred prior to the date of the Merger Agreement and all legal, valuation, stock exchange fees, advisory and accounting fees and disbursements related to preparing the documents contemplated by such agreement or otherwise related to the Transaction.

See "*Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon*", "*Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions*", "*Information Concerning AQR – Non-Arm's Length Transactions*", "*Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction*", "*Information Concerning Black Pine – Non-Arm's Length Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest*", "*Information Concerning the Resulting Issuer – Executive*

Compensation – Employment, Consulting and Management Agreements" and "Information Concerning the Resulting Issuer – Risk Factors".

Steps of the Transaction

It is anticipated that the Name Change will be concurrently with the Effective Time.

Black Pine anticipates completing a non-brokered private placement offering of a minimum of 11,000,000 Subscription Receipts to SR Subscribers for aggregate gross proceeds of a minimum of \$1,100,000 at a price per Subscription Receipt of \$0.10. See "*Information Concerning AQR – General Development of the Business – The Transaction – Concurrent Financing*".

Upon the satisfaction and/or waiver of the conditions to the Transaction Closing, including, without limitation, obtaining the requisite regulatory, shareholder and director approvals and the Name Change, the Articles of Amalgamation will be filed with the Registrar.

Prior to the Effective Time and assuming the Escrow Release Notice is delivered to the SR Agent before the Escrow Release Deadline, the Subscription Receipts will be automatically converted into SR Units in accordance with the terms of the Subscription Receipt Certificates and the Escrowed Funds will be released by the SR Agent to Black Pine pursuant to the SR Escrow Agreement.

Assuming the Subscription Receipt Conversion, at the Effective Time and as a result of the Amalgamation:

- (a) the Amalgamating Companies will amalgamate by way of statutory amalgamation under the BCBCA and continue as one company, being Amalco;
- (b) each issued and outstanding AcquisitionCo Share, being 100 AcquisitionCo Shares, will be exchanged for one Amalco Share, and the issued and outstanding AcquisitionCo Shares will be cancelled;
- (c) the Black Pine Shareholders (other than dissenting shareholders) will receive, as consideration for their Black Pine Shares, one Resulting Issuer Share for each Black Pine Share held, including the Black Pine Shares issued in connection with the Subscription Receipt Conversion;
- (d) each dissenting shareholder will cease to have any rights as a Black Pine Shareholder other than the right to be paid by Amalco the fair value of the Black Pine Shares held by the dissenting shareholder in accordance with section 272 of the BCBCA;
- (e) each holder of SR Warrants will receive, as consideration for their SR Warrants, one Resulting Issuer Warrant for each SR Warrant held, on substantially the same terms as the SR Warrants being replaced, and every warrant certificate representing SR Warrants will be deemed to be automatically cancelled upon the issuance of a warrant certificate representing the RI Warrants issued in exchange for such SR Warrants;
- (f) each holder of Black Pine Options will receive, as consideration for their Black Pine Options, one Resulting Issuer Option for each Black Pine Option held, on substantially the same terms as the Black Pine Options being replaced, and every option certificate or option agreement representing Black Pine Options will be deemed to be automatically cancelled upon the issuance of an option certificate or option agreement representing the Resulting Issuer Options issued in exchange for such Black Pine Options;
- (g) as consideration for the issuance of the Resulting Issuer Shares to the Black Pine Shareholders, Amalco will issue to the Resulting Issuer 100 Amalco Shares; and
- (h) all of rights, privileges and Assets of each of AcquisitionCo and Black Pine (including Black Pine's interest in the Sugarloaf Property pursuant to the Property Agreement and its rights under the Property Agreement) will be the rights, privileges and assets of Amalco, and Amalco will assume all of the liabilities and obligations of each of AcquisitionCo and Black Pine (including the obligations of Black Pine under the Property Agreement).

At the Effective Time, the registered holders of Black Pine Shares immediately prior to the Effective Time shall be deemed to be the registered holders of the Resulting Issuer Shares to which they are entitled and shall receive such Resulting Issuer Shares through the "push-out" method. The Transfer Agent will push out direct registration system advices to all holders of Black Pine Shares and advise them of the number of Resulting Issuer Shares such holder is now deemed to hold. The direct registration system advices will replace any existing share certificate or other instrument representing Black Pine Shares. The share certificates or other instruments representing the Black Pine Shares existing immediately prior to the Effective Time should be retained by the holders thereof and forwarded to the Resulting Issuer promptly after the Effective Date. No direct registration system advices for fractional Resulting Issuer Shares will be issued, and any fractional Resulting Issuer Shares will be rounded down to the nearest whole number and no shareholder of the Resulting Issuer will be entitled to any compensation in respect of a fractional Resulting Issuer Share.

At the Effective Time, AQR shall be deemed to be the registered holder of all of the issued and outstanding Amalco Shares, including the 100 additional Amalco Shares AQR is entitled to receive as consideration for the issuance of Resulting Issuer Shares to Black Pine Shareholders, and AQR shall be entitled to receive a share certificate representing the number of Amalco Shares, being 200 Amalco Shares, to which it is entitled.

As of the Effective Time, it is anticipated that the members of the AQR Board, other than Joe DeVries, Keturah Nathe and Huitt Tracey, will resign and it is anticipated that the Resulting Issuer Board will be comprised of six directors, being Joe DeVries, Keturah Nathe, Richard Drew Martel, Richard Kern, Huitt Tracey and Elyssia Patterson, subject to TSXV approval. It is anticipated that (a) Keturah Nathe, the current president and CEO of AQR will act as corporate secretary of the Resulting Issuer, (b) Teresa Cherry, the current CFO and corporate secretary of AQR, will act as CFO of the Resulting Issuer, and (c) Richard Drew Martel, the current CEO of Black Pine will act as CEO of the Resulting Issuer.

Completion of the Transaction

The Amalgamation will become effective at the Effective Time and the Transaction Closing will be effected concurrently. It is anticipated that the Effective Date will be on or about December 27, 2024.

Following the Transaction Closing, it is anticipated that the Resulting Issuer Shares will be listed on the TSXV under the trading symbol "BPR".

Concurrent Financing

Black Pine anticipates completing a non-brokered private placement offering of a minimum of 11,000,000 Subscription Receipts to SR Subscribers for aggregate gross proceeds of a minimum of \$1,100,000 at a price per Subscription Receipt of \$0.10. The Subscription Receipts will be governed by the Subscription Receipt Certificates. A finder's fee of up to 10% of the gross proceeds of the Concurrent Financing will be payable on or after the date on which the Escrowed Funds will be released to Black Pine.

The Subscription Receipts are governed by the Subscription Receipt Certificates. On the Concurrent Financing Closing Date, the Escrowed Proceeds will be delivered to the SR Agent to be held and invested in an interest bearing account pursuant to the terms and conditions of the SR Escrow Agreement. Prior to the Effective Time, and upon delivery by Black Pine of the Escrow Release Notice to the SR Agent before the Escrow Release Deadline: (i) the Escrowed Funds will be released by the SR Agent to Black Pine and (ii) each Subscription Receipt will automatically convert, without payment of any additional consideration and without further action on the part of the holder thereof, into one SR Unit, subject to adjustments in certain events.

Each SR Unit is comprised of one Black Pine Share and one SR Warrant, with each SR Warrant being exercisable for a period of three years after its issuance to acquire one Black Pine Share at the price per share of \$0.20, subject to the SRW Acceleration Right, being the right to accelerate the expiry time of the SR Warrants if the closing price of the Resulting Issuer Shares exceeds \$0.28 over a period of eight consecutive trading dates commencing four months from the date of the issuance of the SR Warrant. Black Pine or the Resulting Issuer may give notice in writing within 30 days of such an occurrence to the holders of the SR Warrants that SR Warrants will expire at the accelerated expiry time, being 30 days from the date of the notice, unless previously exercised by the holder.

The Subscription Receipt Conversion is subject to the Escrow Release Conditions being met and the Escrow Release Notice being delivered to the SR Agent before the Escrow Release Deadline.

If (i) the Escrow Release Conditions are not satisfied before the Escrow Release Deadline or, (ii) if prior to the Escrow Release Deadline, Black Pine has advised the SR Agent that the Escrow Release Conditions will not be completed, then, starting on the second business day following the date Black Pine advises the SR Agent, the Escrowed Funds will be returned to the holders of Subscription Receipts on a *pro rata* basis. Black Pine will be liable for any shortfall between the amounts owing to the holders of Subscription Receipts and the amount of the Escrowed Funds.

At the Effective Time, the Black Pine Shares and the SR Warrants comprising the SR Units will be exchanged for Resulting Issuer Shares (at a deemed price of \$0.10 per share) and Resulting Issuer Warrants, respectively, with each such Resulting Issuer Warrant being exercisable for a period of three years from the issuance date of the exchanged SR Warrant to acquire one Resulting Issuer Share at the price per share of \$0.20, subject to the SRW Acceleration Right.

Conditional Listing Approval

The TSXV has conditionally approved the Transaction, subject to AQR and Black Pine fulfilling all of the requirements of the TSXV on or before February 11, 2025.

Selected Financial Information

The table below sets out certain selected financial information of AQR as at and for the dates and periods indicated, which information is derived from, and should be read in conjunction with, the financial statements of AQR attached as Schedule B, Schedule C and Schedule D hereto.

	As at and for the year ended June 30, 2024 (audited)	As at and for the year ended June 30, 2023 (audited)	As at and for the year ended June 30, 2022 (audited)
Balance sheet data			
Total assets	\$1,265	\$18,377	\$51,291
Total liabilities	\$209,149	\$83,769	\$38,377
Shareholders' equity (deficit)	\$(207,884)	\$(65,392)	\$12,914
Summary operating results			
Total revenues	Nil	Nil	Nil
Total expenses	\$47,492	\$173,306	\$51,392
Net loss	\$47,492	\$173,306	\$51,392

Management's Discussion and Analysis

The MD&A of AQR for the financial year ended June 30, 2024 is attached as Schedule J hereto. Certain information included in such MD&A is Forward-Looking Information and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Information Regarding this Circular – Cautionary Note Regarding Forward-Looking Information*".

Description of Securities

AQR Shares

AQR is authorized to issue an unlimited number of AQR Shares, of which 4,500,001 AQR Shares are issued and outstanding as at the date hereof.

The holders of AQR Shares are entitled to receive notice of and attend all meetings of AQR Shareholders and are entitled to one vote in respect of each AQR Share held at such meetings. AQR Shareholders are entitled to receive dividends if, as and when declared by the AQR Board. In the event of liquidation, dissolution or winding-up of AQR, AQR Shareholders are entitled to share rateably in such assets of AQR as are distributable to the holders of AQR Shares. AQR Shares are not subject to any pre-emptive rights, conversion or exchange rights. AQR may, if authorized by the AQR Board, purchase, redeem or otherwise acquire any of the AQR Shares at the price and upon the terms determined by the AQR Board. However, it must not make such purchase, redemption or acquisition of AQR Shares if there are reasonable grounds for believing that AQR is insolvent or will render AQR insolvent. If AQR proposes to redeem some but not all of the AQR Shares, the AQR Board may determine the manner in which the AQR Shares are redeemed. AQR Shares are not subject to any sinking or purchase fund provisions or any provisions permitting or restricting the issuance of additional securities or other material restrictions. AQR Shares are further not subject to any provisions requiring a securityholder to contribute additional capital.

AQR Options

AQR is authorized to grant up to 450,000 AQR Options under the Existing Plan. As at the date hereof, there are no AQR Options outstanding and it is anticipated that there will be no AQR Options outstanding immediately prior to the Transaction Closing. At the Meeting, the AQR Shareholders will be asked to approve the New Plan and it is anticipated that the New Plan will be implemented following the Transaction Closing as the Resulting Issuer's equity incentive plan. At the Effective Time, all outstanding Black Pine Options will be exchanged for Resulting Issuer Options with equivalent terms but which will be governed by the New Plan, assuming the New Plan is approved by the AQR Shareholders at the Meeting and by the TSXV.

See "*Meeting and Proxy Related Information – Matters To Be Acted Upon at the Meeting – Approval and Ratification of the New Plan*" and "*Information Concerning the Resulting Issuer – Security Based Compensation – New Omnibus Equity Incentive Plan*".

Stock Option Plan

AQR has adopted the Existing Plan, which provides that the board of directors may from time to time, in its discretion, and in accordance with the TSXV requirements, grant to certain eligible persons, non-transferable options to purchase AQR Shares exercisable for a period of up to ten years from the date of the grant. The purpose of the Existing Plan is to provide eligible persons with the opportunity to participate in the success of AQR.

Pursuant to the Existing Plan, prior to the completion of its Qualifying Transaction, the maximum number of AQR Shares reserved for issuance may not exceed 10% of the total issued and outstanding AQR Shares as at the time of the closing of AQR's initial public offering. After the completion of its Qualifying Transaction, the maximum number of AQR Shares reserved for issuance may not exceed 10% of the total issued and outstanding AQR Shares as at the date of grant.

Pursuant to the Existing Plan, prior to the completion of its Qualifying Transaction, the maximum number of AQR Shares reserved for issuance to any individual director or officer must not exceed 5% of the AQR Shares outstanding after the closing of AQR's initial public offering. Prior to the completion of its Qualifying Transaction, the maximum number of AQR Shares reserved for issuance to any technical consultant may not exceed 2% of the AQR Shares outstanding after the closing of AQR's initial public offering. After the completion of its Qualifying Transaction, the maximum number of AQR Shares reserved for issuance in any 12 month period to any optionee must not exceed 5% of the issued and outstanding number of AQR Shares, unless disinterested shareholder approval is obtained. After the completion of its Qualifying Transaction, the maximum number of AQR Shares reserved for issuance in any 12 month period to any one consultant must not exceed 2% of the issued and outstanding number of AQR Shares; and the maximum number of AQR Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of AQR Shares. Disinterested shareholder approval must be obtained for any grant of AQR Options to Insiders of AQR, within a 12 month period of a number of AQR Options exceeding 10% of the issued and outstanding AQR Shares.

If an optionee ceases to be a director, officer, employee or consultant of AQR for any reason other than death or termination for cause, the optionee may exercise options no later than the 90th day (30th day for optionees engaged in investor relations activities) following cessation of the optionee's position or arrangement with AQR, subject to the expiry date of such option. If the cessation was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. If the cessation was as a result of termination for cause of such optionee, all outstanding options, vested or not, will be cancelled as of the date of termination.

The exercise price of AQR Options is determined by the AQR Board, and will not be less than 100% of the fair market value of an AQR Share on the date of grant of such AQR Option, being the price of the last recorded sale of a board lot of AQR Share that took place on the TSXV immediately preceding the date of grant of such AQR Option.

Any AQR Shares acquired pursuant to the exercise of AQR Options prior to the Transaction Closing must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

As of the date of this Circular, there are no AQR Options outstanding.

At the Meeting, AQR Shareholders will be voting to approve the New Plan, which will come into effect concurrently with the Transaction Closing. The New Plan, once adopted, will provide the flexibility to grant equity-based incentive awards in the form of Resulting Issuer options, Resulting Issuer RSUs, Resulting Issuer DSUs, Resulting Issuer PSUs and Resulting Issuer SARs.

See "*Meeting and Proxy Related Information – Matters To Be Acted Upon at the Meeting – Approval and Ratification of the New Plan*" and "*Information Concerning the Resulting Issuer – Security Based Compensation – New Omnibus Equity Incentive Plan*".

Prior Sales

AQR has not issued any securities in the 12-month period before the date of this Circular.

Trading Price and Volume

The AQR Shares have been posted for trading on the TSXV since February 23, 2018, under the trading symbol "AQR.P". Trading of the AQR Shares was suspended on February 28, 2020, and remains suspended as of the date of this Circular. The closing price of the AQR Shares on the TSXV on February 27, 2020, the last full day of trading immediately prior to the halt, was \$0.035. AQR Shares remain halted as of the date of this Circular. The table below sets forth certain trading information for AQR Shares on the TSXV for the periods noted.

Period	High (\$)	Low (\$)	Trading volume
February 1 - 27, 2020	0.08	0.035	20,000
January 2020	0.135	0.08	20,000
December 2019	0.135	0.135	Nil
November 2019	0.15	0.135	10,000
October 2020	0.15	0.15	Nil
September 2019	0.15	0.15	5,500
August 2019	0.17	0.15	5,500
July 2019	0.17	0.15	22,000
June 2019	0.15	0.135	52,500
May 2019	0.15	0.105	2,500
April 2019	0.15	0.105	30,000
March 2019	0.115	0.105	10,016

Non-Arm's Length Transactions

Mr. Richard Barnett, a director of AQR, is also the purchaser of the one AFC common share pursuant to the AFC SPA. Mr. Barnett has advised the AQR Board of his disclosable interest in connection with the entrance into the AFC SPA and has recused himself from voting on matters relating to the AFC SPA. See "*Information Concerning AQR - General Development of the Business - History of AQR - Unwinding of Acquisition of AFC*".

Mr. Joe DeVries is a director of both AQR and Black Pine and is a proposed director of the Resulting Issuer. Mr. DeVries is also the sole shareholder of Simco, which currently provides management services to Black Pine, pursuant to a service contract with Black Pine. Concurrently with the Transaction Closing, it is anticipated that that the Resulting Issuer will enter into the Simco Agreement, pursuant to which Simco will provide the Simco Services to the Resulting Issuer.

Pursuant to the service contract with Black Pine, Simco provides corporate, administrative, and accounting services, office space and office equipment, arranges for payment of office expenses, and arranges for and/or coordinates equity and/or debt financings, and Black Pine reimburses Simco for all business services and out-of-pocket expenses and disbursements, plus an administration and handling fee of 10% of total reimbursed services and out-of-pocket expenses and disbursements, subject to a minimum payment of \$5,506.20 (plus GST) per month. The service contract further provides that, on the closing of any merger and/or acquisition and/or financing with or by a person directly or indirectly introduced to Black Pine by Simco, Black Pine will pay Simco a finder's fee equal to the maximum allowable under applicable exchange policies based on the value of the acquisition and/or gross proceeds of the investment. Such finder's fees are payable for a period of 36 months following the date the person was introduced to Black Pine by Simco. Black Pine is also obligated to pay a work fee of \$10,000 in connection with the closing of any merger and/or acquisition and/or financing with or by a person directly or indirectly introduced to Black Pine by Simco, in addition to any fees owed for services directly related to activity. As of the date of this Circular, Black Pine has not paid Simco any consideration in connection with the finder's fees or work fee provisions and Black Pine will not pay Simco any consideration in connection with the finder's fee or work fee provisions in connection with the Transaction.

Pursuant to MI 61-101, "Collateral Benefit", for a transaction of an issuer, means any benefit that a related party of the issuer is entitled to receive, directly or indirectly, as a consequence of the transaction, including, without limitation, enhancements in benefits related to past or future services as a director.

Upon completion of the Transaction, it is anticipated that the service contract between Black Pine and Simco will be terminated and replaced by the SimCo Agreement. It is anticipated that, pursuant to the Simco Agreement with the Resulting Issuer, Simco will provide the Simco Services and for consideration of \$5,506.20 (plus GST) per month. The Resulting Issuer will also reimburse Simco for all reasonable out-of-pocket expenses, plus a 10% payment charge. As such, the entrance into the Simco Agreement may be seen as a Collateral Benefit of Simco, and Joe DeVries, in connection with the Transaction. See "*Information Concerning the Resulting Issuer – Executive Compensation - Employment, Consulting and Management Agreements*".

Non-Arm's Length Qualifying Transaction and Related Party Transaction

The Transaction is a Non-Arm's Length Qualifying Transaction as the same parties and their Associates or Affiliates are Control Persons in both AQR and Black Pine. Furthermore, the Transaction may be considered a Related Party Transaction because (a) Ms. Keturah Nathe (President, CEO and a director of AQR) is also a director of Black Pine, Mr. Joe DeVries (a director of AQR) is also a director of Black Pine, and Mr. Richard Barnett (a director of AQR) is also the CFO of Black Pine; and (b) the aggregated holdings of the issued and outstanding AQR Shares and Black Pine Shares by Principals of AQR exceed 20%.

Each of Ms. Nathe, Mr. DeVries and Mr. Barnett is a Non-Arm's Length Party and Insider to each of Black Pine and AQR, and has informed the AQR Board and Black Pine Board of his or her respective interests in the parties to the Transaction.

As a Non-Arm's Length Qualifying Transaction and a Related Party Transaction, the Transaction must receive Majority of the Minority Approval pursuant to Policy 2.4 in conjunction with Policy 5.9, which incorporates the

provisions of MI 61-101. As a result, the Transaction is conditional upon (among other things) the Transaction Resolution being approved at the Meeting by Majority of the Minority Approval. If Majority of the Minority Approval is obtained at the Meeting for the Transaction Resolution and all of the conditions precedent to the completion of the Transaction contained in the Merger Agreement have been satisfied or waived, the AQR Board intends to complete the Transaction in accordance with the terms of the Merger Agreement.

Policy 2.4 requires that Majority of the Minority Approval is required if the proposed Qualifying Transaction is subject to Policy 5.9, which incorporates the provisions of MI 61-101. Generally speaking, MI 61-101 requires a reporting issuer, unless exempted, to obtain a formal valuation and minority shareholder approval where the transaction in question is a "business combination", an "issuer bid", an "insider bid" or a "related party transaction".

Consequently, AQR is required, unless an exemption is available, to obtain a formal valuation and minority shareholder approval in respect of the Transaction. AQR is not required to obtain a formal valuation because the AQR Shares are not listed on a prescribed stock exchange listed in MI 61-101. However, MI 61-101 does not provide an exemption from the requirement to obtain minority shareholder approval in respect of the Transaction. AQR must therefore obtain Majority of the Minority Approval of the Transaction in accordance with Policy 2.4.

In order to obtain Majority of the Minority Approval of the Transaction, Policy 2.4 requires that the Transaction be approved by the majority of votes cast by AQR Shareholders at the Meeting, other than (a) Non-Arm's Length Parties to AQR; (b) Non-Arm's Length Parties to the Qualifying Transaction; (c) AQR, if it holds any AQR Shares, and (d) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the Transaction.

To the knowledge of AQR and its directors and management, after reasonable inquiry, votes attaching to AQR Shares will be excluded for the purposes of the Majority of the Minority Approval of the Transaction Resolution as set out in the table below.

Name	Number of AQR Shares beneficially owned or over which control or direction is exercised as at the date hereof	Percentage of issued and outstanding AQR Shares as at the date hereof⁽¹⁾
Keturah Nathe	100,000	2.22%
Teresa Cherry	100,000	2.22%
Joe DeVries	1,400,001	31.11%
Christopher Cherry	100,000	2.22%
Huitt Tracey	200,000	4.44%
Richard Barnett	200,000	4.44%
TOTAL	2,100,001	46.67%

Note:

(1) Percentages are on an undiluted basis and are based on an aggregate of 4,500,001 AQR Shares issued and outstanding as of the date of this Circular.

See "Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon", "Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions", "Information Concerning AQR – Non-Arm's Length Transactions", "Information Concerning Black Pine – Non-Arm's Length Transactions", "Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions", "Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest", "Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements" and "Information Concerning the Resulting Issuer – Risk Factors".

Formal Valuation

In connection with the Transaction, an exemption from this valuation requirement is available pursuant to MI 61-101, because none of the securities of AQR are listed or quoted on any of the exchanges or markets listed in MI 61-101.

Prior Valuations

There have been no valuations of AQR or Black Pine, their securities, or their material assets made in the last 24 months that would reasonably affect the decision of an AQR Shareholder to vote for or against the Transaction or to retain/dispose their AQR Shares.

Legal Proceedings

To the knowledge of AQR, there are no legal proceedings AQR is or was a party to, or that any of its property is or was the subject matter of, since the beginning of the financial year ended June 30, 2024.

Auditors, Transfer Agents and Registrars

Auditors

The auditors of AQR are DMCL LLP, Chartered Professional Accountants at its principal office in Vancouver, British Columbia, located at Suite 1500, 1140 W Pender Street, Vancouver, British Columbia V6E 4G1.

Transfer Agent and Registrar

The transfer agent and registrar for the AQR Shares is Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia.

Material Contracts

AQR has not entered into any material contracts and is not anticipated to enter into any material contracts prior to the Transaction Closing, other than:

- (a) the transfer agent, registrar and dividend disbursing agent agreement dated August 21, 2017, between AQR and the Transfer Agent;
- (b) the escrow agreement dated August 30, 2017, between AQR, the Transfer Agent and certain AQR Shareholders; and
- (c) the Merger Agreement.

Copies of the foregoing agreements will be available for inspection at the registered office of AQR, Suite 303, 595 Howe Street, Vancouver British Columbia, V6C 2T5, during ordinary business hours, until the Transaction Closing Date and for a period of 30 days thereafter.

INFORMATION CONCERNING BLACK PINE

Corporate Structure

Name and Incorporation

Black Pine was incorporated under the BCBCA, on October 20, 2017, under the name "Digital Asset Management Corp." On February 23, 2021, Black Pine changed its name to "Black Pine Resources Corp." No public market exists for the securities of Black Pine as of the date hereof.

The registered and records office and principal office of Black Pine are located at Suite 303, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

Intercorporate Relationships

Black Pine does not have any subsidiaries.

Description of the Business

Three Year History

Black Pine is a mineral exploration company focused on the acquisition and exploration of prospective mineral properties, focusing on exploring and developing copper and/or gold deposits. Black Pine is primarily seeking prospects in North America that host porphyry and/or sedimentary copper and gold deposits, from calc-alkaline to alkaline porphyry deposits, to higher grade volcanogenic massive sulphide (VMS) and skarn deposits.

In January of 2021, Black Pine completed a four-to-one consolidation of the Black Pine Shares, reducing the number of issued and outstanding Black Pine Shares from 15,726,912 to 3,931,728.

In February of 2021, Black Pine went from being a cryptocurrency business to a mineral exploration business. In connection with the change, Black Pine changed its name from "Digital Asset Management Corp." to "Black Pine Resources Corp." on February 23, 2021, and sold its cryptocurrency assets.

In May of 2021, Black Pine issued 840,000 Black Pine Shares to 0944230 B.C. Ltd., a company wholly-owned by Richard Drew Martel, the CEO of Black Pine, at a deemed price of \$0.05 per share, as payment for \$42,000 owed by Black Pine to 0944230 B.C. Ltd. for the provision of CEO services by Mr. Martel to Black Pine for the period from February 1, 2020, to September 30, 2020, pursuant to a debt settlement agreement dated May 11, 2021.

In July of 2021, Black Pine entered into a service contract with Simco, pursuant to which Simco provides corporate, administrative, and accounting services, office space and office equipment, arranges for payment of office expenses, and arranges for and/or coordinates equity and/or debt financings, and Black Pine reimburses Simco for all business services and out-of-pocket expenses and disbursements, plus an administration and handling fee of 10% of total reimbursed services and out-of-pocket expenses and disbursements, subject to a minimum payment of \$5,506.20 (plus GST) per month. The service contract further provides that, on the closing of any merger and/or acquisition and/or financing with or by a person directly or indirectly introduced to Black Pine by Simco, Black Pine will pay Simco a finder's fee equal to the maximum allowable under applicable exchange policies based on the value of the acquisition and/or gross proceeds of the investment. Such finder's fees are payable for a period of 36 months following the date the person was introduced to Black Pine by Simco. Black Pine is also obligated to pay a work fee of \$10,000 in connection with the closing of any merger and/or acquisition and/or financing with or by a person directly or indirectly introduced to Black Pine by Simco, in addition to any fees owed for services directly related to activity. As of the date of this Circular, Black Pine has not paid Simco any consideration in connection with the finder's fees or work fee provisions and Black Pine will not pay Simco any consideration in connection with the finder's fee or work fee provisions in connection with the Transaction.

Between March to September of 2021, Black Pine completed private placement offerings of Black Pine Shares and issued 11,160,000 shares at a price of \$0.05 per share, for gross proceeds of \$558,000.

In April of 2022, Black Pine entered into the Property Agreement with GBR and acquired its interest in the Sugarloaf Property. On or around April 15, 2022, Black Pine reimbursed GBR US\$100,000 for expenses incurred by GBR, including the preparation of the Technical Report. Black Pine has also incurred expenditures of US\$224,488 under the Property Agreement, as at October 31, 2024.

In February of 2023, Black Pine entered into the Letter of Intent and an initial version of a merger agreement, which was amended and amended and restated several times before being terminated on October 17, 2024.

On October 17, 2024, AQR, AcquisitionCo and Black Pine entered into the Merger Agreement.

On November 12, 2024, AQR, AcquisitionCo and Black Pine entered into an amending agreement to amend the Merger Agreement to, *inter alia*, increase the Concurrent Financing from up to 10,000,000 Subscription Receipts to a minimum of 11,000,000 Subscription Receipts and to confirm that a finder's fee of up to 10% of the gross proceeds of the Concurrent Financing will be payable from the Escrowed Funds on or after the date on which the Escrowed Funds will be released to Black Pine.

The Technical Report was also finalised in early 2023. Since March 24, 2023, the effective date of the Technical Report, Black Pine has completed the following work on the Sugarloaf Property:

- magnetotelluric survey;
- two tours: one for the New Mexico Energy, Minerals and Natural Resources, Forestry Division, and a follow-up tour for the State of New Mexico;
- one water source for drilling confirmed via local supplier in Silver City;
- two rounds of permit submission and revision with the New Mexico Energy, Minerals and Natural Resources, Forestry Division;
- three rounds of permit submission and revision with the State of New Mexico;
- two archeological surveys;
- one permit submitted for well drilling and abandonment to the New Mexico, Office of the State Engineer (required for any reverse circulation drilling; this will need to be submitted again once Forest Service permit is in place); and
- numerous maps and figures created to facilitate permitting, plus revisions.

The Sugarloaf Property and the Property Agreement

In April of 2022, Black Pine entered into a letter of intent with GBR pursuant to which it is entitled to earn an undivided 100% interest in the Sugarloaf Property, subject to a 2% net smelter royalty due to GBR and further subject to a cash payment of US\$1,000,000 payable to GBR upon the Sugarloaf Property attaining Commercial Production, as defined in the Property Agreement, by (i) reimbursing GBR for all documented expenses, to a maximum of US\$100,000 (paid), including for the preparation of a NI 43-101 technical report; and (ii) expending (A) US\$300,000 in exploration funds by no later than the first anniversary of the GBR Closing Date, (B) a cumulative aggregate of US\$500,000 in exploration funds by no later than the second anniversary of the GBR Closing Date, (C) a cumulative aggregate of US\$1,500,000 in exploration funds by no later than the third anniversary of the GBR Closing Date, and (D) a cumulative aggregate of US\$3,000,000 in exploration funds by no later than the fourth anniversary of the GBR Closing Date.

The Sugarloaf Property is situated approximately 10 miles southwest of Silver City, New Mexico, USA, and consists of 77 unpatented claims totaling 1,544 hectares.

Mr. Richard Kern, a director of Black Pine and a proposed director of the Resulting Issuer, is the president of GBR, which is the counterparty to the Property Agreement.

See "*Information Concerning Black Pine – Non-Arm's Length Transactions*" and "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest*".

Technical Report

The following is a summary of certain information of a scientific or technical nature in respect of the Sugarloaf Property and is derived from the Technical Report. The Technical Report is incorporated by referenced herein. The full text of the Technical Report is available on AQR's profile on SEDAR+ at www.sedarplus.ca.

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. Capitalized terms not otherwise defined in this section shall have the meaning ascribed to such term in the Technical Report.

Sugarloaf Property Description and Ownership

The Author completed a site visit of the Sugarloaf Property on October 25-26, 2022, during which copper mineralization and occurrences were examined in detail, and nine audit samples were collected.

The unpatented lode mineral claims comprising the Sugarloaf Property include 77 - 20-acre claims (the "**Cobre**" claims), which accrue approximately 1,540 acres or 623 hectares are located within the Gila National Forest, Grant County, New Mexico. All claims, located in T19S, R15W – sections 7,8,17,18,19; T19S, R16W – sections 11,12,13,14, 23, and 24, are owned by GBR. To keep the mineral claims in good standing, annual payments for each assessment year (September 1 through August 31) are due the U.S. Government (Bureau of Land Management or "**BLM**") and Grant County, which is where the claims are located. To hold the claims in good standing until August 31, 2025, GBR made payments in July and August totaling US\$15,400 (US\$200 per claim) to the BLM office in Santa Fe, and subsequently a total of US\$200 was paid to the Records office in Grant County, New Mexico.

On April 12, 2022, Black Pine executed an agreement with GBR to option the 77 unpatented mining claims comprising the Sugarloaf Property. Among other conditions, Black Pine can earn 100% interest in the Sugarloaf Property by completing annual work programs on the Sugarloaf Property over a four-year period. As stipulated in the Property Agreement, at the GBR Closing Date, Black Pine is required to commit to a US\$300,000 first-year work program on the Sugarloaf Property and within 60 days must reimburse GBR for up to US\$100,000 in documented costs pertaining to work on the Sugarloaf Property. Following the initial work program, further annual expenditure obligations (below) will be required to maintain the agreement in good standing.

- Year Two – US\$500,000
- Year Three – US\$1,500,000
- Year Four – US\$3,000,000

Upon completion of all required annual work expenditures, Black Pine will have deemed to have earned 100% interest in the Sugarloaf Property. Should the Sugarloaf Property reach Commercial Production, Black Pine will be obligated to make a US\$1,000,000 payment to GBR, and any production revenue will be subject to a 2% net smelter royalty, due to GBR.

Geology and Mineralization

The Sugarloaf Property lies within the Big Burro Mountains within the Burro Mountain mining district. By far, the largest copper producer in the Burro Mountain mining district is the active Tyrone Mine of Freeport-McMoRan Inc. ("**Freeport**") located approximately half mile east of the east boundary of the Sugarloaf Property.

As of December 31, 2021, run of mine reserves (proven + probable) were 19 million tons grading 0.28% Cu at a cut-off grade 0.05% Cu, and Resources were 115 million tons @0.22% Cu (Measured), and 29 million tons @0.21% Cu (Indicated). The cut-off grade for Reserves is 0.05% Cu and Resources is 0.02% Cu (Mining Data Online, 2022). The Author has been unable to verify the reported Reserve and Resources estimate and the information is not necessarily indicative of the expected mineralization on the Sugarloaf Property that is the subject of the Technical

Report. Copper ore now being mined by Freeport is exploited from a copper oxide and chalcocite zone surrounding the original sulfide ore body.

The oldest rocks of the Big Burro Mountains, located southwest of Mangas Valley, consist of metamorphic rocks of the Precambrian Bullard Peak Series. These older metamorphic rocks have been intruded by Proterozoic granite and diabase dikes of the Burro Mountains batholith. Intrusive into the older Precambrian rocks, the Tyrone stock, is considered to be a laccolith, dated at 55.8 to 52.1 Ma (Mach, 2008). The stock is predominantly comprised of medium-grained quartz monzodiorite (McLemore, *et. al.*, 1996). Within the Big Burro Mountain block, faulting and fracturing appear to have been concentrated in three distinct directions—northwesterly, northeasterly, and east-northeasterly to east. Gillerman (1970) concluded that the extent of the Tyrone stock is due mostly to faulting and not intrusive emplacement.

The Sugarloaf Property is mostly underlain by Precambrian Burro Mountain granite. Tertiary quartz monzonite and other genetically related igneous rocks of the Tyrone stock, including rhyolite, and quartz monzonite, occur as small plugs, which intrude older granite. Northeast trending faults, fractures, and shear zones are prominent, many of which are occupied by rhyolite and quartz monzonite dikes.

Cannaday (1973) reported that potassic alteration is dominant throughout the Sugarloaf Property, principally as sericitization and potash feldspar. Secondary, silicification, biotization, and chloritization are more subdued and argillization is locally present. Especially around Sugarloaf mountain, near total potassic alteration and late intense silicification (pervasive and as late veinlets and stockworks) has occurred. During geologic mapping conducted by Cannaday (1973), copper mineralization was recognized over a distance of more than 5,000 feet and up to 1,000 feet west of Sugarloaf mountain in the central and northeast quadrant of section 18, T19S, R15W. Intensely fractured zones are well oxidized, although the extent of sub-surface oxidation is variable according to Cannaday (1973).

To date, two areas of strong copper mineralization have been recognized on the Sugarloaf Property, including a target area in the northeast part of the Sugarloaf Property (NE1/4 of section 18, T19S, R15W), and a second area located about 1,000 feet south surrounding a small historic, open pit just west of Sugarloaf mountain. These targets were the focus of GBR reconnaissance sampling programs in 2012, and 2014, and the Author's sampling on October 25-26, 2022.

As observed by the Author during the Sugarloaf Property visit during October, 2022, and recognized in previous 2012, 2014 sampling, incomplete, structurally controlled leaching and oxidation extends over an open-ended area of at least 3,500 feet by 1,500 feet in the northeast part of the Sugarloaf Property. Rocks in this area are characterized by abundant goethite and hematite and show pyrite casts and boxworks after bornite or chalcopyrite. Surface copper mineralization occurs as both oxides and carbonates. Samples collected within the northeast target by the Author during the Sugarloaf Property visit indicated abundant copper (up to +15%, from sample 412783), and sample 412778 (2.13% Cu) on rocks collected from primary, significant, east-trending fractures, the highest of the Author's sample results.

Located about 1,000 feet south of the northeast target, a second mineralized area surrounds a small collapsed open pit. Here, one sample, 412776 collected by the Author, consisting of a strongly weathered, almost decomposed granite with abundant disseminated chrysocolla returned significant copper (1.34% Cu). Geochemical sampling in the same area conducted by GBR (2012, 2014) indicated that chalcocite was present in some of the samples. Kern (2022) believes a gently south dipping chalcocite blanket extends outward from the limits of the old pit. Any oxide or chalcocite enriched copper zones in the area of the open pit are likely peripheral to mineralization at Tyrone just to the east.

Exploration

In mid-September 2022, a second IP/Resistivity (Induced Potential) survey was conducted over the southeastern part of the Sugarloaf Property as covered in the 1973 survey. Data was collected on 100 m stations along lines spaced 222 m apart, accruing a total of 9 line-kilometers. Following completion of the survey, digital data files were provided to Consulting Geophysicist, Frank Fritz of Fritz Geophysics (Fairplay, Colorado), for quality control and interpretation (Fritz, 2022). Regional magnetic data suggest a large caldera system with ring stocks and limited

radial structure. Interpretation of the combined 1973 (and the re-interpretation in 2010) and 2022 surveys suggest a possible complex mineralization environment at the edge of a large caldera complex to the south. Interpretation of the IP survey data indicated a mostly uniform host resistivity response with a surrounding zone of lower but discontinuous resistivities with associated higher IP values consistent with possible oxide copper mineralization. The depth to this zone is believed to be less than 100 m, possibly as shallow as 50 m. The current 2022 IP data and the 2010 IP data both suggest a possible deeper IP high on the northeast edge of the surveys. This lower resistivity and higher IP zone appear to extend between the two ring stocks, as indicated on the magnetic data. The IP high on the northeast edge of the survey may represent a sulfide source consistent with a porphyry copper target at a depth of 300-400 m.

Conclusions and Recommendations

The Sugarloaf Property is related to the Tyrone porphyry copper deposit which is situated just to the east of the Sugarloaf Property. The Tyrone deposit is part of the greater Laramide porphyry copper belt which extends into southeastern Arizona, and northern Mexico.

Work completed to date on the Sugarloaf Property has identified an extensive area in excess of 5,000 feet long by 1,000 feet wide of surficial copper oxide and carbonate. Albeit limited, sampling has returned values exceeding 15% copper from northeast trending fractures cutting Precambrian granite and Tertiary quartz monzonite of the Tyrone stock. Within this area, two targets of focus have been identified; a Northwest target (NE1/4 section 18, T19S, R15W) and approximately 1,000 feet south, a second area surrounding a small historic open pit. IP/Resistivity surveys conducted in 1973 and 2022 have identified an apparent sulfide body in the northeast and a peripheral zone with a geophysical signature consistent with a copper oxide blanket that extends to the south around the area of the open pit.

The Sugarloaf Property is a project of merit, which warrants further exploration. Previous work programs, at the two known target areas are at a relatively early stage of exploration and the sub-surface extent and tenor of copper mineralization is best evaluated by drilling. Despite the success of previous work programs, drill testing always carries a certain level of risk and uncertainty and the decision to commence drill testing does not imply certain economic viability or continued viability.

A modest initial program is recommended, as set out in the table below. Relatively shallow holes to 300 feet should provide an adequate initial test of the tenor and continuity of supergene mineralization at the open pit and northeast targets. A drill budget of \$202,000 consists of four – 300-foot drill holes. Final hole locations will be determined based on the Plan of Operation, once approved.

Proposed Drill Budget – Sugarloaf Property		
Work Activity	Cost	Item Total
Drill direct (including all mob/demob, water, pad/road construction, supplies, etc.)	(\$132/foot) x 1,200 ft	\$158,000
Assay primary (inc. transport)	(\$56/sample)	\$14,000
Sr. Project supervision	(18 x \$700/day)	\$13,000
Assistant geologist	(18 x \$400/day)	\$8,000
Field support (lodging, meals, transport, etc.)	(18 x \$450/day)	\$9,000
	TOTAL	\$202,000

Significant Acquisitions or Dispositions

Black Pine has not completed any significant acquisitions or dispositions since the beginning of the financial year ended December 31, 2023.

Selected Financial Information

The table below sets out certain selected financial information of Black Pine as at and for the dates and periods indicated, which information is derived from, and should be read in conjunction with, the financial statements of Black Pine attached as Schedule E, Schedule F and Schedule H hereto.

	As at and for the year ended December 31, 2023 (audited)	As at and for the year ended December 31, 2022 (audited)	As at and for the six months ended June 30, 2024 (unaudited)
Balance sheet data			
Total assets	\$676,956	\$1,028,759	\$473,953
Total liabilities	\$29,078	\$36,080	\$34,289
Shareholders' equity	\$647,878	\$992,679	\$439,664
Summary operating results			
Revenue	Nil	Nil	Nil
Gross profit	Nil	Nil	Nil
Operating expenses	\$371,322	\$173,209	\$208,214
Net loss before taxes	\$371,322	\$173,209	\$208,214
Tax expense	Nil	Nil	Nil
Net loss	\$371,322	\$173,209	\$208,214
Other comprehensive loss	\$371,322	\$173,209	\$208,214
Total comprehensive loss	\$371,322	\$173,209	\$208,214

Black Pine declared no cash dividends during the periods ended December 31, 2023, December 31, 2022, and June 30, 2024.

Management's Discussion and Analysis

The MD&A of Black Pine for the financial year ended December 31, 2023, and for the six months ended June 30, 2024 are attached as Schedule K and Schedule L. Certain information included in such MD&A is Forward-Looking Information and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Information Regarding this Circular – Cautionary Note Regarding Forward-Looking Information*".

Description of Securities

Black Pine Shares

Black Pine is authorized to issue an unlimited number of Black Pine Shares and an unlimited number of preferred shares in the capital of Black Pine, of which 15,931,728 Black Pine Shares and nil preferred shares are issued and outstanding as at the date hereof. Assuming the minimum amount under the Concurrent Financing is raised, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants prior to the Effective Time, immediately prior to the Effective Time Black Pine is anticipated to have 26,931,728 Black Pine Shares and nil preferred shares in the capital of Black Pine issued and outstanding.

The holders of Black Pine Shares are entitled to receive notice of and attend all meetings of Black Pine Shareholders and are entitled to one vote in respect of each Black Pine Share held at such meetings. Black Pine Shareholders are entitled to receive dividends if, as and when declared by the Black Pine Board. In the event of liquidation, dissolution or winding-up of Black Pine, Black Pine Shareholders are entitled to share rateably in such assets of Black Pine as are distributable to the holders of Black Pine Shares. Black Pine Shares are not subject to any preemptive rights, conversion or exchange rights, or to any redemption, retraction, purchase for cancellation or surrender provisions. Black Pine Shares are also not subject to any sinking or purchase fund provisions or any provisions permitting or restricting the issuance of additional securities or other material restrictions. Black Pine Shares are further not subject to any provisions requiring a securityholder to contribute additional capital.

Black Pine Options

The Black Pine Option Plan was adopted in February of 2019 and is a 10% rolling stock option plan pursuant to which Black Pine may grant up to 1,593,172 Black Pine Options. As of the date hereof, there are 1,513,054 Black Pine Options outstanding, of which (a) 625,000 Black Pine Options are each exercisable for the purchase of one Black Pine Share at a price of \$0.10 per share until March 31, 2027, (b) 800,000 Black Pine Options are each exercisable for the purchase of one Black Pine Share at a price of \$0.10 per share until February 17, 2028, and (c) 88,054 Black Pine Options are each exercisable for the purchase of one Black Pine Share at a price of \$0.20 per share until March 7, 2029.

Subscription Receipts

Black Pine anticipates completing a non-brokered private placement offering of a minimum of 11,000,000 Subscription Receipts to SR Subscribers for aggregate gross proceeds of a minimum of \$1,100,000 at a price per Subscription Receipt of \$0.10. A finder's fee of up to 10% of the gross proceeds of the Concurrent Financing will be payable from the Escrowed Funds on or after the date on which the Escrowed Funds will be released to Black Pine.

Prior to the Effective Time and assuming the Escrow Release Conditions are fulfilled and the Escrow Release Notice is delivered to the SR Agent before the Escrow Release Deadline, (i) the Escrowed Funds will be released by the SR Agent to Black Pine and (ii) each Subscription Receipt will automatically convert, without payment of any additional consideration and without further action on the part of the holder thereof, into one SR Unit, subject to adjustments in certain events.

Each SR Unit is comprised of one Black Pine Share and one SR Warrant.

Warrants

There are no common share purchase warrants of Black Pine issued and outstanding as of the date hereof.

Assuming the minimum amount under the Concurrent Financing is raised and the Subscription Receipt Conversion, it is anticipated that Black Pine will have 11,000,000 SR Warrants outstanding, with each SR Warrant exercisable for a period of three years after the date of its issuance to acquire one Black Pine Share at the price per share of \$0.20, subject to the SRW Acceleration Right. The SR Warrants will be governed by warrant certificates.

Consolidated Capitalization

The table below sets forth Black Pine's consolidated capitalization as at June 30, 2024, and as at the date of this Circular. The information in the table is derived from, and should be read in conjunction with the financial statements of Black Pine including the notes thereto, attached as Schedule H hereto.

Description	Amount authorized	Amount outstanding as at June 30 2024	Amount outstanding as at the date hereof
Black Pine Shares	Unlimited	15,931,728	15,931,728
Black Pine Options	1,593,172	1,513,054	1,513,054
Subscription Receipts	N/A	Nil	Nil
Indebtedness	N/A	Nil	\$34,289

Prior Sales

There is no public market for Black Pine Shares. No Black Pine securities have been issued in the 12-month period preceding the date of this Circular.

Executive Compensation

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about Black Pine's executive compensation objectives and processes and to discuss compensation decisions relating to its Named Executive Officers. In accordance with applicable securities legislation, Black Pine currently has two Named Executive Officers; being Richard Drew Martel, Chief Executive Officer and President, and Richard Barnett, Chief Financial Officer.

The Black Pine Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of Black Pine. In determining executive compensation, the Black Pine Board considered a variety of factors, including: the overall financial and operating performance of Black Pine; each executive officer's individual performance and contribution towards meeting corporate objectives; each executive officer's level of responsibility and length of service; and industry comparable.

Compensation Objectives and Principles

The compensation program for the senior management of Black Pine is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of Black Pine Shareholders.

In compensating its senior management, Black Pine has employed a combination of base salary, bonus compensation and equity participation. Black Pine does not provide any retirement benefits for its directors or officers.

Elements of Compensation

Base Salary

In the Black Pine Board's view, paying base salaries, which are reasonable in relation to the level of service expected while remaining competitive in the markets in which Black Pine operates, is a first step to attracting and retaining qualified and effective executives. Competitive salary information on comparable companies within Black Pine's industry is compiled from a variety of sources, including national and international publications.

Bonus Incentive Compensation

The Black Pine Board will consider executive bonus compensation dependent upon Black Pine meeting its strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses.

Compensation Risks

The Black Pine Board is keenly aware of the fact that compensation practices can have unintended risk consequences. The Black Pine Board will continually review Black Pine's compensation policies to identify any practice that might encourage an employee to expose Black Pine to unacceptable risk. At the present time the Black

Pine Board is satisfied that the current executive compensation program does not encourage the executives to expose the business to inappropriate risk. The Black Pine Board takes a conservative approach to executive compensation rewarding individuals for the success of Black Pine once that success has been demonstrated and incentivizing them to continue that success through the grant of long-term incentive awards.

Hedging Policy

Black Pine has no policy on whether an NEO or director is permitted to purchase certain financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds which are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Compensation Process

Black Pine does not have a compensation committee or a formal compensation policy. Black Pine relies solely on the Black Pine Board to determine the compensation of the Named Executive Officers. In determining compensation, the Black Pine Board considers industry standards and Black Pine's financial situation, but Black Pine does not otherwise have any formal objectives or criteria. The performance of each executive officer is informally monitored by the Black Pine Board, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the Black Pine Board seeks to accomplish the following goals:

- to recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation; and
- to motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met.

When considering the appropriate executive compensation to be paid to our officers, the Black Pine Board have regard to a number of factors including: (i) recruiting and retaining executives critical to the success of Black Pine and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and Black Pine Shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

Compensation of Directors

Other than as disclosed herein, the only arrangements Black Pine has, standard or otherwise, pursuant to which Black Pine compensated directors for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most recently completed financial year or subsequently, are by reimbursement for out-of-pocket expenses incurred on behalf of Black Pine.

Summary Compensation Table

The table below sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by Black Pine to each current and former NEO and director, in any capacity, for the fiscal years ended December 31, 2023, and 2022.

Table of Compensation Excluding Compensation Securities

Name and principal position	Fiscal year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Long-term incentive plans	Value of all other compensation	Total compensation
Richard Drew	2023	\$94,500	Nil	Nil	Nil	Nil	Nil	\$94,500

Name and principal position	Fiscal year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Long-term incentive plans	Value of all other compensation	Total compensation
Martel, CEO and President	2022	\$84,000	Nil	Nil	Nil	Nil	Nil	\$84,000
Richard Barnett, CFO	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Keturah Nathe, Director	2023	\$31,500	Nil	Nil	Nil	Nil	Nil	\$31,500
	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joe DeVries, Director	2023	Nil	Nil	Nil	Nil	Nil	\$66,074.40 ⁽¹⁾	\$66,074.40
	2022	Nil	Nil	Nil	Nil	Nil	\$66,074.40 ⁽¹⁾	\$66,074.40

Note:

(1) Includes consideration paid by Black Pine to Simco pursuant to a service contract with Simco dated July 3, 2021. See "*Information Concerning Black Pine – Executive Compensation - Employment, Consulting and Management Agreements*".

No compensation securities were granted or exercised by any NEO or director during the twelve month period ended December 31, 2023.

Employment, Consulting and Management Agreements

Other than as described below, Black Pine has not entered into any agreement or arrangement under which compensation was provided during the most recently complete financial year or is payable in respect of services provided to Black Pine or its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or a NEO.

Mr. Joe DeVries is a director of both AQR and Black Pine and is a proposed director of the Resulting Issuer. Mr. DeVries is also the sole shareholder of Simco, which currently provides management services to Black Pine, pursuant to a service contract with Black Pine.

Pursuant to the service contract dated July 3, 2021, with Black Pine, Simco provides corporate, administrative, and accounting services, office space and office equipment, arranges for payment of office expenses, and arranges for and/or coordinates equity and/or debt financings, and Black Pine reimburses Simco for all business services and out-of-pocket expenses and disbursements, plus an administration and handling fee of 10% of total reimbursed services and out-of-pocket expenses and disbursements, subject to a minimum payment of \$5,506.20 (plus GST) per month. The service contract further provides that, on the closing of any merger and/or acquisition and/or financing with or by a person directly or indirectly introduced to Black Pine by Simco, Black Pine will pay Simco a finder's fee equal to the maximum allowable under applicable exchange policies based on the value of the acquisition and/or gross proceeds of the investment. Such finder's fees are payable for a period of 36 months following the date the person was introduced to Black Pine by Simco. Black Pine is also obligated to pay a work fee of \$10,000 in connection with the closing of any merger and/or acquisition and/or financing with or by a person directly or indirectly introduced to Black Pine by Simco, in addition to any fees owed for services directly related to activity. As of the date of this Circular, Black Pine has not paid Simco any consideration in connection with the finder's fees or work fee provisions and Black Pine will not pay Simco any consideration in connection with the finder's fee or work fee provisions in connection with the Transaction.

Concurrently with the Transaction Closing, it is anticipated that that the Resulting Issuer will enter into the Simco Agreement, pursuant to which Simco will provide the Simco Services to the Resulting Issuer. It is anticipated that, pursuant to the Simco Agreement with the Resulting Issuer, Simco will provide the Simco Services and for consideration of \$5,506.20 (plus GST) per month. The Resulting Issuer will also reimburse Simco for all reasonable out-of-pocket expenses, plus a 10% payment charge. See "*Information Concerning the Resulting Issuer – Executive Compensation - Employment, Consulting and Management Agreements*".

Black Pine entered into a consulting agreement with Richard Drew Martel (the "**Martel Consulting Agreement**") pursuant to which Mr. Martel agrees to act as Black Pine's CEO beginning on May 1, 2022, for a term of one year and renewable on a month-to-month basis, subject to a 30 day termination notice period. Under this consulting agreement, Mr. Martel is paid a base management fee of \$7,500 per month, with bonuses to be considered and determined by the Black Pine Board on an annual basis, which may include stock options, special warrants or bonus fees. The Martel Consulting Agreement does not contain provisions relating to change of control, severance or constructive dismissal.

Black Pine entered into a consulting agreement with KMN Mgmt Inc. (the "**KMN Consulting Agreement**"), a company wholly owned by Keturah Nathe, pursuant to which KMN Mgmt Inc. agrees to act as Black Pine's securities and regulatory administrator beginning on May 1, 2022, for a term of one year and renewable on a month-to-month basis, subject to a 30 day termination notice period. Under the KMN Consulting Agreement, KMN Mgmt Inc. is paid a base management fee of \$2,500 per month. The KMN Consulting Agreement does not contain provisions relating to change of control, severance or constructive dismissal.

Non-Arm's Length Transactions

Other than as described below and elsewhere in this Circular, Black Pine has not obtained and does not propose to obtain any assets or services from (a) any director, officer or Promoter of Black Pine, (b) any principal securityholder of Black Pine or AQR (before and after giving effect to the Transaction), or (c) an Associate or Affiliate of any person or companies referred to in (a) or (b).

Mr. Richard Kern, a director of Black Pine and a proposed director of the Resulting Issuer, is the president of GBR, which is the counterparty to the Property Agreement. Mr. Kern has advised the Black Pine Board of his disclosable interest and has recused himself from voting on matters relating to the Property Agreement. Mr. Kern has advised Black Pine that he has not received any consideration in connection with the Property Agreement.

Mr. Joe DeVries is a "related party" (as such term is defined in MI 61-101) to AQR and is anticipated to be a "related party" to the Resulting Issuer on the Transaction Closing Date. Mr. DeVries is the sole controlling shareholder of Simco. Black Pine is party to a service contract with Simco dated July 3, 2021. Pursuant to this agreement, Simco provides corporate, administrative, and accounting services, office space and office equipment, arranges for payment of office expenses, and arranges for and/or coordinates equity and/or debt financings, and Black Pine reimburses Simco for all business services and out-of-pocket expenses and disbursements, plus an administration and handling fee of 10% of total reimbursed services and out-of-pocket expenses and disbursements, subject to a minimum payment of \$5,506.20 (plus GST) per month. The service contract further provides that, on the closing of any merger and/or acquisition and/or financing with or by a person directly or indirectly introduced to Black Pine by Simco, Black Pine will pay Simco a finder's fee equal to the maximum allowable under applicable exchange policies based on the value of the acquisition and/or gross proceeds of the investment. Such finder's fees are payable for a period of 36 months following the date the person was introduced to Black Pine by Simco. Black Pine is also obligated to pay a work fee of \$10,000 in connection with the closing of any merger and/or acquisition and/or financing with or by a person directly or indirectly introduced to Black Pine by Simco, in addition to any fees owed for services directly related to activity. As of the date of this Circular, Black Pine has not paid Simco any consideration in connection with the finder's fees or work fee provisions and Black Pine will not pay Simco any consideration in connection with the finder's fee or work fee provisions in connection with this Transaction.

See "*Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon*", "*Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions*", "*Information Concerning AQR – Non-Arm's Length Transactions*", "*Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest*", "*Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements*" and "*Information Concerning the Resulting Issuer – Risk Factors*".

Legal Proceedings

There are no legal proceedings Black Pine is or was a party to, or that any of its property is or was the subject matter of, since the beginning of the financial year ended December 31, 2023.

Material Contracts

Other than contracts entered into in the ordinary course of business, Black Pine has not entered into any material agreements in the preceding two years, other than the following:

- the Merger Agreement; and
- the Property Agreement.

In addition to the foregoing, Black Pine anticipates entering into the Lock Up Agreements on or before the Effective Date.

Copies of the foregoing agreements will be available for inspection at the registered office of Black Pine, Suite 303, 595 Howe Street, Vancouver, British Columbia V6C 2T5, during ordinary business hours, until the Transaction Closing Date and for a period of 30 days thereafter.

INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Structure

Name and Incorporation

The name of the Resulting Issuer is expected to be "Black Pine Holdings Corp." or such other name as the AQR Board and the Black Pine Board may determine, subject to TSXV approval. The Resulting Issuer's head office and registered and records office will be located at Suite 303, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

Intercorporate Relationships

Pursuant to the Amalgamation, Black Pine will amalgamate with AcquisitionCo to form Amalco, which will be a 100% wholly-owned subsidiary of the Resulting Issuer. After the Transaction Closing, Amalco will be the only subsidiary of the Resulting Issuer, with 100% of the Amalco Shares owned by the Resulting Issuer. Amalco will be a corporation governed by the BCBCA.

Description of the Business

The Resulting Issuer will carry on the business currently carried on by Black Pine. See "*Information Concerning Black Pine – Description of the Business*".

After the Transaction Closing, the Resulting Issuer Board will adopt such board committee charters, codes and policies as it deems necessary in accordance with good corporate governance practices and taking into account the stage of the Resulting Issuer.

Business Objectives and Milestones

The table below sets out the primary business objectives of Black Pine over the next 12 months.

Milestone	Timeline	Expected cost
Completion of the Transaction	Q4 2024	\$254,500 ⁽¹⁾
Completion of Phase 1 of the exploration program on the Sugarloaf Property	Q4 2025	\$202,000 ⁽²⁾
Total:		\$456,500

Notes:

- (1) Estimated transaction costs are anticipated to be comprised of TSXV filing fee of \$25,000, legal fees of \$130,000, transfer agent costs (including any costs associated with the Meeting) of \$9,000, and additional transaction costs of \$90,500.
- (2) The Phase 1 exploration program recommended in the Technical Report is \$202,000. See "*Information Concerning Black Pine – Description of the Business – Technical Report*".

See "*Information Concerning AQR – General Development of the Business – The Transaction*", "*Information Concerning Black Pine – Description of the Business – The Sugarloaf Property and the Property Agreement*", "*Information Concerning Black Pine – Description of the Business – Technical Report*" and "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Description of Securities

Shares

The authorized share capital of the Resulting Issuer shall consist of an unlimited number of Resulting Issuer Shares. Each Resulting Issuer Share will carry the same rights as an AQR Share. See "*Information Concerning AQR – Description of Securities – AQR Shares*".

Warrants

As of the date of this Circular, neither AQR nor Black Pine has any common share purchase warrants outstanding. Assuming the minimum amount under the Concurrent Financing is raised and the Subscription Receipt Conversion, immediately prior to the Effective Time, Black Pine will have 11,000,000 SR Warrants outstanding. See "*Information Concerning AQR – General Development of the Business – The Transaction – Concurrent Financing*" and "*Information Concerning Black Pine – Description of Securities – Warrants*".

Assuming the minimum amount under the Concurrent Financing is raised and the Subscription Receipt Conversion, an aggregate of 11,000,000 Resulting Issuer Shares will be reserved for issuance upon the due exercise of Resulting Issuer Warrants to be issued in exchange for the SR Warrants. See "*Information Concerning AQR – General Development of the Business – The Transaction*".

Each Resulting Issuer Warrant issued in exchange for an SR Warrant will have the same exercise price and expiry date as the SR Warrants and will be governed by the certificates representing such warrants.

Resulting Issuer Equity Awards

Stock Options

As of the date of this Circular, AQR does not have any AQR Options outstanding and Black Pine has 1,513,054 Black Pine Options outstanding. See "*Information Concerning AQR – Description of Securities – AQR Options*" and "*Information Concerning Black Pine – Description of Securities – Black Pine Options*".

It is anticipated that an aggregate of 1,513,054 Resulting Issuer Shares will be reserved for issuance upon the due exercise of Resulting Issuer Options to be issued in exchange for the Black Pine Options. See "*Information Concerning AQR – General Development of the Business – The Transaction*".

Each Resulting Issuer Option issued in exchange for a Black Pine Option will have the same exercise price and expiry date as the exchanged Black Pine Option, but such options will be governed by the New Plan. See "*Meeting and Proxy Related Information – Approval and Ratification of the New Plan*".

Other Resulting Issuer Equity Awards

Assuming the New Plan is approved by the AQR Shareholders at the Meeting, the Resulting Issuer will have the ability to grant Resulting Issuer DSUs, Resulting Issuer PSU, Resulting Issuer RSUs and Resulting Issuer SARs pursuant to the New Plan. See "*Meeting and Proxy Related Information – Approval and Ratification of the New Plan*".

Pro Forma Consolidated Capitalization

The table below sets out the *pro forma* consolidated capitalization of the Resulting Issuer as at June 30, 2024, after giving effect to the Transaction and the Concurrent Financing and assuming the minimum amount under the Concurrent Financing is raised, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants. The information in the table is derived from, and should be read in conjunction with, the Pro Forma Financial Statements, attached as Schedule I hereto.

Description	Amount authorized	Outstanding as at June 30, 2024, <i>pro forma</i>
Resulting Issuer Shares	Unlimited	31,431,729
Resulting Issuer Equity Awards	15% of the issued and outstanding Resulting Issuer Shares ⁽¹⁾	1,513,054
Resulting Issuer Warrants	N/A	11,000,000

Description	Amount authorized	Outstanding as at June 30, 2024, <i>pro forma</i>
Indebtedness	N/A	\$148,438

Note:

- (1) Assuming the New Plan is adopted at the Meeting, the Resulting Issuer Equity Awards will be governed by the New Plan. The aggregate maximum number of Resulting Issuer Shares that may be reserved for issuance under the New Plan, at any time, shall not exceed 15% of the number of Resulting Issuer Shares issued and outstanding at the time the New Plan is implemented following the Transaction Closing. See "*Meeting and Proxy Related Information – Approval and Ratification of the New Plan*".

Fully Diluted Share Capital

The table below sets out information regarding the Resulting Issuer securities anticipated to be outstanding, on a fully-diluted basis, after giving effect to the Transaction, assuming the minimum amount under the Concurrent Financing is raised and the Subscription Receipt Conversion.

Description	Amount	Undiluted percentage ⁽¹⁾	Fully-diluted percentage ⁽²⁾
Resulting Issuer Shares			
Resulting Issuer Shares held by existing AQR Shareholders	4,500,001	14.31%	10.24%
Resulting Issuer Shares to be exchanged for Black Pine Shares, excluding the Resulting Issuer Shares to be exchanged for the Black Pine Shares issued on completion of the Subscription Receipt Conversion	15,931,728	50.69%	36.25%
Resulting Issuer Shares to be exchanged for the Black Pine Shares issued on completion of the Subscription Receipt Conversion	11,000,000	35.00%	25.03%
Total undiluted share capital of the Resulting Issuer:	31,431,729	100%	71.52%
Convertible Resulting Issuer securities			
Resulting Issuer Options	1,513,054	-	3.45%
Resulting Issuer Warrants	11,000,000	-	25.03%
Total fully-diluted share capital of the Resulting Issuer:	43,944,783	-	100%

Notes:

- (1) Percentages are calculated based on 31,431,729 Resulting Issuer Shares issued and outstanding on the Transaction Closing Date, assuming the minimum amount under the Concurrent Financing is raised, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants.
- (2) Percentages are calculated based on 43,944,783 Resulting Issuer Shares issued and outstanding on the Transaction Closing Date, assuming the minimum amount under the Concurrent Financing is raised, the Subscription Receipt Conversion and the exercise of 1,513,054 Black Pine Options and 11,000,000 SR Warrants.

Available Funds and Principal Purposes

Funds Available

The table below sets out the estimated funds available to the Resulting Issuer as at October 31, 2024, after giving effect to the Transaction and assuming completion of the Concurrent Financing and that the minimum amount under the Concurrent Financing is raised (the "**Available Funds**").

Source of funds	Amount
Estimated AQR working capital as at October 31, 2024	\$(99,564)
Estimated Black Pine working capital as at October 31, 2024	\$61,656 ⁽¹⁾
Estimated Escrowed Funds	\$990,000 ⁽²⁾
Total estimated Available Funds:	\$952,092

Notes:

- (1) Assumes no exercise of Black Pine Options or SR Warrants prior to the Effective Time and does not include the Escrowed Funds. It is anticipated that the Escrowed Funds will be released by the SR Agent to Black Pine immediately prior to the Effective Time, assuming the Subscription Receipt Conversion.

- (2) Assumes no finder's fee is paid in connection with the Concurrent Financing. A finder's fee of up to 10% of the Escrowed Proceeds is payable from the Escrowed Funds on or after the date on which the Escrowed Funds will be released to Black Pine.

Principal Purposes of Funds Available

The table below sets out the proposed use of the Available Funds as at October 31, 2024, by the Resulting Issuer after giving effect to the Transaction and assuming the minimum amount under the Concurrent Financing is raised and the Subscription Receipt Conversion.

Principal uses of estimated Available Funds	Amount
Exploration expenditures sufficient to satisfy the Property Agreement for the next 12 months	\$202,000 ⁽¹⁾⁽²⁾
General and administrative costs for the next 12 months	\$350,000 ⁽³⁾
Estimated transaction costs	\$254,500 ⁽⁴⁾
Repayment of shareholder loan	\$5,499 ⁽⁵⁾
Unallocated working capital	\$140,093 ⁽⁶⁾
Total uses of funds:	\$952,092

Notes:

- (1) The Phase 1 exploration program recommended in the Technical Report is \$202,000. See "*Information Concerning Black Pine – Description of the Business – Technical Report*".
- (2) Pursuant to the Property Agreement, an aggregate of US\$300,000 worth of exploration expenditures are required by no later than the one year anniversary of the GBR Closing Date and expenditures paid by Black Pine prior to such date are applied against the first-year expenditures. The table below sets out the year 1 expenditures that were incurred before October 31, 2024, and the balance of the year 1 expenditures required to be incurred.

Expenditure requirement for year 1	US\$300,000
Expenditures incurred as at October 31, 2024	US\$224,488
Balance of year 1 expenditures required	US\$75,512
Currency Rate:	1.3944
Balance of year 1 expenditures converted to Canadian dollars using the Currency Rate	\$105,293 (rounded down)

See "*Information Concerning the Resulting Issuer – Business Objectives and Milestones*".

- (3) The general and administrative costs are anticipated to be comprised of NEO salaries and management fees of \$186,074.40, legal fees of \$15,000, sustain fees of \$6,000, costs related to the annual general meeting of shareholders of the Resulting Issuer of \$6,000, transfer agent and filing fees of \$12,000, shareholder communication fees of \$5,000, audit related fees of \$50,000, travel fees of \$20,000, and additional miscellaneous costs of \$49,925.60.
- (4) Estimated transaction costs are anticipated to be comprised of TSXV filing fee of \$25,000, legal fees of \$130,000, transfer agent costs (including any costs associated with the Meeting) of \$9,000, and additional transaction costs of \$90,500.
- (5) On May 30, 2012, shortly after the incorporation of AQR, \$5,499 was loaned to AQR by Simco, a company that is wholly-owned by Mr. Joe DeVries, a director of AQR, to fund AQR's working capital needs. The Resulting Issuer anticipates that the repayment of the loan to Simco is exempt from the formal valuation and shareholder approval requirements set forth in Section 5.4(1) and 5.6 of MI 61-101, respectively, as the fair market value of the loan to be repaid to Simco will not exceed 25% of the market capitalization of the Resulting Issuer at the time of such repayment for the purposes of section 5.5(a) and 5.7(1)(a) of MI 61-101. The repayment of the loan may be seen as a Collateral Benefit of Simco, and Joe DeVries, in connection with the Transaction.
- (6) Unallocated working capital may be allocated to additional exploration program expenditures beyond what is sufficient to satisfy the exploration expenditure requirements pursuant to the Property Agreement.

Selected Pro Forma Financial Information

The table below sets out a summary of selected pro forma consolidated financial information of the Resulting Issuer as at June 30, 2024, after giving effect to the Pro Forma Adjustments and assuming the Pro Forma Assumptions. The table below should be read in conjunction with the Pro Forma Financial Statements attached as Schedule I hereto.

Balance sheet data	As of June 30, 2024
Current assets	\$1,186,024
Total assets	\$4,266,275
Current liabilities	\$243,438
Total liabilities	\$243,438
Shareholders' equity	4,022,837

Dividend Policy

There will be no restrictions in the Resulting Issuer's articles or other constating documents that could prevent the Resulting Issuer from paying dividends. However, it is not contemplated that any dividends will be paid on any Resulting Issuer Shares in the immediate future. The Resulting Issuer Board will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the time.

Principal Securityholders

Except as disclosed below, to the knowledge of AQR and Black Pine, no securityholder is anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over more than 10% of any class of voting securities of the Resulting Issuer immediately after the Transaction Closing.

Name and municipality of residence	Number and class of security (% of class)	Type of ownership
Joe DeVries ⁽¹⁾ <i>Delta, British Columbia</i>	3,150,001 Resulting Issuer Shares ⁽²⁾ (10.02%) ⁽³⁾	Beneficial and of record

Notes:

- (1) Mr. DeVries is the sole controlling shareholder of Simco. Concurrently with the Transaction Closing, it is anticipated that the Resulting Issuer will enter into the Simco Agreement to retain Simco as an independent contractor to provide the Simco Services for consideration of \$5,506.20 (plus GST) per month. The Resulting Issuer will also reimburse Simco for all reasonable out-of-pocket expenses, plus a 10% payment charge. See "*Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements*".
- (2) It is anticipated that Mr. DeVries will be issued 125,000 Resulting Issuer Options, each exercisable for the purchase of one Resulting Issuer Share at a price of \$0.10 per share until March 31, 2027, in exchange for the 125,000 Black Pine Options held by Mr. DeVries as at the date hereof.
- (3) Percentage is calculated based on an aggregate of 31,431,729 Resulting Issuer Shares anticipated to be outstanding on the Effective Date, assuming the minimum amount under the Concurrent Financing is raised, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants prior to the Effective Time. On a fully-diluted basis, assuming the minimum amount under the Concurrent Financing is raised, the Subscription Receipt Conversion and the exercise of 1,513,054 Resulting Issuer Options and 11,000,000 Resulting Issuer Warrants, Mr. DeVries holds 7.45% of the Resulting Issuer Shares.

Officers, Directors and Promoters

Upon Completion of the Qualifying Transaction, it is anticipated that the AQR Board will be reconstituted, with Christopher Cherry and Richard Barnett resigning, and with Richard Drew Martel and Richard Kern to be appointed as directors to fill the vacancies created by such resignations. Pursuant to Section 14.8 of the Articles of AQR, directors may appoint one or more additional directors, but the number of the directors appointed must not at any time exceed one-third of the number of current directors elected. As AQR has five directors, the Resulting Issuer will be appointing one additional director to the Resulting Issuer Board, being Elyssia Patterson.

Name, Occupation and Security Holdings

The table below sets out (a) the name and municipality of each person proposed as a director or an officer of the Resulting Issuer, or a Promoter of the Resulting Issuer, (b) all positions and offices in the Resulting Issuer to be held by such person, (c) the principal occupation(s) during the preceding five years, (d) the period during which such person has served as a director or officer of Black Pine or AQR, and (e) the number and percentage of Resulting Issuer Shares to be beneficially owned by such person, directly or indirectly, or over which control or direction will be exercised, as of the date of the Amalgamation.

Name and municipality of residence	Principal occupations for the previous five years	Positions and offices with the Resulting Issuer	Director or officer since	Number (and percentage) of Resulting Issuer Shares owned or controlled ⁽¹⁾
Keturah Nathe ⁽²⁾ <i>Pitt Meadows, B.C.</i>	Corporate advisor for several public companies; director and/or officer of several public	Corporate Secretary, Director	June 12, 2017	850,000 (2.70%)

Name and municipality of residence	Principal occupations for the previous five years	Positions and offices with the Resulting Issuer	Director or officer since	Number (and percentage) of Resulting Issuer Shares owned or controlled ⁽¹⁾
	companies; CEO and President of AQR since June 2017.			
Teresa Cherry <i>Vancouver, B.C.</i>	Accountant (CA) consultant providing management and accounting consulting services to public companies; CFO and Secretary of AQR since June 2017	Chief Financial Officer	June 12, 2017	100,000 (0.32%)
Richard Drew Martel <i>Vancouver, B.C.</i>	Consulting for companies in mining, energy and early stage venture capital companies; CEO and President and Director of Black Pine since October 2017	Chief Executive Officer, Director, Promoter	N/A	1,664,800 (5.30%)
Richard Kern <i>Reno, Nevada, U.S.A.</i>	Professional geologist and President of Great Basin Resources Inc; President & CEO of Iconic Minerals and is director of several public companies.	Director	N/A	Nil
Joe DeVries <i>Delta, B.C.</i>	Business Manager for several public companies; CEO, President and a director of Altima Resources Ltd. and Petrichor Energy Inc.	Director	March 1, 2022	3,150,001 (10.02%)
Huitt Tracey ⁽²⁾ <i>North Vancouver, B.C.</i>	Licensed realtor with Sutton Centre Realty since May 2013	Director	June 12, 2017	300,000 (0.95%)
Elyssia Patterson ⁽²⁾ <i>West Vancouver, B.C.</i>	CEO of Lycan Capital Corp. since February 2021; CEO of Urbane Capital Corp. between December 2019 to January 2021.	Director	N/A	Nil

Note:

- (1) Percentages are calculated on an undiluted basis and are based on an aggregate of 31,431,729 Resulting Issuer Shares anticipated to be outstanding on the Effective Date, assuming the minimum amount under the Concurrent Financing is raised, none of the persons listed in the table above participate, directly or indirectly, in the Concurrent Financing, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants prior to the Effective Time.
- (2) Proposed member of the Resulting Issuer Audit Committee. Keturah Nathe is the proposed chair of the Resulting Issuer Audit Committee.

All directors of the Resulting Issuer will hold office until the first annual general meeting of the Resulting Issuer following the Transaction Closing unless they resign prior thereto or are removed by the shareholders of the Resulting Issuer in accordance with applicable law.

It is anticipated that the directors and officers of the Resulting Issuer, as a group, will own, directly or indirectly, or exercise control or direction over, 6,064,801 Resulting Issuer Shares immediately following the Transaction Closing, assuming the minimum amount under the Concurrent Financing is raised, that none of the directors and officers of the Resulting Issuer participate, directly or indirectly, in the Concurrent Financing, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants prior to the Effective Time.

See "Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon", "Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions", "Information Concerning AQR – Non-Arm's Length Transactions", "Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction", "Information Concerning Black Pine – Non-Arm's Length Transactions", "Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions", "Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest", "Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements" and "Information Concerning the Resulting Issuer – Risk Factors".

Management

The following is a brief description of each of the proposed directors and officers of the Resulting Issuer (including details with regard to their principal occupations for the last five years).

Keturah Nathe, Corporate Secretary and Director, Age: 44

Ms. Nathe brings 17 years' experience at both public and private companies in various industries including: mineral exploration and development, oil and gas, technology, agriculture, and property development. Her experience includes corporate and regulatory compliance, structuring and execution of debt and equity financings, corporate strategy, identifying and evaluating acquisition targets and due diligence reviews, industry/market research/valuations, and contract negotiations. Ms. Nathe is the Chief Financial Officer and/or director several junior public companies that trade on the TSXV, NEX, and the Canadian Securities Exchange.

Ms. Nathe is not an employee or independent contractor of AQR or Black Pine and has not entered into a non-competition or confidentiality agreement with AQR or Black Pine. It is not expected Ms. Nathe will become an employee or independent contractor of the Resulting Issuer. It is expected that she will devote approximately 15% of her time to the business of the Resulting Issuer to effectively fulfill her duties as an officer and a member of the Resulting Issuer Board.

Teresa Cherry, Chief Financial Officer, Age: 44

Ms. Cherry is the Chief Financial Officer of several junior public companies that trade on the TSXV, NEX, and the Canadian Securities Exchange. She has over 10 years' experience assisting public companies with financial reporting in the exploration, development, and production stages. Ms. Cherry is a member of the Chartered Professional Accountants of British Columbia (CPA, CGA).

Ms. Cherry is not an employee or independent contractor of AQR or Black Pine and has not entered into a non-competition or confidentiality agreement with AQR or Black Pine. It is not expected Ms. Cherry will become an employee or independent contractor of the Resulting Issuer. It is expected that she will devote approximately 15% of her time to the business of the Resulting Issuer to effectively fulfill her duties as an officer of the Resulting Issuer.

Huitt Tracey, Director, Age: 64

Mr. Tracey has been involved in the North American venture capital markets for over 30 years. Serving in capacities as stockbroker, director, officer or investor relations consultant, he has provided expertise to numerous companies in industries including advanced technology, IP, telecommunication, bio-technology, energy and mining. In more than a decade as an Account Executive with brokerage firms that specialize in the corporate financing of American and Canadian ventures, he assisted in the initial public offering and development funding of many companies that pioneered innovative and disruptive technologies.

Mr. Tracey is not an employee or independent contractor of AQR or Black Pine and has not entered into a non-competition or confidentiality agreement with AQR or Black Pine. It is not expected Mr. Tracey will become an employee or independent contractor of the Resulting Issuer. It is expected that he will devote approximately 10% of his time to the business of the Resulting Issuer to effectively fulfill his duties as a member of the Resulting Issuer Board.

Elyssia Patterson, Director, Age: 38

Ms. Patterson is a finance and corporate development executive with extensive experience guiding private companies through the process of going public on the TSXV and the Canadian Securities Exchange (CSE). As CEO of Lycan Capital Corp., she oversees corporate communications, marketing, investor relations, and corporate development services for publicly traded companies. Her previous roles include Director at BuildDirect.Com Technologies Inc. (TSXV: BILD), CFO at Quebec Innovative Materials Corp. (CSE: QIMC), CFO at Quebec Nickel Corp. (CSE: QNI), CFO and Director at Snowy Owl Gold (CSE: SNOW), Director at Lophos Holdings (CSE: MESC), as well as Director for Diagnamed Holdings Corp. (CSE: DMED) and Starmet Ventures (CSE: STAR). Ms. Patterson

has a strong background in corporate finance, strategic planning, and investor relations. She holds a Bachelor of Arts in Communication from Simon Fraser University, an MBA from Queensland University of Technology, and is currently enrolled in the Directors Education Program at the University of Toronto - Rotman School of Management.

Ms. Patterson is not an employee or independent contractor of AQR or Black Pine and has not entered into a non-competition or confidentiality agreement with AQR or Black Pine. It is not expected Ms. Patterson will become an employee or independent contractor of the Resulting Issuer. It is expected that she will devote approximately 10% of her time to the business of the Resulting Issuer to effectively fulfill her duties as a member of the Resulting Issuer Board.

Richard Drew Martel, Chief Executive Officer and Director, Age: 57

Mr. Martel has been involved with private and publicly listed companies for the past 25 years. Currently, Drew is the principal of RAMM Communications Corp, a private consultancy firm specializing in advising growth companies in mining, energy and early-stage venture capital companies. Mr. Martel has held senior management positions as Director, Corporate Development and Marketing with Tan Range Resources Co., New Millennium Metals Corp., which merged with Platinum Group Metals Ltd. (TSX: PTM), Kiska Metals Corporation, Balmoral Resources Ltd., MAG Silver Corp. (TSX: MAG), Constantine Metals Resources Ltd. and Canagold Resources Corp. (TSX: CCM).

Mr. Martel is not an employee or independent contractor of AQR or Black Pine and has not entered into a non-competition or confidentiality agreement with AQR or Black Pine. It is not expected Mr. Martel will become an employee or independent contractor of the Resulting Issuer. It is expected that he will devote approximately 45% of his time to the business of the Resulting Issuer to effectively fulfill his duties as a member of the Resulting Issuer Board.

Richard Kern, Director, Age: 77

Mr. Kern, B.Sc., M.Sc., is a professional geologist with over 35 years of experience in mineral exploration in the U.S., Central America, South America and Australia. He has been involved in major discoveries in the Western U.S. and Australia. Mr. Kern's areas of expertise include establishing base, precious metal and lithium exploration programs throughout North America, with an emphasis on the Western U.S. Mr. Kern has strong analytical skills focusing on a mixture of methods such as practical field geology, geochemistry and drilling with state of the art GIS, geochemical and geophysical methods. Mr. Kern is currently the president of GBR and CEO of Iconic Minerals Ltd. (TSXV: ICM) and has held executive and management level positions in North Mining, Inc., Homestake Mining Company (NYSE: HM), Superior Oil Company, and the U.S. Geological Survey.

Mr. Kern is not an employee or independent contractor of AQR or Black Pine and has not entered into a non-competition or confidentiality agreement with AQR or Black Pine. It is not expected Mr. Kern will become an employee or independent contractor of the Resulting Issuer. It is expected that he will devote approximately 10% of his time to the business of the Resulting Issuer to effectively fulfill his duties as a member of the Resulting Issuer Board.

Joe DeVries, Director, Age: 64

Mr. DeVries is a businessman with over 30 years' experience in assisting public companies with financing, development and administration. He has facilitated the building of shareholder equity value with development capital. He is presently Interim CEO President and a director of ARH (TSXV: ARH), CEO, President and a director of Petrichor Energy Inc. (TSXV: PTP) and a director of AQR.

Mr. DeVries is not an employee or independent contractor of AQR or Black Pine and has not entered into a non-competition or confidentiality agreement with AQR or Black Pine. It is not expected Mr. DeVries will become an employee or independent contractor of the Resulting Issuer. It is expected that he will devote approximately 10% of his time to the business of the Resulting Issuer to effectively fulfill his duties as a member of the Resulting Issuer Board.

Mr. Joe DeVries is a "related party" (as such term is defined in MI 61-101) to AQR and is anticipated to be a "related party" to the Resulting Issuer on the Transaction Closing Date. Mr. DeVries is also the sole shareholder of Simco. Concurrently with the Transaction Closing, it is anticipated that the Resulting Issuer will enter into the Simco Agreement to retain Simco as an independent contractor to provide the Simco Services for consideration of \$5,506.20 (plus GST) per month. The Resulting Issuer will also reimburse Simco for all reasonable out-of-pocket expenses, plus a 10% payment charge. See *"Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements"*.

Promoter

Richard Drew Martel may be considered to be a Promoter of Black Pine and the Resulting Issuer, as he took the initiative in founding and organizing the business of Black Pine.

Mr. Martel is the CEO and President of Black Pine and is anticipated to act as CEO and a director of the Resulting Issuer. As of the date hereof, Mr. Martel owns 1,664,800 Black Pine Shares and holds 538,054 Black Pine Options, representing 10.45% of the Black Pine Shares on an undiluted basis, 13.38% on a partially-diluted basis, and 12.63% on a fully-diluted basis. Mr. Martel does not own any securities of AQR. Immediately after the Transaction Closing, Mr. Martel is anticipated to beneficially own, or control or direct 1,664,800 Resulting Issuer Shares and hold 538,054 Resulting Issuer Options, representing 5.30% of the anticipated issued and outstanding Resulting Issuer Shares on an undiluted basis (assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) Mr. Martel does not participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion and (iv) no exercise of Black Pine Options or SR Warrants prior to the Effective Time), 6.89% on a partially-diluted basis (assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) Mr. Martel does not participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion, and (iv) no exercise of Black Pine Options or SR Warrants prior to the Effective Time, other than the 538,054 Black Pine Options held by Mr. Martel) and 5.01% on a fully-diluted basis (assuming (i) the minimum amount under the Concurrent Financing is raised, (ii) Mr. Martel does not participate, directly or indirectly, in the Concurrent Financing, (iii) the Subscription Receipt Conversion and (iv) the exercise of 1,513,054 Black Pine Options and 11,000,000 SR Warrants).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, no proposed director or executive officer of the Resulting Issuer, has, within the last ten years prior to date of this Circular, been a director, CFO or CEO of any company that was subject to an Order that was issued after such person ceased to be a director, CEO or CFO and which resulted from an event that occurred while such person was acting in that capacity.

Mr. Joe DeVries has been the CEO of Altima Resources Ltd. since October of 2016 and Mr. Richard Barnett has been the CFO of the company since July of 2009. At the request of management of the company, on June 29, 2022, the BCSC issued an MCTO against certain insiders of the company, including Messrs. DeVries and Barnett, for failure to file the company's annual audited financial statements, MD&A and related certifications for the financial year ended February 28, 2022. On September 12, 2022, the BCSC issued a CTO against the company for failure to file the company's annual audited financial statements, MD&A and related certifications for the financial year ended February 28, 2022, and the company's interim financial statements, MD&A and related certifications for the period ended May 31, 2022. The MCTO and the CTO were revoked by the BCSC on October 12, 2022.

No proposed director or executive officer of the Resulting Issuer, or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has, within the ten years prior to the date of this Circular: (a) been a director or executive officer of any company that, while such 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) 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 such person.

Penalties and Sanctions

No proposed director, officer or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer 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 been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder making a decision about the Transaction.

Interests of Management and Others in Material Transactions

Except as disclosed elsewhere in this Circular, to the knowledge of AQR and Black Pine, no proposed director or executive officer of the Resulting Issuer, or person or company that will beneficially own, or control or direct, directly or indirectly, more than 10% of the Resulting Issuer Shares on completion of the Transaction, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years of AQR and Black Pine, respectively, or during the current financial year of AQR and Black Pine, respectively, prior to the date of this Circular that has materially affected or is reasonably expected to materially affect the Resulting Issuer.

See *"Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon"*, *"Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions"*, *"Information Concerning AQR – Non-Arm's Length Transactions"*, *"Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction"*, *"Information Concerning Black Pine – Non-Arm's Length Transactions"*, *"Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest"*, *"Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements"* and *"Information Concerning the Resulting Issuer – Risk Factors"*.

Conflicts of Interest

Mr. Richard Barnett is the CFO of Black Pine and a director of AQR. Ms. Keturah Nathe is a director of Black Pine and the CEO, President and a director of AQR. Mr. Joe DeVries is a director of each of Black Pine and AQR. As such, each of Ms. Nathe, Mr. DeVries and Mr. Barnett is a Non-Arm's Length Party and Insider to Black Pine and AQR. Each of Ms. Nathe, Mr. DeVries, and Mr. Barnett has informed the Black Pine Board and the AQR Board of his or her disclosable interest and will recuse himself or herself from voting on matters relating to the Transaction that are to be approved prior to the Transaction Closing, and will not receive any consideration in connection with the Transaction.

Mr. Joe DeVries is a "related party" (as such term is defined in MI 61-101) to AQR and is anticipated to be a "related party" to the Resulting Issuer on the Transaction Closing Date. Mr. DeVries is also the sole shareholder of Simco. Concurrently with the Transaction Closing, it is anticipated that the Resulting Issuer will enter into the Simco Agreement to retain Simco as an independent contractor to provide the Simco Services for consideration of \$5,506.20 (plus GST) per month. The Resulting Issuer will also reimburse Simco for all reasonable out-of-pocket expenses, plus a 10% payment charge.

Mr. Richard Kern, a director of Black Pine and a proposed director of the Resulting Issuer, is the president of GBR, which is the counterparty to the Property Agreement. Mr. Kern has advised the Black Pine Board of his disclosable interest and has recused himself from voting on matters relating to the Property Agreement. Mr. Kern has advised Black Pine that he has not received any consideration in connection with the Property Agreement.

In addition, certain directors and officers of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest.

In accordance with the BCBCA, directors or officers of the Resulting Issuer who have a material interest in a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Some of the directors and officers of the Resulting Issuer have or will have either other employment or other business or time restrictions placed on them and, accordingly, these directors and officers of the Resulting Issuer will only be able to devote part of their time to the affairs of the Resulting Issuer.

See "Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon", "Meeting and Proxy Related Information – Interest of Informed Persons in Material Transactions", "Information Concerning AQR – Non-Arm's Length Transactions", "Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction", "Information Concerning Black Pine – Non-Arm's Length Transactions", "Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions", "Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Other Reporting Issuer Experience", "Information Concerning the Resulting Issuer – Executive Compensation – Employment, Consulting and Management Agreements" and "Information Concerning the Resulting Issuer – Risk Factors".

Other Reporting Issuer Experience

The table below sets out information of the proposed directors and officers of the Resulting Issuer that are, or have been within the five years prior to the date hereof, directors, officers or Promoters of other reporting issuers.

Name	Name of reporting issuer	Exchange	Position	From	To
Keturah Nathe	Nevada Lithium Resources Inc.	CSE	Director	Jul 2023	Present
	American Biofuels Inc.	TSXV	Interim President, CEO, Director	Mar 2019	Present
	Iconic Minerals Ltd.	TSXV	Director	Jan 2019	Present
	St. Georges Eco Mining	CSE	Director	Aug 2021	Present
Joe DeVries	Petrichor Energy Inc.	TSXV	President, CEO, Director	Aug 2005	Present
	Altima Resources Ltd.	TSXV	President, CEO, Director	Oct 2016	Present
Richard Kern	Iconic Minerals Ltd.	TSXV	CEO and Director	Jul 2007	Present
	Nevada Lithium Resources Inc.	CSE	COO and Director	Jul 2023	Present
	NSJ Gold Corp	CSE	Officer	Mar 2021	Present
Elyssia Patterson	Build Direct.com Technologies Inc.	TSXV	Director	Sept 2019	Aug 2021
	Boba Mint Holdings Ltd. (previously, Snowy Owl Gold Corp.)	CSE	CFO & Director	May 2020	May 2024
	Quebec Innovative Materials Corp.	CSE	CFO	Sept 2020	April 2023
	Quebec Nickel Corp.	CSE	CFO	Oct 2020	Jan 2022
	Starmet Ventures inc.	CSE	Director	Oct 2022	Oct 2024
	Diagnamed Holdings Corp.	CSE	Director	Oct 2022	Oct 2024
	Lophos Holdings Inc.	CSE	Director	Aug 2023	Apr 2024
Huitt Tracey	Iconic Minerals Ltd.	TSXV	Director	July 2014	Present

Audit Committee and Corporate Governance

Audit Committee

It is anticipated that the only committee of the Resulting Issuer Board following the Transaction Closing will be the Resulting Issuer Audit Committee. The Resulting Issuer Audit Committee is anticipated to be comprised of Huitt Tracey, Elyssia Patterson and Keturah Nathe. The chair of the Resulting Issuer Audit Committee is anticipated to be Keturah Nathe. Huitt Tracey and Elyssia Patterson are considered independent within the meaning of NI 52-110. Keturah Nathe is not considered independent due to her role as the current Chief Executive Officer of AQR. Each Resulting Issuer Audit Committee member is "financially literate", within the meaning of NI 52-110 and possesses education or experience that is relevant for the performance of their responsibilities as a Resulting Issuer Audit Committee member. See "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Management*".

The mandate of the Resulting Issuer Audit Committee will be to assist the Resulting Issuer Board in fulfilling its oversight responsibilities relating to financial accounting, reporting and internal controls for the Resulting Issuer. The Resulting Issuer Audit Committee will be responsible for: conducting reviews and discussions with management and the external auditors relating to the audit and financial reporting; assessing the integrity of internal controls and financial reporting procedures; ensuring implementation of internal controls and procedures; reviewing the quarterly and annual financial statements and MD&A of the Resulting Issuer; selecting and monitoring the independence, performance and remuneration of the external auditors; oversight of all disclosure relating to financial information. The Resulting Issuer Audit Committee will also be responsible for reviewing and following the procedures established in the Resulting Issuer's codes, policies and guidelines as may be established from time to time.

The Audit Committee's Charter

It is anticipated that the charter of the Resulting Issuer Audit Committee will be identical to the charter of the AQR Audit Committee, a copy of which is attached as Schedule M hereto.

Relevant Education and Experience

Huitt Tracey: Mr. Tracey has acted in the capacity as director of Iconic Minerals Ltd. since July 2014, and as such, is familiar with the financial operations of junior public companies that trade publicly in Canada.

Elyssia Patterson: Ms. Patterson has acted in the capacity of Chief Financial Officer and/or director of several junior public companies that trade on the TSXV and the Canadian Securities Exchange.

Keturah Nathe: Ms. Nathe has acted in the capacity of Chief Executive Officer and/or director of several junior public companies that trade on the TSXV, NEX, and the Canadian Securities Exchange.

Reliance on Certain Exemptions

It is anticipated that the Resulting Issuer will rely on the exemption in section 6.1 of NI 52-110 from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

It is anticipated that the Resulting Issuer Audit Committee will adopt specific policies and procedures for the engagement of non-audit services.

Corporate Governance

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and National Policy 58-201 - *Corporate Governance Guidelines* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of a board of directors, the functions to be performed by a board of directors and their committees, and the effectiveness and education of board of directors' members. Each

reporting issuer, such as the Resulting Issuer, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Resulting Issuer's disclosure of its anticipated corporate governance practices.

Independence of Members of Board

The Resulting Issuer Board will consist of six directors: Keturah Nathe, Richard Drew Martel, Richard Kern Joe DeVries, Huitt Tracey and Elyssia Patterson. Huitt Tracey, Elyssia Patterson and Richard Kern are considered independent as such term is defined in NI 52-110. Keturah Nathe is not considered independent, as she currently serves as CEO of AQR. Richard Drew Martel is not considered independent as he will serve as CEO of the Resulting Issuer. Joe DeVries is not considered independent as he is the sole shareholder of Simco, which will receive payments from the Resulting Issuer pursuant to the Simco Agreement.

Management Supervision by Board

The size of the Resulting Issuer is such that all the Resulting Issuer's operations are anticipated to be conducted by a small management team which is also represented on the Resulting Issuer Board. The Resulting Issuer Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing the operations of the Resulting Issuer and have regular and full access to management. The independent directors are, however, able to meet at any time without any members of management including the non-independent directors being present. Further supervision is anticipated to be performed through the Resulting Issuer Audit Committee, who will meet with the Resulting Issuer's auditors without management being in attendance.

Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the table provided under "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Other Reporting Issuer Experience*".

Orientation and Continuing Education

While it is not anticipated that the Resulting Issuer will have formal orientation and training programs, new members of the Resulting Issuer Board will be provided with:

1. access to recent, publicly filed documents of the Resulting Issuer, technical reports and the Resulting Issuer's internal financial information; and
2. access to management.

Resulting Issuer Board members will be encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars. Resulting Issuer Board members will have full access to the Resulting Issuer's records.

Ethical Business Conduct

Good corporate governance is an integral component to the success of the Resulting Issuer and to meet its responsibilities to shareholders. A reputation for integrity is an important asset and it is anticipated that the Resulting Issuer will set high standards of personal and business integrity for its employees, and will conduct its business in accordance with those high standards. The Resulting Issuer will obey the law wherever it operates. It is expected that the Resulting Issuer's business conduct and the personal actions of its employees will reflect the spirit and intent of the laws under which the Resulting Issuer operates and its employees live. The Resulting Issuer's employees are encouraged to act so that others will view the Resulting Issuer and its employees as having the very highest standards of integrity. Ultimately there is no way to assure proper behavior, except through the actions of

each employee. No set rules of conduct will apply to every possible situation. Common sense and judgment supported by a deeply ingrained tradition of integrity provides the Resulting Issuer's foundation.

Good corporate governance is an integral component to the success of the Resulting Issuer and to meet responsibilities to shareholders.

Nomination of Directors

It is anticipated that Resulting Issuer Board will determine new nominees to the Resulting Issuer Board, although it is not anticipated that a formal process will be adopted. It is anticipated that nominees to the Resulting Issuer Board will be the result of recruitment efforts by the Resulting Issuer Board members, including both formal and informal discussions among Resulting Issuer Board members and the CEO. It is anticipated that the Resulting Issuer Board will monitor but not formally assess the performance of individual Resulting Issuer Board members or committee members or their contributions.

Compensation of Directors and the CEO

It is anticipated that the Resulting Issuer Board will include three directors who are independent, as such term is defined in NI 52-110: Richard Kern, Huitt Tracey and Elyssia Patterson. It is anticipated that these directors will have the responsibility for determining compensation for the directors and senior management of the Resulting Issuer.

To determine compensation payable, it is anticipated that the independent directors will review compensation paid for directors and CEOs (or persons acting in a similar capacity to CEO, such as Presidents) of companies of similar size and stage of development in the mining industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Resulting Issuer. In setting the compensation, it is anticipated that the independent directors will review the performance of the CEO (or President) annually in light of the Resulting Issuer's objectives and consider other factors that may have impacted the success of the Resulting Issuer in achieving its objectives.

Board Committees

It is not anticipated that the Resulting Issuer will have any board committees other than the Resulting Issuer Audit Committee, as it is anticipated that the directors will be actively involved in the operations of the Resulting Issuer and the size of the Resulting Issuer's operations is not anticipated to warrant a larger board of directors.

Assessments

It is not anticipated that that formal assessments would be useful at this stage of the Resulting Issuer's development. It is anticipated that the Resulting Issuer Board will conduct informal annual assessments of the Resulting Issuer Board's effectiveness, the individual directors and any committees of the Resulting Issuer Board. To assist in its review, it is anticipated that the Board will conduct informal surveys of its directors.

Expectations of Management

It is anticipated that the Resulting Issuer Board will expect management to operate the business of the Resulting Issuer in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Resulting Issuer's business plan.

Executive Compensation

For the purposes of this section, the Named Executive Officers are Richard Drew Martel (Chief Executive Officer), and Teresa Cherry (Chief Financial Officer). The table below sets out the anticipated compensation of the NEOs or the Resulting Issuer for the 12 month period following the Transaction Closing.

Name and position	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Richard Drew Martel, Chief Executive Officer	\$90,000	Nil	Nil	Nil	Nil	\$90,000
Teresa Cherry, Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil

Compensation Discussion and Analysis

When determining compensation policies and individual compensation levels for the Resulting Issuer's executive officers a variety of factors will be considered, including: the overall financial and operating performance of the Resulting Issuer; each executive officer's individual performance and contribution towards meeting corporate objectives; each executive officer's level of responsibility and length of service; and industry comparable.

The Resulting Issuer's compensation philosophy for its executive officers will follow three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with other companies in the industry in which it operates, which are of similar size and scope of operations, so as to attract and retain talented executives; and to align the interests of its executive officers with the long-term interests of the Resulting Issuer and its shareholders through stock related programs.

The Resulting Issuer's compensation arrangements for its directors and officers, may, in addition to salary, include compensation in the form of bonuses upon the achievement of certain milestones and the granting of stock options. Stock options previously granted are not included in perquisites as the exercise price is out of the money and therefore current value is nil. The compensation policy of the Resulting Issuer may be re-evaluated in the future to emphasize increased base salaries and/or cash bonuses with a reduced reliance on option awards, depending upon the future development of Black Pine and other factors which may be considered relevant by the Resulting Issuer Board, from time to time.

Following the Transaction Closing, it is anticipated that the Resulting Issuer will adopt the policies of Black Pine, subject to amendment from time to time, in respect to the compensation of its executive officers. See "*Information Concerning Black Pine – Executive Compensation*".

Pension Plan Benefits

The Resulting Issuer does not intend to implement any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Employment, Consulting and Management Agreements

Upon completion of the Qualifying Transaction, the Resulting Issuer will assume Black Pine's obligations under existing employment and consulting agreements, including the Martel Consulting Agreement and the KMN Consulting Agreement. See "*Information Concerning Black Pine – Executive Compensation - Employment, Consulting and Management Agreements*".

Concurrently with the Transaction Closing and as contemplated in the Merger Agreement, it is anticipated that the Resulting Issuer will enter into the Simco Agreement to retain Simco as an independent contractor to provide certain services, including, but not limited to:

- (a) acting as the registered and records office of the Resulting Issuer;
 - (b) arranging for corporate, administrative and accounting services, including in connection with financings the Resulting Issuer may engage in;
 - (c) providing office space and equipment associated with running an office, including telephones, office supplies, etc.
 - (d) arranging for payment of certain office expenses, including, but not limited to, costs associated with facsimile and photocopying, long distance charges, courier charges and costs associated with purchasing office supplies; and
 - (e) providing securities and regulatory reporting services,
- (collectively, the "**Simco Services**").

The Resulting Issuer will pay to Simco an aggregate of \$5,506.20 (plus GST) per month in consideration for the Simco Services. The Resulting Issuer further agrees to reimburse Simco for all reasonable out-of-pocket expenses plus a 10% payment charge on such expenses, which are incurred in connection with the performance of the Simco Services. The Resulting Issuer will engage Simco for an initial period of 36 months, which will automatically renew for a further period of 12 months unless terminated by 30 days written notice by either party. The Simco Agreement may be terminated for cause or without cause by the Resulting Issuer. If the Resulting Issuer terminates the Simco Agreement without cause, the Resulting Issuer will be required to pay Simco 30% of the annual consulting fees due to Simco for the remaining duration of the term of the Simco Agreement. Simco can terminate the Simco Agreement at any time by providing 30 days written notice to the Resulting Issuer.

Mr. Joe DeVries, an anticipated Related Party (as such term is defined in MI 61-101) to the Resulting Issuer is the sole shareholder of Simco. The Resulting Issuer anticipates that the Simco Agreement and the transactions contemplated thereunder are exempt from the formal valuation and shareholder approval requirements set forth in Section 5.4(1) and 5.6 of MI 61-101, respectively, as the fair market value of the consideration paid or to be paid to Simco will not exceed 25% of the market capitalization of the Resulting Issuer at the time of entering into such agreement for the purposes of section 5.5(a) and 5.7(1)(a) of MI 61-101.

See "*Meeting and Proxy Related Information – Proxy Related Matters – Interest of Certain Persons in Matters To Be Acted Upon*", "*Information Concerning AQR – Non-Arm's Length Transactions*", "*Information Concerning AQR – Non-Arm's Length Qualifying Transaction and Related Party Transaction*", "*Information Concerning Black Pine – Non-Arm's Length Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Interests of Management and Others in Material Transactions*", "*Information Concerning the Resulting Issuer – Officers, Directors and Promoters – Conflicts of Interest*" and "*Information Concerning the Resulting Issuer – Risk Factors*".

Compensation of Directors

Following the Transaction Closing, it is anticipated that the Resulting Issuer will adopt the policies of Black Pine, subject to amendment from time to time, in respect to compensation of its directors. See "*Information Concerning Black Pine – Executive Compensation – Compensation of Directors*".

Indebtedness of Directors and Officers

As of the Transaction Closing, no proposed director, executive officer or senior officer of the Resulting Issuer or any Associate thereof, is anticipated to be indebted to the Resulting Issuer or any of its subsidiaries.

No director, executive officer or other senior officer of AQR or Black Pine or person who acted in such capacity in the last financial year of AQR or Black Pine or proposed director or officer of the Resulting Issuer, or any Associate of any such director or officer is, or has been, at any time since the incorporation of AQR or Black Pine, indebted to AQR or Black Pine nor is, or at any time since the incorporation/amalgamation of AQR or Black Pine has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by AQR or Black Pine.

Investor Relations Arrangements

The Resulting Issuer does not anticipate entering into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Resulting Issuer.

Security Based Compensation

New Omnibus Equity Incentive Plan

At the Meeting, AQR Shareholders will be asked to approve the New Plan. If approved, it is anticipated that the New Plan will be implemented following the Transaction Closing. The New Plan provides for the flexibility to grant equity-based incentive awards in the form of Resulting Issuer Options, Resulting Issuer RSUs, Resulting Issuer DSUs, Resulting Issuer PSUs and Resulting Issuer SARs.

All future Resulting Issuer Equity Awards will be issued pursuant to and governed by the New Plan and no future Resulting Issuer Options will be issued pursuant to or governed by the terms of the Existing Plan. To the extent any Resulting Issuer Equity Awards under the New Plan are terminated or cancelled for any reason prior to being exercised in full, the Resulting Issuer Shares subject to such Resulting Issuer Equity Awards (or any portion(s) thereof) shall be added back to the number of Resulting Issuer Shares reserved for issuance under the New Plan.

A summary of the New Plan is set out under the heading "Meeting and Proxy Related Information – Matters To Be Acted Upon at the Meeting – Approval and Ratification of the New Plan". Such summary is qualified in its entirety by the full text of the New Plan, a copy of which can be found attached as Schedule N hereto.

The purpose of the New Plan is to, among other things: (i) provide the Resulting Issuer with an equity-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Resulting Issuer and its subsidiaries, (ii) reward directors, officers, employees and consultants that have been granted awards under the New Plan for their contributions toward the long-term goals and success of the Resulting Issuer, and (iii) enable and encourage such directors, officers, employees and consultants to acquire Resulting Issuer Shares as long-term investments in the Resulting Issuer.

The New Plan allows the Resulting Issuer to grant equity-based incentive awards in the form of Resulting Issuer Options, Resulting Issuer RSUs, Resulting Issuer PSUs, Resulting Issuer DSUs and Resulting Issuer SARs, as described in further detail below.

Resulting Issuer Options

The table below sets out a description of the Resulting Issuer Options anticipated to be outstanding immediately after the Transaction Closing, by category of option holder.

Category of option holder	Number of options
All proposed officers of the Resulting Issuer as a group	1,088,054 ⁽¹⁾
All proposed directors of the Resulting Issuer as a group who are not also officers	250,000 ⁽²⁾
All other anticipated holders of Resulting Issuer Options	175,000 ⁽³⁾

Notes:

- (1) Comprised of 538,054 Resulting Issuer Options to be held by Mr. Richard Drew Martel, the proposed CEO of the Resulting Issuer, 175,000 Resulting Issuer Options to be held by Ms. Teresa Cherry, the proposed CFO of the Resulting Issuer, and 375,000 Resulting Issuer Options to be held by Ms. Keturah Nathe, the proposed Corporate Secretary of the Resulting Issuer.
- (2) Comprised of 125,000 Resulting Issuer Options to be held by Mr. Richard Kern, and 125,000 Resulting Issuer Options to be held by Mr. Joe DeVries.

- (3) These Resulting Issuer Options are anticipated to be held by Mr. Richard Barnett, the current CFO of Black Pine. It is anticipated that Mr. Barnett will act as the sole director of Amalco. It is not anticipated that Mr. Barnett will act as a director or an officer of the Resulting Issuer.

Following the Transaction Closing, the Resulting Issuer may issue options to new directors and officers in such amounts as may be determined by the Resulting Issuer Board. Such options will be issued at the market price pursuant to the New Plan and the rules of the TSXV.

Escrowed Securities

Escrowed Securities

There are two categories of escrow which the Resulting Issuer Shares will be subject to: (i) CPC Escrow; and (ii) Value Escrow. The CPC Escrowed Shares are subject to the CPC Escrow Agreement, while the Value Securities will be subject to a Value Escrow Agreement to be entered into by the Resulting Issuer, and Computershare Investor Services Inc., as escrow agent, and the holders of the Value Securities, on the terms and conditions prescribed by Exchange policies.

CPC Escrow

The CPC Escrow Securities are held in escrow by TSX Trust Company pursuant to the terms of the CPC Escrow Agreement, as amended pursuant to the CPC Escrow Amendment. The CPC Escrow Securities are currently subject to the release schedule set out in the table below.

Percentage of shares to be released	Date of release
25%	Date of Final Exchange Bulletin
25%	6 months from Final Exchange Bulletin
25%	12 months from Final Exchange Bulletin
25%	18 months from Final Exchange Bulletin

The table below sets out the anticipated holders of the CPC Escrow Securities prior to giving effect to the Transaction and after giving effect to the Transaction.

Name	Designation of class	Prior to giving effect to the Transaction		After giving effect to the Transaction	
		Number of CPC Escrow Securities held in escrow	Percentage of class ⁽¹⁾	Number of CPC Escrow Securities to be held in escrow	Percentage of class ⁽²⁾
Christian Wirth	Common shares	400,000	8.89%	400,000	1.27%
Joe DeVries	Common shares	1,400,001 ⁽³⁾	31.11%	1,400,001 ⁽³⁾	4.45%
Keturah Nathe	Common shares	100,000	2.22%	100,000	0.32%
Teresa Cherry	Common shares	100,000	2.22%	100,000	0.32%
Huitt Tracey	Common shares	200,000	4.44%	200,000	0.64%
Christopher Cherry	Common shares	100,000 ⁽⁴⁾	2.22%	100,000 ⁽⁴⁾	0.32%
Richard Barnett	Common shares	200,000	4.44%	200,000	0.64%

Notes:

- (1) Percentages are calculated based on 4,500,001 AQR Shares outstanding as of the date of this Circular.
(2) Percentages are calculated based on 31,431,729 Resulting Issuer Shares anticipated to be issued and outstanding immediately after the Transaction Closing, assuming the minimum amount under the Concurrent Financing is raised, the persons included in the table above do not participate, directly or indirectly, in the Concurrent Financing, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants prior to the Effective Time.
(3) These AQR Shares are held through Simco, a private company that is wholly owned by Mr. DeVries.
(4) These AQR Shares are held through Cherry Consulting Ltd., a private company that is wholly owned by Mr. Cherry.

Value Escrow

Following the Transaction Closing, certain shareholders of the Resulting Issuer will enter into the Value Escrow Agreement, pursuant to which such shareholders will deposit the Value Securities which they hold with

Computershare Investor Services Inc. until they are released in accordance with the Value Escrow Agreement. It is anticipated that the Value Securities will be subject to the release schedule set out in the table below.

Percentage of shares to be released	Date of release
10%	Date of Final Exchange Bulletin
15%	6 months from Final Exchange Bulletin
15%	12 months from Final Exchange Bulletin
15%	18 months from Final Exchange Bulletin
15%	24 months from Final Exchange Bulletin
15%	30 months from Final Exchange Bulletin
15%	36 months from Final Exchange Bulletin

The table below sets out the anticipated shareholders of the Resulting Issuer anticipated to hold Value Securities subject to Value Escrow prior to giving effect to the Transaction and after giving effect to the Transaction.

Name	Designation of class	Prior to giving effect to the Transaction		After giving effect to the Transaction	
		Number of Value Securities held in escrow	Percentage of class	Number of Value Securities to be held in escrow	Percentage of class ⁽¹⁾
Joe DeVries	Common shares	Nil	Nil	1,750,000 ⁽²⁾	5.57%
Keturah Nathe	Common shares	Nil	Nil	750,000	2.39%
Richard Drew Martel	Common shares	Nil	Nil	1,664,800	5.30%
Christopher Cherry	Common Shares	Nil	Nil	500,000	1.59%
Huitt Tracey	Common Shares	Nil	Nil	100,000	0.32%
Albert Szmigielski	Common Shares	Nil	Nil	244,828	0.78%
Stevens & Company Corporate Advisory Services Ltd.	Common Shares	Nil	Nil	297,100	0.95%
Triumph Advisory Services	Common Shares	Nil	Nil	67,500	0.21%
Wendy Marko	Common Shares	Nil	Nil	15,000	0.05%
Peter Chow-White	Common Shares	Nil	Nil	150,000	0.48%
Sandy Green	Common Shares	Nil	Nil	50,000	0.16%
Jerry Huang	Common Shares	Nil	Nil	40,000	0.13%

Notes:

- (1) Percentages are calculated based on 31,431,729 Resulting Issuer Shares anticipated to be issued and outstanding immediately after the Transaction Closing, assuming the minimum amount under the Concurrent Financing is raised, the persons included in the table above do not participate, directly or indirectly, in the Concurrent Financing, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants prior to the Effective Time.
- (2) These Resulting Issuer Shares are anticipated to be issued in exchange for 1,750,000 Black Pine Shares, 250,000 of which are held by Mr. DeVries directly, 500,000 of which are held by Mr. DeVries through G&O Energy Investments Ltd., a private company that is wholly owned by Mr. DeVries, and 1,000,000 of which are held by Mr. DeVries through Simco, a private company that is wholly owned by Mr. DeVries.

Combined Escrow

The table below sets out the anticipated holders of CPC Escrow Securities and Value Securities subject to CPC Escrow and Value Escrow, respectively, prior to giving effect to the Transaction and after giving effect to the Transaction.

Name	Designation of class	Prior to giving effect to the Transaction		After giving effect to the Transaction	
		Number of securities held in escrow	Percentage of class ⁽¹⁾	Number of securities to be held in escrow	Percentage of class ⁽²⁾
Christian Wirth	Common shares	400,000	8.89%	400,000	1.27%
Joe DeVries	Common shares	1,400,001 ⁽³⁾	31.11%	3,150,000 ⁽⁴⁾	10.02%
Keturah Nathe	Common shares	100,000	2.22%	850,000	2.70%
Teresa Cherry	Common shares	100,000	2.22%	100,000	0.32%
Huitt Tracey	Common shares	200,000	4.44%	300,000	0.95%
Richard Barnett	Common shares	200,000	4.44%	200,000	0.64%
Richard Drew Martel	Common shares	Nil	Nil	1,664,800	5.30%
Christopher Cherry	Common shares	100,000	2.22%	600,000	1.91%
Albert Szmigielski	Common shares	Nil	Nil	244,828	0.78%
Stevens & Company Corporate Advisory Services Ltd.	Common shares	Nil	Nil	297,100	0.95%
Triumph Advisory Services	Common shares	Nil	Nil	67,500	0.21%
Wendy Marko	Common shares	Nil	Nil	15,000	0.05%
Peter Chow-White	Common shares	Nil	Nil	150,000	0.48%
Sandy Green	Common shares	Nil	Nil	50,000	0.16%
Jerry Huang	Common shares	Nil	Nil	40,000	0.13%

Notes:

- (1) Percentages are calculated based on 4,500,001 AQR Shares outstanding as of the date of this Circular.
- (2) Percentages are calculated based on 31,431,729 Resulting Issuer Shares anticipated to be issued and outstanding immediately after the Transaction Closing, assuming the minimum amount under the Concurrent Financing is raised, the persons included in the table above do not participate, directly or indirectly, in the Concurrent Financing, the Subscription Receipt Conversion and no exercise of Black Pine Options prior to the Effective Time.
- (3) These AQR Shares are held through Simco, a private company that is wholly owned by Mr. DeVries.
- (4) Based on (a) 100,000 AQR Shares held through Simco, a private company that is wholly owned by Mr. DeVries and (b) 1,750,000 Resulting Issuer Shares anticipated to be issued in exchange for 1,750,000 Black Pine Shares, 250,000 of which are held by Mr. DeVries directly, 500,000 of which are held by Mr. DeVries through G&O Energy Investments Ltd., a private company that is wholly owned by Mr. DeVries, and 1,000,000 of which are held by Mr. DeVries through Simco, a private company that is wholly owned by Mr. DeVries.
- (5) These AQR Shares are held through Cherry Consulting Ltd., a private company that is wholly owned by Mr. Cherry.

Other Resale Restrictions

In addition to the CPC Escrow and the Value Escrow, it is anticipated that certain Black Pine Shareholders will enter into voluntary lock up agreements with AQR and Black Pine (the "**Lock Up Agreements**"), whereby such shareholders agree not to directly or indirectly, without (a) the prior written consent of AQR and Black Pine prior to the Transaction Closing, and the prior written consent of AQR after the Transaction Closing, offer, sell, contract to sell, lend, swap, monetize, pledge, or enter into any other agreement to transfer the economic consequences of ownership of, or otherwise dispose of or deal with, or publicly announce any such intention, whether through the facilities of a stock exchange, by private placement or otherwise, the Black Pine Shares held by such locked up shareholder's, or any Resulting Issuer Shares that the locked up shareholder will receive in exchange for the locked up shareholder's Black Pine Shares at the Effective Time, for a period beginning on the date of the lock up agreement until and to the extent that the locked up securities are released in accordance with the release schedule set out in the table below.

% of Locked Up Securities	Release Date
10%	The date of the Final Exchange Bulletin (the " Final Bulletin Date ")

% of Locked Up Securities	Release Date
15%	6 month anniversary of the Final Bulletin Date
15%	12 month anniversary of the Final Bulletin Date
15%	18 month anniversary of the Final Bulletin Date
15%	24 month anniversary of the Final Bulletin Date
15%	30 month anniversary of the Final Bulletin Date
15%	36 month anniversary of the Final Bulletin Date

The table below sets out certain information regarding the Black Pine Shares anticipated to be subject to the lock up agreements, after giving effect to the Transaction.

Designation of class	Aggregate number of securities subject to lock up agreements	Percentage of class⁽¹⁾
Common shares	7,310,000	23.26%

Note:

(1) Percentage is calculated based on 31,431,729 Resulting Issuer Shares anticipated to be issued and outstanding immediately after the Transaction Closing, assuming the minimum amount under the Concurrent Financing is raised, the Subscription Receipt Conversion and no exercise of Black Pine Options or SR Warrants prior to the Effective Time.

Auditors, Transfer Agent and Registrar

The transfer agent and registrar for the Resulting Issuer Shares is anticipated to be Computershare Investor Services Inc., the current transfer agent and registrar for the AQR Shares, and the auditors of the Resulting Issuer is anticipated to be DMCL LLP, Chartered Professional Accountants, located at 1500 – 1140 West Pender Street, Vancouver, British Columbia V6E 4G1.

Risk Factors

The following risk factors are not a definitive list of all risk factors associated with the Transaction. Additional risks and uncertainties, including those currently unknown or considered immaterial by AQR and Black Pine, may also adversely affect the Resulting Issuer Shares and/or the business of the Resulting Issuer following the Transaction Closing.

Forward-Looking Information May Prove Inaccurate

Readers are cautioned not to place undue reliance on Forward-Looking Information. By its nature, Forward-Looking Information involves numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the Forward-Looking Information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Readers should carefully consider the risk factors set out in this Circular and consider all other information contained herein before making a decision with respect to the Amalgamation. If any of the risks described herein materialize, the business, financial condition or results of operations of the Resulting Issuer could be materially and adversely affected. Additional risks and uncertainties not currently known to or currently seen as immaterial by management of Black Pine and AQR may also materially and adversely affect the business, financial condition or results of operations of the Resulting Issuer.

Resulting Issuer May Issue Additional Equity Securities.

Following the Transaction Closing, the Resulting Issuer may issue equity securities to finance its activities. If the Resulting Issuer were to issue additional equity securities, the ownership interest of existing Resulting Issuer shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced. Moreover, as the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected.

Being a Public Company May Increase Price Volatility

In the event the Transaction is completed, the Resulting Issuer's status as a reporting issuer may increase price volatility due to various factors, including the ability to buy or sell Resulting Issuer Shares, different market conditions in different capital markets and different trading volumes. In addition, low trading volume may increase the price volatility of the Resulting Issuer Shares. The increased price volatility could adversely affect the results of operations or financial condition.

Negative Operating Cash Flow

AQR and Black Pine have negative operating cash flow and no history of earnings and have had negative cash flow from operating activities since inception. The Sugarloaf Property is in the exploration stage and there are no known mineral resources or reserves and the proposed exploration program on the Sugarloaf Property is exploratory in nature. Significant capital investment will be required to achieve commercial production from the Sugarloaf Property. There is no assurance that the Sugarloaf Property will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Resulting Issuer may be required to obtain additional financing in order to meet its future cash commitments.

Potential Profitability Depends Upon Factors Beyond the Control of the Resulting Issuer

The potential profitability of mineral properties is dependent upon many factors beyond the Resulting Issuer's control. For instance, world prices of and markets for copper and other minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of mined ore may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property.

Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, water environmental compliance or other production inputs. Such costs will fluctuate in ways the Resulting Issuer cannot predict and are beyond the Resulting Issuer's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Resulting Issuer.

Dependence on Outside Parties

Substantial expenditures are required to establish commercial production on the Sugarloaf Property. The Resulting Issuer will rely on outside consultants, engineers and others for their development, construction and operating expertise. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the business of the Resulting Issuer.

Risks Inherent in Strategic Alliances

The Resulting Issuer may enter into strategic alliances with third parties that it believes will complement or augment its existing business. The Resulting Issuer's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Resulting Issuer's business, and may involve risks that could adversely affect the Resulting Issuer, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve the expected benefits to the Resulting Issuer's business or that the Resulting Issuer will be able to consummate future strategic alliances on satisfactory terms, or at all.

Dependence on Key Management Personnel

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management as well as certain consultants (the "**Key Personnel**"). The Resulting Issuer's future success depends on its continuing ability to attract, develop, motivate, and retain the Key Personnel. Qualified individuals for Key Personnel positions are in high demand, and the Resulting Issuer may incur significant costs to attract and retain them. The loss of the services of Key Personnel, or an inability to attract other suitably qualified persons when needed, could have a Material Adverse Effect on the Resulting Issuer's ability to execute on its business plan and strategy, and the Resulting Issuer may be unable to find adequate replacements on a timely basis, or at all. While employment and consulting agreements are customarily used as a primary method of retaining the services of Key Personnel, these agreements cannot assure the continued services of such individuals and consultants.

Management's Limited Experience of Managing a Public Company

The Resulting Issuer anticipates that it will develop control systems and procedures required to operate as a public company, but these systems and procedures could place a significant strain on the Resulting Issuer's management systems, infrastructure and other resources. The Resulting Issuer can provide no assurances that its management's past experience will be sufficient to enable the Resulting Issuer to successfully operate as a public company. Although management has engaged a number of professional service providers to assist the Resulting Issuer with complying with its continuous disclosure, filing, and other requirements applicable to public entities, if management of the Resulting Issuer is unable to satisfactorily manage the Resulting Issuer as a public entity and ensure that it remains in compliance with all continuous disclosure and other requirements applicable to public entities, there could occur a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Conflicts of Interest

The Resulting Issuer may be subject to various potential conflicts of interest because of the fact that some of its officers, directors and consultants may be engaged in a range of business activities. The Resulting Issuer's executive officers, directors and consultants may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Resulting Issuer. In some cases, the Resulting Issuer's executive officers, directors and consultants may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Resulting Issuer's business and affairs and that could adversely affect the Resulting Issuer's operations. These business interests could require significant time and attention of the Resulting Issuer's executive officers, directors and consultants.

In addition, the Resulting Issuer may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time to time deal with persons, firms, institutions or corporations with which the Resulting Issuer may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Resulting Issuer. In addition, from time to time, these persons may be competing with the Resulting Issuer for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Several of the Resulting Issuer's directors and officers act as directors and officers of other mineral exploration companies and all are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other companies and situations may arise where these directors and officers will be in direct competition with the Resulting Issuer. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the BCBCA. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Resulting Issuer and their duties to the other companies on whose boards they serve, the directors and officers of the Resulting Issuer will endeavor to adhere to the following: (1) 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; (2) no commissions or other extraordinary

consideration will be paid to such directors and officers; and (3) business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Resulting Issuer except on the same or better terms than the basis on which they are offered to third party participants.

Fraudulent or Illegal Activity by Employees, Contractors and Consultants

The Resulting Issuer may be exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates: (a) government regulations; (b) federal and provincial healthcare fraud and abuse laws and regulations; or (c) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Resulting Issuer to identify and deter such misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting Issuer, and it is not successful in defending itself or asserting its rights, such actions could have a significant impact on the Resulting Issuer's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of Resulting Issuer's operations, any of which could have a Material Adverse Effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Reputational Risk

Reputational damage can result from the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views, whether true or not. Reputation loss may result in decreased customer confidence and an impediment to the Resulting Issuer's overall ability to advance its products and services with customers, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects.

Internal Controls

Effective internal controls are necessary for the Resulting Issuer to provide reliable financial reports and to help prevent fraud. Although the Resulting Issuer will undertake a number of procedures and will implement a number of safeguards in order to help ensure the reliability of its financial reports, including those imposed on the Resulting Issuer under applicable law, in each case the Resulting Issuer cannot be certain that such measures will ensure that the Resulting Issuer maintains adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's consolidated financial statements and could result in a Material Adverse Effect on the business, results of operations and financial condition of the Resulting Issuer.

General Economic Risks

The Resulting Issuer's operations could be affected by the economic context should interest rates, inflation or the unemployment level reach levels that influence consumer trends and spending and, consequently, impact the Resulting Issuer's sales and profitability.

Any investors should further consider, among other factors, the Resulting Issuer's prospects for success in light of the risks and uncertainties encountered by companies that, like the Resulting Issuer, are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur, which may result in material delays in the operation of the Resulting Issuer's business. The Resulting Issuer may not successfully address these risks and uncertainties or successfully implement its operating strategies. If the Resulting Issuer fails to do so, it

could materially harm the Resulting Issuer's business to the point of having to cease operations and could impair the value of the Resulting Issuer's securities.

Uncertainty of Use of Proceeds

Although the Resulting Issuer has set out its intended use of proceeds, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Resulting Issuer to apply these funds effectively could have a Material Adverse Effect on the Resulting Issuer's business, including the Resulting Issuer's ability to achieve its stated business objectives.

Failure to Successfully Integrate or Obtain Benefits From Acquired Businesses

The Resulting Issuer may grow by acquiring businesses. The consummation and integration of any acquired business, product or other assets into the Resulting Issuer may be complex and time consuming and, if such businesses and assets are not successfully integrated, the Resulting Issuer may not achieve the anticipated benefits, cost-savings or growth opportunities. Furthermore, these acquisitions and other arrangements, even if successfully integrated, may fail to further the Resulting Issuer's business strategy as anticipated, expose the Resulting Issuer to increased competition or other challenges with respect to the Resulting Issuer's products or geographic markets, and expose the Resulting Issuer to additional liabilities associated with an acquired business, technology or other asset or arrangement.

Liquidity and Additional Financing

There is no guarantee that the Resulting Issuer will be able to achieve its business objectives. The continued development of the Resulting Issuer may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Resulting Issuer going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Issuer. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Resulting Issuer's ability to pursue its business objectives.

Difficulty to Forecast

Black Pine has relied largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a Material Adverse Effect on the business, results of operations and financial condition of the Resulting Issuer.

The Market Price of the Resulting Issuer Shares may be subject to Wide Price Fluctuations

The market price of the Resulting Issuer Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer and its subsidiaries, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Resulting Issuer Shares.

Management of Growth

The Resulting Issuer may be subject to growth-related risks. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a Material Adverse Effect on the Resulting Issuer's business, financial condition, results of operations and growth prospects.

Inability of Resulting Issuer to Turn a Profit or Generate Immediate Revenues

There is no assurance as to whether the Resulting Issuer will be profitable or pay dividends. The Resulting Issuer has incurred and anticipates that it will continue to incur substantial expenses relating to the development of its business. The payment and amount of any future dividends will depend upon, among other things, the Resulting Issuer's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Equity Price Risk

The Resulting Issuer may be exposed to equity price risk as a result of holding long-term investments in other companies. Just as investing in the Resulting Issuer is inherent with risks such as those set out in this Circular, by investing in these other companies, the Resulting Issuer may be exposed to the risks associated with owning equity securities and those risks inherent in the investee companies.

Anti-Money Laundering Laws and Regulation Risks

The Resulting Issuer is subject to a variety of laws and regulations domestically and internationally that concern money laundering, financial recordkeeping and proceeds of crime, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended and the rules and regulations thereunder, the *Criminal Code* (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities internationally.

In the event that any of the Resulting Issuer's proceeds, any dividends or distributions therefrom, or any profits or revenues accruing from operations were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Resulting Issuer to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

General Regulation

Existing and future laws and regulations may impede the Resulting Issuer's growth strategies. Unfavourable changes in regulations and laws could increase its cost of doing business or otherwise have a Material Adverse Effect on the Resulting Issuer's reputation, popularity, results of operations, and financial condition. The requirements of being a public company may strain the Resulting Issuer's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members.

As a reporting issuer, the Resulting Issuer will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with these rules and regulations will increase the Resulting Issuer's legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on its systems and resources. Applicable securities laws require the Resulting Issuer to, among other things, file certain annual and quarterly reports with respect to its business and results of operations. In addition, applicable securities laws require the Resulting Issuer to, among other things, maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve its disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. Specifically, due to the increasing complexity of its

transactions, it is anticipated that the Resulting Issuer will improve its disclosure controls and procedures and internal control over financial reporting primarily through the continued development and implementation of formal policies, improved processes and documentation procedures, as well as the continued sourcing of additional finance resources. As a result, management's attention may be diverted from other business concerns, which could harm the Resulting Issuer's business and results of operations. To comply with these requirements, the Resulting Issuer may need to hire more employees in the future or engage outside consultants, which will increase its costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. The Resulting Issuer intends to continue to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue generating activities to compliance activities. If its efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against the Resulting Issuer and the Resulting Issuer's business may be adversely affected.

As a public company subject to these rules and regulations, the Resulting Issuer may find it more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Resulting Issuer to attract and retain qualified members of its board of directors, particularly to serve on its audit committee and compensation committee, and qualified executive officers. As a result of disclosure of information in filings required of a public company, The Resulting Issuer's business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, the Resulting Issuer's business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in its favor, these claims, and the time and resources necessary to resolve them, could divert the resources of the Resulting Issuer's management and harm its business and results of operations.

Challenging Global Financial Conditions

Global financial conditions have been characterized by increased volatility, with numerous financial institutions having either gone into bankruptcy or having to be rescued by government authorities. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the ability of the Resulting Issuer, or the ability of the operators of the companies in which the Resulting Issuer will hold interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a Material Adverse Effect on the Resulting Issuer and the price of the Resulting Issuer's securities could be adversely affected.

Credit and Liquidity Risk

The Resulting Issuer will be exposed to counterparty risks and liquidity risks including, but not limited to:

- through suppliers of the Resulting Issuer which may experience financial, operational or other difficulties, including insolvency, which could limit or suspend those suppliers' ability to perform their obligations under agreements with the Resulting Issuer;
- through financial institutions that may hold the Resulting Issuer's cash and cash equivalents;
- through companies that will have payables to the Resulting Issuer;
- through the Resulting Issuer's insurance providers, if any; and

- through the Resulting Issuer's lenders, if any.

The Resulting Issuer will also be exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Resulting Issuer to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Resulting Issuer. If these risks materialize, the Resulting Issuer's operations could be adversely impacted and the price of the Resulting Issuer Shares could be adversely affected.

Litigation

The Resulting Issuer may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If the Resulting Issuer is unable to resolve these disputes favourably, it may have a Material Adverse Effect on the Resulting Issuer. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant Resulting Issuer resources. Litigation may also create a negative perception of the Resulting Issuer. Securities litigation could result in substantial costs and damages and divert the Resulting Issuer's management's attention and resources. Any decision resulting from any such litigation that is adverse to the Resulting Issuer could have a negative impact on the Resulting Issuer's financial position.

Dividend Policy

The declaration, timing, amount and payment of dividends are at the discretion of the Resulting Issuer's board of directors and will depend upon the Resulting Issuer's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Resulting Issuer will declare a dividend on a quarterly, annual or other basis.

Foreign Exchange

The Resulting Issuer is exposed to foreign currency risk by reason of the Sugarloaf Property being situated in the United States. As the Resulting Issuer Shares are traded in Canadian dollars, the movement of the US dollar against the Canadian dollar could have a Material Adverse Effect on Black Pine's prospects, business, financial condition, and results of operation.

Exploration and Development

Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. In particular, exploration for precious metals is highly speculative in nature.

The Resulting Issuer will not have an interest in any mineral property that presently contains any commercial ore. The Resulting Issuer's proposed exploration programs for the Sugarloaf Property are exploratory searches for mineralized zones, resources and, if successful, ore reserves. Should any ore reserves exist, substantial expenditures will be required to confirm ore reserves which are sufficient to justify commercial mining and to obtain the required environmental approvals and permitting required to commence commercial operations. Should any mineral resource be defined on a property in which the Resulting Issuer has an interest there can be no assurance that the mineral resource on any such properties can be commercially mined or that the metallurgical processing will produce economically viable saleable products. Furthermore, there is no assurance that any estimated mineral resources are accurately defined. Mineral resource estimates are imprecise and depend on geological analysis based partly on statistical inferences drawn from drilling, and assumptions about operating costs and metal prices, all of which may prove unreliable. As resource estimates may not be accurate, there can be no assurance that the indicated quantities of metals on the Sugarloaf Property will be recovered if commercial production is commenced.

Any future production could differ significantly from such estimates for the following reasons: (1) actual mineralization or formations could be different from those predicted by drilling, sampling and similar examinations; declines in the market price of copper may render the mining of some or all of the resources uneconomic; (2) and the grade of material may vary dramatically from time to time; and (3) the Resulting Issuer cannot give any assurances that any particular quantity of metal will be recovered from the resources. The occurrence of any of

these events may cause Resulting Issuer to adjust resource estimates (if any) or change its mining plans, which could negatively affect the Resulting Issuer's financial condition and results of operations.

The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (1) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (2) availability and costs of financing; (3) ongoing costs of production; (4) market prices for the minerals to be produced; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) political climate and/or governmental regulation and control.

In addition, the grade of material ultimately mined may differ from that indicated by drilling results. Short term factors relating to mineral resources or mineral reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations.

There can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or in production scale process applications. Material changes in mineral resources or reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

The ability of the Resulting Issuer to sell, and profit from the sale of any eventual production from any property in which the Resulting Issuer has an interest will be subject to the prevailing conditions in the marketplace at the time of sale. Many of these factors are beyond the control of the Resulting Issuer and therefore represent a market risk which could impact the long-term viability of the Resulting Issuer and its operations.

Mining exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to the Resulting Issuer on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Resulting Issuer's exploration programs. There may be other factors that result in delays to the Resulting Issuer's exploration programs, including adverse weather.

Mining Operations Are Risky

The Resulting Issuer's anticipated business, and any future development or mining operations, involve various types of risks and hazards typical of companies engaged in the mining industry. Such risks include, but are not limited to: (1) industrial accidents; (2) unusual or unexpected rock formations; (3) structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities; (4) fire, flooding and earthquakes; (5) rock bursts; (6) metal losses in handling and transport; (7) periodic interruptions due to inclement or hazardous weather conditions; (8) environmental hazards; (9) discharge of pollutants or hazardous materials; (10) failure of processing and mechanical equipment and other performance problems; (11) geotechnical risks, including the stability of the underground hanging walls and unusual and unexpected geological conditions; (12) unanticipated variations in grade and other geological problems, water, surface or underground conditions; (13) labour disputes or slowdowns; (14) work force health issues as a result of working conditions; and (15) force majeure events, or other unfavourable operating conditions.

These risks, conditions and events could result in: (1) damage to, or destruction of, the value of, the Sugarloaf Property; (2) personal injury or death; (3) environmental damage to the Sugarloaf Property, surrounding lands and waters, or the properties of others; (4) delays or prohibitions on mining or the transportation of minerals; (5) monetary losses; and (6) potential legal liability and any of the foregoing could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operation, cash flows or prospects. In particular, underground refurbishment and exploration activities present inherent risks of injury to people and damage to equipment. Significant accidents could occur, potentially resulting in a complete shutdown of the Resulting Issuer's operations at the Sugarloaf Property which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Operations During Mining Cycle Peaks Are More Expensive

During times of increased demand for metals and minerals, price increases may encourage expanded mining exploration, development and construction activities. These increased activities may result in escalating demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause exploration, development and construction costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays, or increase operating costs.

Acquisition of Additional Mineral Properties

If the Resulting Issuer loses or abandons its interest in the Sugarloaf Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSXV. There is also no guarantee that the TSXV will approve the acquisition of any additional properties by the Resulting Issuer, whether by way of option or otherwise, should the Resulting Issuer wish to acquire any additional properties.

Commercial Ore Deposits

The Sugarloaf Property is in the exploration stage only and is without a known body of commercial ore. Development of the Sugarloaf Property will follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

No Deposit History

The Sugarloaf Property is not a producing property and its ultimate success will depend on its operating ability to generate cash flow from producing properties in the future. Black Pine has not generated any revenue to date and there is no assurance that the Resulting Issuer will do so in the future.

The Resulting Issuer's anticipated business operations are at an early stage of development and its success will be largely dependent upon the outcome of the exploration programs that the Resulting Issuer proposes to undertake.

Permits and Government Regulations

The future operations of the Resulting Issuer may require permits from various federal, state 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 the Resulting Issuer 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 on the Sugarloaf Property. As of the date of the Technical Report, the Plan of Operation for the Sugarloaf Property has been approved and will be finalized with the posting of a required reclamation bond.

Land and Mining Claims

Although Black Pine has exercised the usual due diligence with respect to determining title to the Sugarloaf Property in which it has a material interest, and is satisfied that evidence of title to the Sugarloaf Property is adequate and acceptable, no assurances can be given that the Resulting Issuer may not face challenges to the title of the Sugarloaf Property or subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Resulting Issuer's business plan.

Local Community Land Claims

Black Pine is not aware of any local community or native land claims with respect to the Resulting Issuer's property; however, there is no assurance that such claims will not be asserted in the future. The Resulting Issuer anticipates

believing in and supporting cooperative relationships with local communities in conducting exploration and development activities and recognizes the mutual benefit in such cooperation.

Possible Loss of Interest in the Sugarloaf Property

The Resulting Issuer is not anticipated to own the mineral rights pertaining to the Sugarloaf Property. Rather, it holds an option to acquire a 100% interest in the mineral claims comprising the Sugarloaf Property, subject to a 2% net smelter return royalty and further subject to a cash payment of US\$1,000,000 payable to GBR upon the Sugarloaf Property attaining Commercial Production, as defined in the Property Agreement. Pursuant to the Property Agreement, the Resulting Issuer is required to make a series of payments in cash and must incur a significant cumulative exploration expenditures on or before the fourth anniversary of the GBR Closing Date.

There is no guarantee the Resulting Issuer will be able to raise sufficient funding in the future to make such payments within the prescribed time periods pursuant to the Property Agreement in order for the Resulting Issuer to explore and develop the Sugarloaf Property so as to maintain its interests therein. If the Resulting Issuer loses or abandons its interest in the Sugarloaf Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSXV. There is also no guarantee that the TSXV will approve the acquisition of any additional properties by the Resulting Issuer, whether by way of option or otherwise, should the Resulting Issuer wish to acquire any additional properties.

Competition

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

Environmental Risks

Environmental laws and regulations may affect the operations of the Resulting Issuer. These laws and regulations set various standards regulating certain aspects of environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Where there is evidence of breaches of environmental laws and regulations, the permission to operate can be withdrawn temporarily, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Resulting Issuer for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Resulting Issuer generally relies on recognized designers and development contractors from which the Resulting Issuer will, in the first instance, seek indemnities.

Environmental approvals and permits are currently, and may in the future be, required in connection with the Resulting Issuer's current and planned operations. To the extent such environmental approvals and permits are required and not obtained, the operation of mines may be curtailed or it may be prohibited from proceeding with planned exploration or development of additional mineral properties. Failure to comply with applicable environmental 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.

There is no assurance that any future changes in environmental regulation will not adversely affect the Resulting Issuer's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

Environmental hazards may also exist on the properties on which the Resulting Issuer holds interests that are unknown to the Resulting Issuer at present and that have been caused by previous or existing owners or operators of the properties and for which the Resulting Issuer may be liable for remediation. Parties engaged in mining

operations, including the Resulting Issuer, 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 environmental laws or regulations, regardless of whether the Resulting Issuer actually caused the loss or damage. The costs of such compensation, fines or penalties could have a material adverse effect on the Resulting Issuer business, financial condition, results of operations, cash flows or prospects.

Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Resulting Issuer seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, non-governmental organizations, public interest groups and reporting organizations or local community organizations could direct adverse publicity against and/or disrupt the operations of the Resulting Issuer in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Resulting Issuer has an interest or the Resulting Issuer's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Resulting Issuer or its relationships with the communities in which it operates, which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Safety Regulation and Risk

Health and safety laws and regulations may affect the operations of the Resulting Issuer. These laws and regulations set various health and safety standards regulating certain aspects pertaining to individuals working with the Resulting Issuer. A violation of health and safety laws, or the failure to comply with the instructions of relevant health and safety authorities, could lead to, among other things, a temporary cessation of activities on the Sugarloaf Property or any part thereof, a loss of the right to prospect for minerals, or the imposition of costly compliance procedures. This could have a material adverse effect on the Resulting Issuer's operations and/or financial condition. The Resulting Issuer intends to minimize risks by taking steps to ensure compliance with health and safety laws and regulations and operating to applicable health and safety standards. There is a risk that health and safety laws and regulations may become more onerous, making the Resulting Issuer's operations more expensive.

Natural Disasters, Geopolitical Instability or Other Unforeseen Events

In addition to the outbreak of infectious disease or occurrence of pandemics, such as the outbreak of COVID-19; natural disasters; terrorism or other unanticipated events, in any of the areas in which the Resulting Issuer operates could cause interruptions in the Resulting Issuer's operations. Natural disasters, geopolitical tensions and instability (including terrorism) or other unforeseen events could negatively affect project development, operations, labour supply and financial markets, all or any of which could have a material adverse effect on the Resulting Issuer's business, financial condition, operational results or cash flows.

Uninsurable Risks

Not all risks to the Resulting Issuer's operations are insurable. The Resulting Issuer, in the course of exploration, development and production of mineral properties may become subject to liability for unusual or unexpected environmental hazards relating to geological operating conditions such as rock bursts, cave-ins, fires, floods and earthquakes whereby insurance against these environmental risks has not been generally available to companies within the mining and exploration industry. 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 securities of the Resulting Issuer.

The Resulting Issuer also currently has no keyman insurance or property insurance as such insurance is uneconomical at this time. The Resulting Issuer will obtain such insurance once it is available and, in the opinion of

the Board, economical to do so. The Resulting Issuer may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

GENERAL MATTERS

Other Material Facts

To the management of each of AQR and Black Pine's knowledge, there are no other material facts about AQR, Black Pine, the Resulting Issuer or the Transaction that are not otherwise disclosed in this Circular.

Sponsorship

Sponsorship for a Qualifying Transaction is required by Policy 2.4 unless an exemption or waiver from the sponsorship requirement is granted to AQR by the TSXV. AQR is exempt from sponsorship pursuant to section 3.4(a)(i) of Policy 2.2 – *Sponsorship and Sponsorship Requirements* of the TSXV Manual.

Interests of Experts

No person or company who is named as having prepared or certified a part of this Circular or prepared or certified a report or valuation described or included in this Circular has, or will have, immediately following the Transaction Closing, any direct or indirect interest in Black Pine, AQR or the Resulting Issuer, other than as disclosed in this section.

DMCL LLP, Chartered Professional Accountants, are the auditors of AQR and have confirmed with respect to AQR that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

Davidson & Company LLP are the auditors of Black Pine and have confirmed with respect to Black Pine that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

R. A. Lunceford, MSc., CPG, an independent consulting geologist and "qualified person" as defined in NI 43-101 is the author responsible for the preparation of the Technical Report. As of the date hereof, Mr. Lunceford has not received, and will not receive, any registered or beneficial interest, direct or indirect in any securities or other property of AQR or Black Pine.

AQR Board Approval

The AQR Board has approved the contents of this Circular and the delivery of this Circular to the AQR Shareholders. Where information contained in this Circular rests particularly within the knowledge of a person other than AQR, AQR has relied upon information furnished by such person. AQR disclaims any responsibility with respect to the accuracy and adequacy of such information.

SCHEDULE A
AQR SHAREHOLDER RESOLUTIONS

New Plan Resolution:

"RESOLVED, AS AN ORDINARY RESOLUTION, that:

- (1) AQR's new form of omnibus equity incentive plan (the "**New Plan**") adopted by directors on November 13, 2024, a copy of which was attached as a schedule to the management information circular of AQR dated November 13, 2024 (the "**Circular**"), be and is hereby authorized and approved, confirmed and ratified, subject to the final acceptance of the New Plan by the TSX Venture Exchange (the "**TSXV**");
- (2) the AQR board of directors be authorized to make any changes to the New Plan as may be required or permitted by the TSXV and to implement the New Plan following the Transaction Closing (as such term is defined in the Circular), or such other time as the directors may determine and the TSXV may permit; and
- (3) any director or officer of AQR is hereby authorized and directed for and in the name of and on behalf of AQR to execute or cause to be executed, whether under corporate seal of AQR or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing."

Transaction Resolution:

"RESOLVED, BY MAJORITY OF THE MINORITY APPROVAL (AS DEFINED IN THE MANAGEMENT INFORMATION CIRCULAR OF AQR DATED NOVEMBER 13, 2024), that:

- (a) the amalgamation (the "**Amalgamation**") under the *Business Corporations Act* (British Columbia) ("**BCBCA**") of Black Pine Resources Corp. and 1504671 B.C. Ltd. pursuant to the merger agreement between AQR, Black Pine Resources Corp. and 1504671 B.C. Ltd., dated October 17, 2024, as amended on November 12, 2024, and as may be further amended or amended and restated from time to time, be and is hereby authorized and approved, subject to authorization by the board of directors of AQR in its sole and absolute discretion;
- (b) notwithstanding that this special resolution has been duly passed by the holders of the common shares in the capital of AQR, the directors of AQR may in their sole discretion revoke this special resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the holders of the common shares in the capital of AQR; and
- (c) any one director or officer of AQR be is hereby authorized and directed for and in the name of and on behalf of AQR to execute or cause to be executed, whether under corporate seal of AQR or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

SCHEDULE B
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF AQR FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

See attached.

Anquiro Ventures Ltd.

Consolidated Financial Statements

For the years ended June 30, 2024, and 2023

Expressed in Canadian Dollars



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Anquiro Ventures Ltd.

Opinion

We have audited the consolidated financial statements of Anquiro Ventures Ltd. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of comprehensive loss, changes in shareholders' deficit and cash flows for the years then ended, and notes to the consolidated financial statements, including the material accounting policy information (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 June 30, 2024 and 2023, 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 describes events or conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Rakesh Patel.



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

October 28, 2024

ANQUIRO VENTURES LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Note	June 30, 2024	June 30, 2023
Assets			
Current assets			
Cash		\$ 930	\$ 18,377
Prepays	6	335	-
Total assets		\$ 1,265	\$ 18,377
Liabilities and shareholders' deficit			
Current liabilities			
Accounts payable and accrued liabilities	4,6	\$ 108,650	\$ 78,270
Shareholder loan	5,6	5,499	5,499
Advance payable	3,11	95,000	-
		209,149	83,769
Shareholders' deficit			
Share capital	7	255,521	255,521
Subscriptions received	3,11	-	95,000
Share based payment reserve	7	44,316	44,316
Deficit		(507,721)	(460,229)
Total shareholders' deficit		(207,884)	(65,392)
Total liabilities and shareholders' deficit		\$ 1,265	\$ 18,377

Nature and continuance of operations (Note 1)

Proposed transaction and subsequent event (Note 11)

Approved by Directors:

"Joe DeVries"
Joe DeVries, Director

"Richard Barnett"
Richard Barnett, Director

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

ANQUIRO VENTURES LTD.

Consolidated Statements of Comprehensive Loss

Years ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

	Note	2024	2023
Administrative expenses			
General and administrative		\$ 665	\$ 414
Professional fees		38,412	40,558
Project investigation		-	900
Shareholder communications		3,167	2,100
Transfer agent and filing fees		18,876	23,024
Travel and related		521	3,656
		61,641	70,652
Other expenses			
Expense recovery		(14,149)	-
Transaction cost	3, 11	-	102,654
Net and comprehensive loss for the year		\$ (47,492)	\$ (173,306)
Weighted average number of outstanding shares		4,500,001	4,500,001
Basic and diluted loss per share		\$ (0.01)	\$ (0.04)

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

ANQUIRO VENTURES LTD.

Consolidated Statement of Changes in Shareholders' Deficit
(Expressed in Canadian dollars)

		Share capital					
	Note	Number of shares	Amount	Subscriptions received	Share based payment reserve	Deficit	Total shareholders' equity (deficit)
Balance at June 30, 2022		4,500,001	\$ 255,521	\$ -	\$ 44,316	\$ (286,923)	\$ 12,914
Subscriptions received	3, 11	-	-	95,000	-	-	95,000
Net loss for the year		-	-	-	-	(173,306)	(173,306)
Balance at June 30, 2023		4,500,001	255,521	95,000	44,316	(460,229)	(65,392)
Subscription reclassification	3, 11	-	-	(95,000)	-	-	(95,000)
Net loss for the year		-	-	-	-	(47,492)	(47,492)
Balance at June 30, 2024		4,500,001	\$ 255,521	\$ -	\$ 44,316	\$ (507,721)	\$ (207,884)

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

ANQUIRO VENTURES LTD.

Consolidated Statements of Cash Flows
For the years ended June 30, 2024 and 2023
(Expressed in Canadian dollars)

	2024	2023
Cash provided by (used in):		
Operating activities		
Net loss in the year	\$ (47,492)	\$ (173,306)
Items not effecting cash		
Transaction cost	-	102,654
Net change in non-cash working capital items:		
Prepays	(335)	-
Accounts payable and accrued liabilities	30,380	26,020
Cash used in operating activities	(17,447)	(44,632)
Investing activities		
Cash acquired on acquisition of Anquiro Financial Corp	-	11,718
Cash used in investing activities	-	11,718
Decrease in cash	(17,447)	(32,914)
Cash, beginning	18,377	51,291
Cash, ending	\$ 930	\$ 18,377

Non-cash transactions:

During the year ended June 30, 2024, the Company reclassified subscriptions received on the acquisition of Anquiro Financial Corp to current liabilities as further described in Note 11.

During the year ended June 30, 2023, the Company acquired Anquiro Financial Corp by way of share transfer (Notes 3).

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

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Anquiro Ventures Ltd. (the "Company") was incorporated in Canada under the British Columbia Business Corporations Act on March 1, 2012 and its head office is located at 595 Howe Street, Suite 303, Vancouver, British Columbia, V6C 2T5.

The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange") which completed on February 23, 2018, as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the Exchange.

The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company has not commenced operations and has no assets other than cash. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate, and negotiate an acquisition, or a business, or an interest therein. Such an acquisition would be subject to regulatory and shareholder approval as required.

The proposed business of the Company, and the completion of a Qualifying Transaction, involves a high degree of risk. There is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative, and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statements of financial position. Such adjustment could be material.

At June 30, 2024, the Company had current liabilities exceeding current assets by \$207,884 and accumulated losses of \$507,721. The Company's ability to meet its obligations and maintain its current operations is contingent upon successful completion of additional financing arrangements, continued cooperation of creditors and related parties, completing a Qualifying Transaction and generating profitable operations (Note 11).

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRC").

The financial statements were approved by the board of directors on October 28, 2024.

(b) Material accounting policy information

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise. In addition, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2). The amendments require the disclosure of "material" rather than "significant", accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)

(c) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, modified where applicable and are presented in Canadian dollars, which is the Company's functional currency.

(d) Consolidation

On June 8, 2023, the Company acquired 100% the shares of Anquiro Financial Corp. ("AFC") as described in Notes 3 and 11. As at June 30, 2024 and 2023, these consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, AFC, from the date of acquisition. Subsequent to the year ended June 30, 2024, as further described in notes 3, and 11, the Company, unwound the acquisition of AFC.

(e) Use of estimates and judgments

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the recognition of deferred income tax assets. Actual results may differ from these estimates. Significant areas requiring the use of judgment in applying the Company's accounting policies include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

(f) Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Cash is classified as FVTPL; accounts payable and shareholder loan are classified as amortized cost.

(ii) Measurement

Financial assets and liabilities at amortized cost:

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL:

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)

(iii) Derecognition

Financial assets:

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.

Financial liabilities:

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.

(g) Loss per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity.

In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

(h) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)

(i) *Share-based payments*

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Vesting is determined by the Board of Directors.

(j) *Changes in accounting standards*

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a material impact on the Company's consolidated financial statements other than note disclosures. The Company has not early adopted these revised standards.

3. ACQUISITION OF ANQUIRO FINANCIAL CORP.

During the year ended June 30, 2023, pursuant to the proposed Qualifying Transaction, as further described in Note 11, the Company acquired AFC on June 8, 2023, a Canadian company incorporated under the British Columbia Business Corporations Act, by way of a share transfer. AFC transferred its one issued and outstanding common share to the Company, which constitutes the acquisition of 100% of AFC. AFC was formed as a special purpose vehicle in connection to the facilitation of the Company's Qualifying Transaction and was controlled by a director of the Company.

The transaction was accounted for as an asset acquisition. The fair value of the identifiable net assets of AFC at acquisition date which equaled the carrying values of the assets and liabilities held by AFC are as follows:

	-\$-
Assets	
Cash	11,718
Liabilities	
Accounts payable	(8,872)
Accrued liabilities	(10,500)
Subscriptions received	(95,000)
	(114,372)
Net transaction cost	(102,654)

During the year ended June 30, 2023, in connection to the proposed Qualifying Transaction, the subscriptions received of \$95,000 were classified as equity.

The fair value of the net assets of \$(102,654) was expensed as a transaction cost in the consolidated statement of comprehensive loss during the year ended June 30, 2023.

During the year ended June 30, 2024, the Company reclassified the subscriptions received to current liabilities to reflect the nature of the transaction as described further in Note 11. Subsequent to the year ended June 30, 2024, the Company unwound the acquisition of AFC.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2024	June 30, 2023
	-\$-	-\$-
Accounts payable	88,400	54,520
Accrued liabilities	20,250	23,750
	108,650	78,270

5. SHAREHOLDER LOAN

As at June 30, 2024, the balance of the shareholder loan is \$5,499 (June 30, 2023 - \$5,499); this amount is unsecured, non-interest bearing and has no fixed terms for repayment (Note 6).

6. RELATED PARTY TRANSACTIONS

As at June 30, 2024, the balance of \$5,499 (June 30, 2023 - \$5,499) is due to a director of the Company and is included as a shareholder loan (Note 5). The amount is non-interest bearing, unsecured and payable on demand.

As at June 30, 2024, there were the following balances in connection to a director and companies controlled by a director of the Company:

- recorded to prepaid, \$335 (June 30, 2023 - \$nil) for filing fees advanced.
- recorded to accounts payable, \$18,092 (June 30, 2023 - \$nil) for business expenses paid by a director and companies controlled by a director of the company.

The sole share outstanding in AFC was held by a director of the Company prior to its transfer to the Company (Note 3).

The Company has identified all of the directors and officers as its key management personnel. During the years ended June 30, 2024 and 2023, the Company did not incur transactions with directors and officers, or companies that are controlled by directors or officers of the Company, other than disclosed above.

7. SHARE CAPITAL

Common shares

The Company has authorized an unlimited number of common shares without par value.

As at June 30, 2024 and 2023, there were 4,500,001 issued and fully paid common shares.

There have been no share capital transactions during the years ended June 30, 2024 and 2023.

On February 23, 2018, the Company completed its IPO and issued 2,000,000 common shares at \$0.10 per share for net proceeds of \$141,100 after share issuance costs. At the completion of the IPO, the common shares issued to the Company's founders are subject to an escrow agreement. There are 2,500,001 shares held in escrow.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements
For the years ended June 30, 2024 and 2023
(Expressed in Canadian dollars)

7. SHARE CAPITAL (Continued)

Stock options

The Company's stock option plan allows for the granting of options to acquire a number of common shares equal to 10% of the issued and outstanding common shares at the time of the grant. Options granted under the plan will vest at a schedule determined by the board of directors.

Details of the Company's stock options outstanding are as follows:

	Options outstanding	Weighted average exercise price - \$ -	Weighted average remaining life
Balance, June 30, 2022	450,000	0.10	0.65 years
Expired	(450,000)	(0.10)	-
Balance, June 30, 2023 and 2024	-	-	-

During the year ended June 30, 2023, 450,000 stock options expired unexercised on February 23, 2023.

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense until the options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

During the years ended June 30, 2024 and 2023, the Company did not grant any stock options.

8. FINANCIAL INSTRUMENTS AND RISKS

(a) *Fair values*

The fair values of cash, accounts payable and shareholder loan approximate their carrying values due to the short-term to maturities of these financial instruments.

(b) *Interest rate*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(c) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash on hand to meet its financial obligations. The Company is exposed to liquidity risk.

(d) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its cash held in bank accounts. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company assessed its credit risk as low.

(e) *Foreign exchange risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

9. CAPITAL MANAGEMENT

The Company's capital structure consists of cash and share capital. The Company manages its capital structure, and makes adjustments to it, based on the funds available to the Company, in order to complete a Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

10. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the loss before income taxes. A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended June 30, 2024	Year ended June 30, 2023
Net loss before income tax	\$ (47,492)	\$ (173,306)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	(12,823)	(46,793)
Non-deductible item	-	27,717
Acquisition of AFC	-	(27,717)
Change in valuation allowance	12,823	46,793
Income tax recovery	\$ -	\$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	June 30, 2024	June 30, 2023
Non-capital losses	\$ 532,628	\$ 485,136
	\$ 532,628	\$ 485,136

The non-capital losses of approximately \$532,628 will commence expiring in the year 2035

11. PROPOSED TRANSACTION AND SUBSEQUENT EVENT

On June 16, 2023, as amended on October 22, 2023, January 31, 2024, May 21, 2024 and October 17, 2024, the Company became party to a Definitive Agreement to complete a Qualifying Transaction "the Proposed Transaction" or "the Agreement" with AFC and Black Pine Resources Corp. ("Black Pine"), a private corporation incorporated under the laws of the Province of British Columbia. The Company, Black Pine and AFC entered into a binding merger agreement, as amended, whereby the Company is anticipated to acquire the business of Black Pine. Three of the directors of the Company are also directors and / or officers of Black Pine.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

11. PROPOSED TRANSACTION AND SUBSEQUENT EVENT (Continued)

Black Pine was incorporated under the Business Corporations Act (British Columbia) on October 20, 2017, under the name “Digital Asset Management Corp.” On February 23, 2021, Black Pine changed its name to “Black Pine Resources Corp.”. Black Pine is a mineral exploration company focused on the acquisition and exploration of mineral properties. Pursuant to a letter of intent dated April 12, 2022 (“GBR LOI”), as amended, with Great Basin Resources Inc. (“GBR”), Black Pine is entitled to earn an undivided 100% interest in the Sugarloaf Copper Project (the “Sugarloaf Property”), subject to a 2% net smeltery royalty due to GBR and certain other payments due to GBR, as provided in the GBR LOI.

On October 17, 2024, the Company and Black Pine have entered into a termination agreement with AFC, terminating the previously announced transaction pursuant to the second amended and restated merger agreement dated May 21, 2024.

The purchase of AFC required consent from the Exchange, which the Company had not obtain and thus inadvertently contravened the policies of the Exchange. At the request of the Exchange, the Company has agreed to unwind the acquisition of AFC. To that end, the Company has entered into a share purchase agreement with Richard Barnett whereby the Company will sell and Mr. Barnett will purchase the sole outstanding common share of AFC in consideration for the purchase price paid by the Company for such share, being \$1.00 (the “Unwinding Transaction”). Pursuant to the Unwinding Transaction, all liabilities of AFC will remain liabilities of AFC and will not be assumed by the Company. During the year ended June 30, 2024, the Company reclassified \$95,000 of subscriptions received from equity to liabilities as this amount will no longer be settled with the Company’s shares.

Subsequent to the completion of the Unwinding Transaction, the Company and Black Pine entered into a merger agreement with 1504671 B.C. Ltd. (“New AcquisitionCo”). This merger agreement features near identical terms (other than (i) the replacement of AFC with New AcquisitionCo and (ii) the revision of the outside date of the Merger Agreement to February 28, 2025) to the previously terminated Original Agreement, pursuant to which the Company and Black Pine are anticipated to complete a three-cornered amalgamation, whereby New AcquisitionCo will amalgamate with Black Pine under the Business Corporations Act (British Columbia).

The Proposed Transaction is a Non-Arm’s Length Qualifying Transaction as the same parties and their Associates or Affiliates are Control Persons (as such aforementioned capitalized terms are defined in the policies of the Exchange) in both the Company and Black Pine. Furthermore, the Proposed Transaction may be considered a related party transaction (as such term is defined in Multilateral Instrument 61-101) because (a) Ms. Keturah Nathe (President, CEO and a director of the Company) is also a director of Black Pine, Mr. Joe DeVries (a director of the Company) is also a director of Black Pine, and Mr. Richard Barnett (a director of the Company) is also the CFO of Black Pine; and (b) the aggregated holdings of the issued and outstanding common shares of the Company and of Black Pine by Principals (as such term is defined in the policies of the Exchange) of the Company exceed 20%.

Subject to satisfaction or waiver of the conditions precedent referred to herein and in the Merger Agreement, the Company and Black Pine anticipate that the Proposed Transaction will be completed no later than December 31, 2024. There is no assurance that the Proposed Transaction will be completed on the terms proposed herein or at all.

Trading in the common shares of the Company is currently suspended in accordance with the policies of the Exchange and will remain suspended until such time as all required documentation in connection with the Proposed Transaction has been filed with and accepted by the Exchange and permission to resume trading has been obtained from the Exchange.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

11. PROPOSED TRANSACTION AND SUBSEQUENT EVENT (Continued)

Concurrent Financing

The parties have also revised the requirement for Black Pine to complete a private placement of up to 10,000,000 subscription receipts (the "Subscription Receipts") at a price per Subscription Receipt of \$0.10. Each Subscription Receipt will be converted into one unit of Black Pine comprised of one common share of Black Pine and one common share purchase warrant (a "BP Warrant"), exercisable to acquire one common share of Black Pine for a period of three years after its issuance at a price per share of \$0.20. The parties further provided clarity that if the price of the common shares of the post-Proposed Transaction Resulting Issuer exceeds \$0.28 over a period of eight consecutive trading dates commencing four months from the date of the issuance of the BP Warrant, then the Resulting Issuer may give notice in writing within 30 days of such occurrence to the holder of the BP Warrant (or the common share purchase warrants issued in exchange for the BP Warrants) (together, the "RI Warrants") that the RI Warrant shall expire at the accelerated expiry time, being 30 days from the date of the notice, unless previously exercised by the holder.

Furthermore, Black Pine has agreed to be responsible for all costs and charges incurred with respect to the Proposed Transaction.

SCHEDULE C
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF AQR FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

See attached.

Anquiro Ventures Ltd.

Consolidated Financial Statements

For the years ended June 30, 2023, and 2022

Expressed in Canadian Dollars



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Anquiro Ventures Ltd.

Opinion

We have audited the consolidated financial statements of Anquiro Ventures Ltd. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2023 and 2022, and the consolidated statements of comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and notes to the consolidated 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 June 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our 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 describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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Victoria

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

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Rakesh Patel.

Yours truly,

A handwritten signature in black ink that reads "DMCL." The "D" is large and stylized, with a vertical line through it. The "MCL" is written in a cursive, slightly slanted font.

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

October 27, 2023

ANQUIRO VENTURES LTD.Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	June 30, 2023	June 30, 2022
Assets			
Current assets			
Cash		\$ 18,377	\$ 51,291
Total assets		\$ 18,377	\$ 51,291
Liabilities and shareholders' equity (deficit)			
Current liabilities			
Accounts payable and accrued liabilities	4	\$ 78,270	\$ 32,878
Shareholder loan	5,6	5,499	5,499
		83,769	38,377
Shareholders' equity (deficit)			
Share capital	7	255,521	255,521
Subscriptions received	3,11	95,000	-
Share based payment reserve	7	44,316	44,316
Deficit		(460,229)	(286,923)
Total shareholders' equity (deficit)		(65,392)	12,914
Total liabilities and shareholders' equity (deficit)		\$ 18,377	\$ 51,291

Nature and continuance of operations (Note 1)

Proposed transaction (Note 11)

Approved by Directors:

"Joe DeVries"

Joe DeVries, Director

"Richard Barnett"

Richard Barnett, Director

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

ANQUIRO VENTURES LTD.

Consolidated Statements of Comprehensive Loss

Years ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

	Note	2023	2022
Administrative expenses			
General and administrative		\$ 414	\$ 364
Professional fees		40,558	35,797
Project investigation		900	-
Shareholder communications		2,100	-
Transfer agent and filing fees		23,024	14,937
Travel and related		3,656	294
		70,652	51,392
Other expense			
Transaction cost	3	102,654	-
Net and comprehensive loss for the year		\$ (173,306)	\$ (51,392)
Weighted average number of outstanding shares		4,500,001	4,500,001
Basic and diluted loss per share		\$ (0.04)	\$ (0.01)

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

ANQUIRO VENTURES LTD.

Consolidated Statement of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian dollars)

	Note	Share capital		Subscriptions received	Share based payment reserve	Deficit	Total shareholders' equity (deficit)
		Number of shares	Amount				
Balance at June 30, 2021		4,500,001	\$ 255,521	\$ -	\$ 44,316	\$ (235,531)	\$ 64,306
Net loss for the year		-	-	-	-	(51,392)	(51,392)
Balance at June 30, 2022		4,500,001	255,521	-	44,316	(286,923)	12,914
Subscriptions received	3,11	-	-	95,000	-	-	95,000
Net loss for the year		-	-	-	-	(173,306)	(173,306)
Balance at June 30, 2023		4,500,001	\$ 255,521	\$ 95,000	\$ 44,316	\$ (460,229)	\$ (65,392)

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

ANQUIRO VENTURES LTD.

Consolidated Statements of Cash Flows

Years ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

	2023	2022
Cash provided by (used in):		
Operating activities		
Net loss in the year	\$ (173,306)	\$ (51,392)
Item not effecting cash		
Transaction cost	102,654	-
Net change in non-cash working capital items:		
Accounts payable and accrued liabilities	26,020	13,958
Cash used in operating activities	(44,632)	(37,434)
Investing activities		
Cash obtained on acquisition of Anquiro Financial Corp.	11,718	-
Decrease in cash	(32,914)	(37,434)
Cash, beginning	51,291	88,725
Cash, ending	\$ 18,377	\$ 51,291

Non-cash transactions:

During the year ended June 30, 2023, the Company acquired Anquiro Financial Corp by way of share transfer (Notes 3).

During the year ended June 30, 2022, there were no non-cash transactions, other than described in Note 3.

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

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements
For the years ended June 30, 2023 and 2022
(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Anquiro Ventures Ltd. (the "Company") was incorporated in Canada under the British Columbia Business Corporations Act on March 1, 2012 and its head office is located at 595 Howe Street, Suite 303, Vancouver, British Columbia, V6C 2T5.

The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange") which completed on February 23, 2018, as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the Exchange.

The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company has not commenced operations and has no assets other than cash. The Company's continuing operations as intended are dependent upon its ability to identify evaluate and negotiate an acquisition, or a business, or an interest therein. Such an acquisition would be subject to regulatory and shareholder approval as required.

The proposed business of the Company, and the completion of a Qualifying Transaction, involves a high degree of risk. There is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative, and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statements of financial position. Such adjustment could be material.

At June 30, 2023, the Company had a working capital deficit of \$65,392. The Company's ability to meet its obligations and maintain its current operations is contingent upon successful completion of additional financing arrangements, continued cooperation of creditors and related parties, completing a Qualifying Transaction and generating profitable operations (Note 11).

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRC").

The financial statements were approved by the board of directors on October 27, 2023.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, modified where applicable and are presented in Canadian dollars, which is the Company's functional currency.

(c) Consolidation

On June 8, 2023, the Company acquired 100% the shares of Anquiro Financial Corp. ("AFC") as described in Note 3 and 11. As at June 30, 2023, these consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, AFC, from the date of acquisition. The financial statements for the year ended June 30, 2022 are unconsolidated.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)

(d) Use of estimates and judgments

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the recognition of deferred income tax assets. Actual results may differ from these estimates. Significant areas requiring the use of judgment in applying the Company's accounting policies include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

(e) Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Cash is classified as FVTPL; accounts payable and shareholder loan are classified as amortized cost.

(ii) Measurement

Financial assets and liabilities at amortized cost:

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL:

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI:

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets:

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.

Financial liabilities:

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.

(f) *Loss per share*

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity.

In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)

(g) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

(h) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Vesting is determined by the Board of Directors.

(i) Changes in accounting standards

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a material impact on the Company's consolidated financial statements other than consolidated note disclosures. The Company has not early adopted these revised standards.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

3. ACQUISITION OF ANQUIRO FINANCIAL CORP.

During the year ended June 30, 2023, pursuant to the proposed Qualifying Transaction, as further described in Note 11, the Company acquired AFC on June 8, 2023, a Canadian company incorporated under the British Columbia Business Corporations Act, by way of share transfer. AFC transferred its one issued and outstanding common share to the Company, which constitutes the acquisition of 100% of AFC. AFC was formed as a special purpose vehicle in connection to the facilitation of the Company's Qualifying Transaction and was controlled by a director of the Company.

The transaction was accounted for as an asset acquisition. The fair value of the identifiable net assets of AFC at acquisition date which equaled the carrying values of the assets and liabilities held by AFC are as follows:

	-\$-
Assets	
Cash	11,718
Liabilities	
Accounts payable	(8,872)
Accrued liabilities	(10,500)
Subscriptions received	(95,000)
	(114,372)
Net transaction cost	(102,654)

The subscriptions received of \$95,000 will be settled by the issuance of common shares upon the completion of a Qualifying Transaction and accordingly will be classified as equity.

The fair value of the net assets of \$(102,654) was expensed as a transaction cost in the consolidated statement of comprehensive loss during the year ended June 30, 2023.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2023	June 30, 2022
	-\$-	-\$-
Accounts payable	54,520	25,878
Accrued liabilities	23,750	7,000
	78,270	32,878

5. SHAREHOLDER LOAN

As at June 30, 2023, the balance of the shareholder loan is \$5,499 (June 30, 2022 - \$5,499); this amount is unsecured, non-interest bearing and has no fixed terms for repayment (Note 6).

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements
For the years ended June 30, 2023 and 2022
(Expressed in Canadian dollars)

6. RELATED PARTY TRANSACTIONS

As at June 30, 2023, the balance of \$5,499 (June 30, 2022 - \$5,499) is due to a director of the Company and is included as a shareholder loan (Note 5).

The sole share outstanding in AFC was held by a director of the Company prior to its transfer to the Company (Note 3).

The Company has identified all of the directors and officers as its key management personnel. During the years ended June 30, 2023 and 2022, the Company did not incur transactions with directors and officers, or companies that are controlled by directors or officers of the Company, other than disclosed above.

7. SHARE CAPITAL

Common shares

The Company has authorized an unlimited number of common shares without par value.

As at June 30, 2023 and June 30, 2022, there were 4,500,001 issued and fully paid common shares.

There have been no share capital transactions during the years ended June 30, 2022 and 2023.

On February 23, 2018, the Company completed its IPO and issued 2,000,000 common shares at \$0.10 per share for net proceeds of \$141,100 after share issuance costs. At the completion of the IPO, the common shares issued to the Company's founders are subject to an escrow agreement. There are 2,500,001 shares held in escrow.

Loss per share

Upon the Company completing its IPO, the common shares issued to the Company's founders were subject to an escrow agreement and may be cancelled in the event that the Company is unable to complete its Qualifying Transaction within certain time limits. Accordingly, these shares were initially accounted for as contingently returnable shares and excluded from the calculation of loss per share up to the year ended June 30, 2020. Under the New CPC Policy approved by the shareholders, these shares will no longer be cancelled and therefore have now been included in the calculation of loss per share in the years ended June 30, 2023 and 2022.

Stock options

The Company's stock option plan allows for the granting of options to acquire a number of common shares equal to 10% of the issued and outstanding common shares at the time of the grant. Options granted under the plan will vest at a schedule determined by the board of directors.

Details of the Company's stock options outstanding are as follows:

	Options outstanding		
	Options outstanding	Weighted average exercise price - \$ -	Weighted average remaining life
Balance, June 30, 2021	450,000	0.10	1.65 years
Balance, June 30, 2022	450,000	0.10	0.65 years
Expired	(450,000)	(0.10)	-
Balance, June 30, 2023	-	-	-

During the year ended June 30, 2023, 450,000 stock options expired unexercised on February 23, 2023.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

7. SHARE CAPITAL (Continued)

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense until the options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

During the year ended June 30, 2023 and 2022, the Company did not have any share-based payment reserve transactions.

8. FINANCIAL INSTRUMENTS AND RISKS

(a) Fair values

The fair values of cash, accounts payable and shareholder loan approximate their carrying values due to the short-term to maturities of these financial instruments.

(b) Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash on hand to meet its financial obligations. The Company is exposed to liquidity risk.

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its cash held in bank accounts. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company assessed its credit risk as low.

(e) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

9. CAPITAL MANAGEMENT

The Company's capital structure consists of cash and share capital. The Company manages its capital structure, and makes adjustments to it, based on the funds available to the Company, in order to complete a Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements
For the years ended June 30, 2023 and 2022
(Expressed in Canadian dollars)

10. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the loss before income taxes. A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	June 30, 2023	June 30, 2022
Net loss before income tax	\$ (173,306)	\$ (51,392)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	(46,793)	(13,876)
Non-deductible item	27,717	-
Acquisition of AFC	(27,717)	-
Change in valuation allowance	46,793	13,876
Income tax recovery	\$ -	\$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	June 30, 2023	June 30, 2022
Non-capital losses	\$ 485,136	\$ 311,829
	\$ 485,136	\$ 311,829

The non-capital losses of approximately \$485,000 will commence expiring in the year 2035.

11. PROPOSED TRANSACTION

On June 16, 2023, as amended on October 22, 2023, the Company became party to a Definitive Agreement to complete a Qualifying Transaction "the Proposed QT" or "the Agreement" with AFC and Black Pine Resources Corp. ("Black Pine"). The Company, Black Pine and AFC entered into a binding merger agreement, as amended, (the "Merger Agreement"), whereby the Company is anticipated to acquire the business of Black Pine. The Merger Agreement outlines the terms and conditions pursuant to which the Company and Black Pine are anticipated to complete a three-cornered amalgamation, whereby AFC will amalgamate with Black Pine under the *Business Corporations Act* (British Columbia) (the "Proposed Transaction").

Black Pine is a mineral exploration company focused on the acquisition and exploration of mineral properties. Black Pine entered into a letter of intent dated April 12, 2022 with Great Basin Resources Inc., a privately held natural resource company, pursuant to which it is entitled to earn an undivided 100% interest in the Sugarloaf Copper Project. The Sugarloaf Property is comprised of 77 unpatented mining claims covering a total of 1,544 acres located in New Mexico.

Upon completion of the Proposed Transaction, it is anticipated that the Company will have changed its name to "Black Pine Resources Corp." or such other name as may be agreed upon in writing by Black Pine and the Company (the "Resulting Issuer"). The Proposed Transaction, if completed, will constitute the Company's "Qualifying Transaction" (as such term is defined in Policy 2.4 - *Capital Pool Companies* ("Policy 2.4")) of the Exchange. Upon completion of the Proposed Transaction, the Resulting Issuer will carry on the business of Black Pine and intends to list as a tier 2 mining issuer on the Exchange.

Subject to satisfaction or waiver of the conditions precedent, the Company and Black Pine anticipate that the Proposed Transaction will be completed no later than January 31, 2024. There is no assurance that the Proposed Transaction will be completed on the terms proposed herein or at all.

ANQUIRO VENTURES LTD.

Notes to the Consolidated Financial Statements

For the years ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

11. PROPOSED QUALIFYING TRANSACTION (continued)

The Proposed Qualifying Transaction

The Proposed Transaction will result in the Company acquiring all of the issued and outstanding securities of Black Pine in exchange for the issuance of securities of the Company by way of a three-cornered amalgamation between Black Pine, the Company and AFC, and Black Pine becoming a wholly-owned subsidiary of the Company.

In exchange for each common share of Black Pine, the Company will issue to the shareholders of Black Pine, on a prospectus and registration exempt basis, one company share at an issuance price of \$0.10 per company share (the "Resulting Issuer List Price").

On completion of the Proposed Transaction, the former shareholders of Black Pine will own a majority of the issued and outstanding common shares of the Resulting Issuer (the "Resulting Issuer Shares"). Assuming completion of the maximum concurrent financings (as defined below), upon completion of the Proposed Transaction, the former shareholders of Black Pine as a group are expected to hold approximately 83.6% of the Resulting Issuer's issued and outstanding shares, and the shareholders of the Company immediately prior to the closing of the Proposed Transaction as a group are expected to hold approximately 16.4% of the Resulting Issuer's issued and outstanding shares, on a non-diluted basis.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions, including but not limited to (i) the receipt of all necessary corporate approvals, (ii) the receipt of regulatory and Exchange approval for the Proposed Transaction to the extent as required by applicable law and policies of the Exchange; (iii) the filing with the applicable securities regulatory authorities of a filing statement or information circular regarding the Proposed Transaction, (iv) the receipt of conditional approval from the Exchange for the Proposed Transaction and the listing of the Resulting Issuer Shares upon completion of the Proposed Transaction; and (v) the completion of the Name Change. There can be no assurance that the Proposed Transaction will be completed on the terms proposed above or at all.

Concurrent Financing

Prior to the effective time of the Proposed Transaction, Black Pine will undertake a private placement offering of securities in Black Pine of up to 7,000,000 subscription receipts of Black Pine ("Subscription Receipts") for aggregate gross proceeds of up to \$700,000.

Upon satisfaction of certain escrow release conditions, each Subscription Receipt will automatically convert into one unit of Black Pine (an "SR Unit"), comprised of one common share in the capital of Black Pine and one of one common share purchase warrant of Black Pine, at no additional cost to the holder.

**SCHEDULE D
AUDITED FINANCIAL STATEMENTS
OF AQR FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

See attached.

Anquiro Ventures Ltd.

Financial Statements

June 30, 2022

Expressed in Canadian Dollars



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Anquiro Ventures Ltd.:

Opinion

We have audited the financial statements of Anquiro Ventures Ltd. (the "Company"), which comprise the statements of financial position as at June 30, 2022 and 2021, and the statements of comprehensive loss, changes in shareholders' equity 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 June 30, 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 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this audit report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Rakesh Patel.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
September 9, 2022

ANQUIRO VENTURES LTD.Statements of Financial Position
(Expressed in Canadian dollars)

	Note	June 30, 2022	June 30, 2021
Assets			
Current assets			
Cash		\$ 51,291	\$ 88,725
Total assets		\$ 51,291	\$ 88,725
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	3	\$ 32,878	\$ 18,920
Shareholder loan	4,5	5,499	5,499
		38,377	24,419
Shareholders' equity			
Share capital	6	255,521	255,521
Share based payment reserve	6	44,316	44,316
Deficit		(286,923)	(235,531)
Total shareholders' equity		12,914	64,306
Total liabilities and shareholders' equity		\$ 51,291	\$ 88,725

Nature and continuance of operations (Note 1)

Approved by Directors:

"Joe DeVries"
Joe DeVries, Director

"Christopher Cherry"
Christopher Cherry, Director

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

ANQUIRO VENTURES LTD.

Statements of Comprehensive Loss
Years ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

	2022	2021
Administrative expenses		
General and administrative	\$ 364	\$ 502
Professional fees	35,797	59,551
Shareholder communications	-	431
Transfer agent and filing fees	14,937	14,120
Travel and related	294	809
Net and comprehensive loss for the year	\$ (51,392)	\$ (75,413)
Weighted average number of outstanding shares	4,500,001	4,500,001
Basic and diluted loss per share	\$ (0.01)	\$ (0.02)

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

ANQUIRO VENTURES LTD.

Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share capital		Share based payment reserve	Deficit	Total shareholders' equity
	Number of shares	Amount			
Balance at June 30, 2020	4,500,001	\$ 255,521	\$ 44,316	\$ (160,118)	\$ 139,719
Net loss for the year	-	-	-	(75,413)	(75,413)
Balance at June 30, 2021	4,500,001	255,521	44,316	(235,531)	64,306
Net loss for the year	-	-	-	(51,392)	(51,392)
Balance at June 30, 2022	4,500,001	\$ 255,521	\$ 44,316	\$ (286,923)	\$ 12,914

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

ANQUIRO VENTURES LTD.

Statements of Cash Flows

Years ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

	2022	2021
Cash provided by (used in):		
Operating activities		
Net loss in the year	\$ (51,392)	\$ (75,413)
Net change in non-cash working capital items:		
Accounts payable and accrued liabilities	13,958	11,414
Cash used in operating activities	(37,434)	(63,999)
Decrease in cash	(37,434)	(63,999)
Cash, beginning	88,725	152,724
Cash, ending	\$ 51,291	\$ 88,725

Non-cash transactions:

During the years ended June 30, 2022, and 2021, there were no non-cash transactions.

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

ANQUIRO VENTURES LTD.

Notes to the Financial Statements

For the years ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Anquiro Ventures Ltd. (the "Company") was incorporated in Canada under the British Columbia Business Corporations Act on March 1, 2012 and its head office is located at 595 Howe Street, Suite 303, Vancouver, British Columbia, V6C 2T5.

The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange") completed on February 23, 2018, as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the Exchange.

The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a qualifying transaction ("Qualifying Transaction"). The Company has not commenced operations and has no assets other than cash. The Company's continuing operations as intended are dependent upon its ability to identify evaluate and negotiate an acquisition of a business, or an interest therein. Such an acquisition would be subject to regulatory and shareholder approval as required.

The proposed business of the Company, and the completion of a Qualifying Transaction, involves a high degree of risk. There is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative, and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

At June 30, 2022, the Company had a working capital of \$12,914. The Company's ability to meet its obligations and maintain its current operations is contingent upon successful completion of additional financing arrangements, continued cooperation of creditors and related parties, completing a Qualifying Transaction and generating profitable operations.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations committee ("IFRIC"). These financial statements have been prepared on a historical cost basis, modified where applicable and are presented in Canadian dollars, which is the Company's functional currency.

The financial statements were approved by the board of directors on September 9, 2022.

ANQUIRO VENTURES LTD.

Notes to the Financial Statements

For the years ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)

(b) Use of estimates and judgments

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the recognition of deferred income tax assets. Actual results may differ from these estimates. Significant areas requiring the use of judgment in applying the Company's accounting policies include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

(c) Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Cash is classified as FVTPL, accounts payable is classified as amortized cost, and shareholder loan is classified as amortized cost.

(ii) Measurement

Financial assets and liabilities at amortized cost:

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL:

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI:

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

ANQUIRO VENTURES LTD.

Notes to the Financial Statements

For the years ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)

(c) Financial instruments (Continued)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets:

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.

Financial liabilities:

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.

(d) Loss per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity.

In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

(e) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

ANQUIRO VENTURES LTD.

Notes to the Financial Statements

For the years ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)

(e) *Income taxes (Continued)*

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

(f) *Share-based payments*

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Vesting is determined by the Board of Directors.

(g) *Changes in accounting standards*

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements other than note disclosure. The Company has not early adopted these revised standards.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2022	June 30, 2021
	-\$-	-\$-
Accounts payable	25,878	11,920
Accrued liabilities	7,000	7,000
	32,878	18,920

4. SHAREHOLDER LOAN

As at June 30, 2022, the balance of the shareholder loan is \$5,499 (June 30, 2021 - \$5,499); this amount is unsecured, non-interest bearing and has no fixed terms for repayment (Note 5).

5. RELATED PARTY

As at June 30, 2022, the balance of \$5,499 (June 30, 2021 - \$5,499) is due to a director of the Company and is included as a shareholder loan (Note 4).

The Company has identified all of the directors and officers as its key management personnel. During the years ended June 30, 2022 and 2021, the Company did not incur transactions with directors and officers, or companies that are controlled by directors or officers of the Company, other than disclosed above.

ANQUIRO VENTURES LTD.

Notes to the Financial Statements
For the years ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

6. SHARE CAPITAL

Common shares

The Company has authorized an unlimited number of common shares without par value.

As at June 30, 2022 and 2021, there were 4,500,001 issued and fully paid common shares.

There have been no share capital transactions during the years ended June 30, 2022 and 2021.

On February 23, 2018, the Company completed its IPO and issued 2,000,000 common shares at \$0.10 per share for net proceeds of \$141,100 after share issuance costs. At the completion of the IPO, the common shares issued to the Company's founders are subject to an escrow agreement. There are 2,500,001 shares held in escrow.

Loss per share

Upon the Company completing its IPO, the common shares issued to the Company's founders were subject to an escrow agreement and may be cancelled in the event that the Company is unable to complete its Qualifying Transaction within certain time limits. Accordingly, these shares were initially accounted for as contingently returnable shares and excluded from the calculation of loss per share. Under the New CPC Policy approved by the shareholders, these shares will no longer be cancelled and therefore have now been included in the calculation of loss per share in the years ended June 30, 2022 and 2021.

Stock options

The Company's stock option plan allows for the granting of options to acquire a number of common shares equal to 10% of the issued and outstanding common shares at the time of the grant. Options granted under the plan will vest at a schedule determined by the board of directors.

Details of the Company's stock options outstanding are as follows:

	Options outstanding		
	Options outstanding	Weighted average exercise price - \$ -	Weighted average remaining life
Balance, June 30, 2020	450,000	0.10	2.65 years
Balance, June 30, 2021	450,000	0.10	1.65 years
Balance, June 30, 2022	450,000	0.10	0.65 years

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense until the options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

During the years ended June 30, 2022 and 2021, the Company did not have any share-based payment reserve transactions.

ANQUIRO VENTURES LTD.

Notes to the Financial Statements

For the years ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

7. FINANCIAL INSTRUMENTS AND RISKS

(a) Fair values

The fair values of cash, accounts payable and shareholder loan approximate their carrying values due to the short-term to maturities of these financial instruments.

(b) Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash on hand to meet its financial obligations. The Company is exposed to liquidity risk.

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its cash held in bank accounts. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company assessed its credit risk as low.

(e) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

8. CAPITAL MANAGEMENT

The Company's capital structure consists of cash and share capital. The Company manages its capital structure, and makes adjustments to it, based on the funds available to the Company, in order to complete a Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

ANQUIRO VENTURES LTD.

Notes to the Financial Statements

For the years ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

9. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the loss before income taxes. A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	June 30, 2022	June 30, 2021
Net loss before income tax	\$ (51,392)	\$ (75,413)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	(13,876)	(20,362)
Change in valuation allowance	13,876	20,362
Income tax recovery	\$ -	\$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	June 30, 2022	June 30, 2021
Non-capital losses	\$ 84,194	\$ 67,137
Share issuance costs	-	3,181
	\$ 84,194	\$ 70,318

The non-capital losses of approximately \$311,000 will commence expiring in the year 2035.

**SCHEDULE E
AUDITED FINANCIAL STATEMENTS
OF BLACK PINE FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

See attached.

BLACK PINE RESOURCES CORP.

FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Black Pine Resources Corp.

Opinion

We have audited the accompanying financial statements of Black Pine Resources Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022 and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw your attention to Note 2 on the financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting 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.


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.



Vancouver, Canada

Chartered Professional Accountants

March 13, 2024

BLACK PINE RESOURCES CORP.
STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
As at

	Note	December 31, 2023	December 31, 2022
ASSETS			
Current assets			
Cash		\$ 394,152	\$ 839,079
Prepaid	6	28,849	7,875
		423,002	846,954
Non-current assets			
Exploration and Evaluation assets	5	253,955	181,805
TOTAL ASSETS			
		\$ 676,956	\$ 1,028,759
LIABILITIES			
Accounts payable and accrued liabilities	4, 6	\$ 29,078	\$ 36,080
SHAREHOLDERS' EQUITY			
Share capital	7	1,377,056	1,377,056
Reserves	7	108,192	81,671
Deficit		(837,370)	(466,048)
TOTAL SHAREHOLDERS' EQUITY			
		647,878	992,679
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			
		\$ 676,956	\$ 1,028,759

Nature of operations (Note 1)
Continuance of operations (Note 2)
Proposed Transaction (Note 10)

On behalf of the Board:

“Drew Martel” Director “Joe DeVries” Director

The accompanying notes are an integral part of these financial statements

BLACK PINE RESOURCES CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN CANADIAN DOLLARS)

	Note	December 31, 2023	December 31, 2022
EXPENSES			
Consulting		\$ -	\$ 992
Foreign exchange (gain) loss		4,617	(3,845)
General and administration	6	61,709	45,339
Management fees	6	94,500	84,000
Professional fees	6	154,606	19,403
Shareholder communications		3,464	6,695
Share-based compensation	7	26,521	20,625
Travel		25,905	-
LOSS AND COMPREHENSIVE LOSS		\$ (371,322)	\$ (173,209)
Basic and diluted earnings (loss) per share		\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding		15,931,728	15,931,728

The accompanying notes are an integral part of these financial statements

BLACK PINE RESOURCES CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	<u>Share capital</u>				
	Number of shares	Amount - \$ -	Reserves - \$ -	Deficit - \$ -	Total - \$ -
Balance at December 31, 2021	15,931,728	1,377,056	61,046	(292,839)	1,145,263
Share based compensation	-	-	20,625	-	20,625
loss for the year	-	-	-	(173,209)	(173,209)
Balance at December 31, 2022	15,931,728	1,377,056	81,671	(466,048)	992,679
Share based compensation	-	-	26,521	-	26,521
Loss for the period	-	-	-	(371,322)	(371,322)
Balance at December 31, 2023	15,931,728	1,377,056	108,192	(837,370)	647,878

The accompanying notes are an integral part of these financial statements

BLACK PINE RESOURCES CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, and 2022
(EXPRESSED IN CANADIAN DOLLARS)

	Note	December 31, 2023	December 31, 2022
OPERATING ACTIVITIES			
Loss for the year		\$ (371,322)	\$ (173,209)
Adjustment for:			
Stock-based compensation	7	26,521	20,625
Net change in non-cash working capital accounts:			
Increase (decrease) in prepaid		(20,974)	(5,296)
Increase (decrease) in accounts receivable		-	556
Increase (decrease) in accounts payable		(7,002)	(25,991)
Net cash used in operating activities		\$ (372,777)	\$ (183,314)
INVESTING ACTIVITIES			
Exploration and evaluation asset expenditures		(72,150)	(181,805)
Net cash used in investing activities		\$ (72,150)	\$ (181,805)
Decrease in cash during the year		(444,927)	(365,119)
Cash, beginning of year		839,079	1,204,198
Cash, end of year		\$ 394,152	\$ 839,079

Supplementary cash flow information

During the years ended December 31, 2023, and 2022, there were no non-cash transactions.

During the year ended December 31, 2023, the Company paid \$nil (2022 - \$nil) in interest and taxes.

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Black Pine Resources Corp. (the "Company") was incorporated on October 20, 2017 under the laws of British Columbia. The registered and records office is located at 595 Howe St., Vancouver, British Columbia V6C 2T5.

During the year ended December 31, 2022, the Company commenced a change of business to mineral property exploration and entered into a Property Option Agreement to acquire a 100% interest in the Sugarloaf Copper Project located in New Mexico, USA (Note 5). Subsequent to the year ended December 31, 2022, during the year ended December 31, 2023, the Company increased its board seats, with the addition of a Director who controls the vendor of the Property Option Agreement.

As at December 31, 2023, the Company has an accumulated deficit of \$837,370 (2022 - \$466,048).

2. CONTINUANCE OF OPERATIONS

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

As at December 31, 2023, the Company had working capital surplus of \$393,924 (2022 - \$810,874). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and ultimately upon discovery of proven reserves and generating profitable operations. The Company will require additional financing in order to meet its current financial obligations and to continue its operations. These matters result in material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements. These adjustments could be material.

3. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable and are presented in Canadian dollars, which is the Company's functional currency.

These financial statements were authorized for issuance on March 13, 2024 by the directors of the Company.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in compliance with IFRS Accounting Standards requires the Company's management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the dated of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

3. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Areas requiring a significant degree of estimation and judgment relate to the determination of the recoverability of the carrying value of exploration and evaluation assets and valuation of share-based payments, described in the following paragraph. Actual results may differ from those estimates and judgments.

Valuation of Exploration and Evaluation assets - The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to commence and complete development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Share-based compensation - The Company grants stock options to directors, officers and consultants. All share-based awards are measured and recognized using a fair value-based method. The fair value of options and other share-based awards to employees or consultants, issued or altered in the period, are determined using the Black-Scholes option pricing model.

Transactions in Foreign Currencies

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the transaction dates. At each reporting date, monetary items denominated in foreign currencies are translated into the entity's functional currency at the then prevailing rates and non-monetary items measured at historical cost are translated into the entity's functional currency at rates in effect at the date the transaction took place.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are included in the consolidated statements of loss and comprehensive loss for the period in which they arise.

Earnings per share

The Company computes the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per common share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Anti-dilutive securities are excluded from the calculation. As at the years ended December 31, 2023 and 2022, there was no difference between basic and diluted earnings per share.

Basic earnings (loss) per common share is calculated using the weighted average number of shares outstanding during the period.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

3. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of profit or loss in the period. Cash is considered as FVTPL.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial liabilities and equity: Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Amortized cost – This category consists of liabilities carried at amortized cost using the effective interest method. Accounts payable and accrued liabilities are included in this category. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. Accounts payable are classified as amortized cost.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Deferred income tax:

Deferred income tax is provided based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Share capital

Common shares are classified as share capital. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The proceeds from the issue of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

Share-based compensation

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

Exploration and evaluation assets

Upon acquiring the legal right to explore, all costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of an exploration and evaluation asset is impaired, that property is written down to its estimated net realizable value. An exploration and evaluation asset is reviewed for indicators of impairment at each reporting date or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Recoveries on mineral properties are recorded against the related property cost as amounts are received, with any net excess recorded to profit or loss.

3. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of its exploration and evaluation assets, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related assets along with a corresponding increase in the decommission liability in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as related assets.

The Company's estimates of decommissioning costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed at the end of each reporting period for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of decommissioning costs, are charged to profit or loss.

Estimated future removal and site restoration costs will be provided for on the unit-of-production method. Costs will be based on estimates in accordance with current legislation and industry practices. Actual removal and site restoration expenditures will be charged to the accumulated provision account as incurred.

The Company is not aware of any existing material obligations associated with the retirement of its exploration and evaluation assets as at December 31, 2023 and 2022.

New accounting standards, interpretations and amendments that are effective for the current year

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the IASB that were effective for annual periods that begin on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments— Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The International Accounting Standards Board ("IASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments were applied effective January 1, 2023 and did not have a material impact on the Company's financial statements.

3. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Recent Accounting Pronouncements

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

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settle within one year) or non-current.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2024 and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its financial statements.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023	December 31, 2022
Accounts payable	\$ 1,578	\$ 16,080
Accrued liabilities	27,500	20,000
	\$ 29,078	\$ 36,080

5. EXPLORATION AND EVALUATION ASSET

On April 15, 2022, the Company entered into a property option agreement to acquire a 100% interest in the Sugarloaf Copper Project located in New Mexico, USA. The Sugarloaf Project consists of 77 unpatented claims. The terms of the option agreement are described below:

- (i) Reimbursement for documented expenditures, not to exceed US\$100,000 (paid), including the preparation of a NI 43-101 technical report;
- (ii) Expending:
 - a) US\$300,000 in exploration funds by no later than the first anniversary date of the closing of a public listing event, and;
 - b) US\$500,000 in exploration funds by no later than the second anniversary date of the closing of a public listing event, and;
 - c) A cumulative aggregate of US\$1,500,000 in exploration funds by no later than the third anniversary date of the closing of a public listing event, and;
 - d) A cumulative aggregate of US\$3,000,000 in exploration funds by no later than the fourth anniversary date of the closing of a public listing event.

This property is subject to a 2.0% Net Smelter Return, and a cash payment of US\$1,000,000 payable to the vendor upon the project attaining commercial production.

BLACK PINE RESOURCES CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

5. EXPLORATION AND EVALUATION ASSET (continued)

As at December 31, 2023, the Company incurred a total of \$253,955 (2022 - \$181,805) in expenditures on property option agreement as detailed below:

	Total -\$-
Balance December 31, 2021	\$ -
Claims fees and claims renewals	34,419
Assay expenditures	2,822
Geological and Geophysical consulting	112,240
Field travel and related	8,175
Field supplies	210
43-101 expenditures	23,939
Balance December 31, 2022	\$ 181,805
Claims fees and claims renewals	17,657
Permit	684
Survey	17,087
Geological and Geophysical consulting	29,321
Field travel and related	7,376
Field supplies	25
Balance December 31, 2023	\$ 253,955

6. RELATED PARTY

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of December 31, 2023, there was a balance of \$16,006 (2022 - \$7,875) recorded to prepaid in connection to advance payment for management services, professional fees and office administration fees. The balance due to related parties is \$nil (2022 - \$13,144) and \$7,843 (2022 - \$nil) is advanced to a company controlled by a director of the Company to be expended on exploration and evaluation expenditures.

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

During the year ended December 31, 2023, the Company recorded transactions with related parties for management fees in the amount of \$94,500 (2022 - \$84,000) to a company controlled by the CEO, office facilities and professional fees of \$61,950 (2022 - \$41,500) to a company controlled by a director, geological consulting services of \$2,700 (2022 - \$nil) to a company controlled by a director, and corporate administration fees of \$31,500 (2022 - \$nil) to a company controlled by a director recorded as compensation costs for key management personnel and companies related to them.

During the year ended December 31, 2023, the Company recorded \$24,863 (2022 - \$16,500) in non-cash share-based compensation expense in connection to stock options granted to Directors and Officers of the Company (Note 7).

BLACK PINE RESOURCES CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

7. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value, special rights or restrictions attached.

Issued share capital

As at December 31, 2023, the issued share capital comprised of 15,931,728 common shares.

During the years ended December 31, 2023 and 2022 the Company had no share capital transactions.

Stock options

The Board has approved a Stock Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward the Company's long-term goals, and to encourage such individuals to acquire shares as long-term investments. The Stock Option Plan is administered by the Board and authorizes the issuance of stock options not to exceed a total of 10% of the number of shares issued and outstanding from time to time. The terms of any award are determined by the Board, provided that no options may be granted at less than the fair market value of shares as of the date of the grant. The maximum term of the options is ten years.

During the year ended December 31, 2023, the Company granted incentive stock options to purchase a total of 800,000 common shares priced at \$0.10, expiring on February 17, 2028 to certain directors and consultants.

During the year ended December 31, 2023, the Company recorded share-based compensation of \$26,521, based on the Black-Scholes Option Pricing Model, using a risk-free interest rate of 3.45%, share price of \$0.05, exercise price of \$0.10, expected life of 5 years, volatility of 100%, and 0% dividend and forfeiture rates.

During the year ended December 31, 2022, the Company granted incentive stock options to purchase a total of 625,000 common shares at an exercise price of \$0.10, valid for five years expiring on March 31, 2027, to certain directors, and consultants.

During the year ended December 31, 2022, the Company recorded share-based compensation of \$20,625, based on the Black-Scholes Option Pricing Model, using a risk-free interest rate of 3.04%, share price of \$0.05, expected life of 5 years, volatility of 100%, and 0% dividend and forfeiture rates.

The following table summarizes information about the stock options during the year ended December 31, 2023, and 2022:

	Options	
	Number of options	Weighted average exercise price - \$ -
Outstanding and exercisable, December 31, 2021	305,673	0.20
Cancelled	(217,619)	0.20
Issued	625,000	0.10
Outstanding and exercisable, December 31, 2022	713,054	0.13
Issued	800,000	0.10
Outstanding and exercisable, December 31, 2023	1,513,054	0.11

7. SHARE CAPITAL AND RESERVES (continued)

Stock options (continued)

Expiry Date	Exercise Price	Outstanding and Exercisable
March 31, 2027	\$ 0.10	625,000
February 17, 2028	\$ 0.10	800,000
March 7, 2029	\$ 0.20	88,054

As at December 31, 2023, the options had a weighted average life of 3.83 years (December 31, 2022 – 4.89 years).

8. FINANCIAL RISK MANAGEMENT

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's maximum exposure to credit risk is on its cash held in bank accounts. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Interest rate risk

The Company is not currently exposed to significant interest rate risk

Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as some of its mining and exploration operations are transacted in currencies other than the functional currency of the Company. If the Canadian dollar changes by ten percent against the US dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a \$nil change in profit or loss.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

BLACK PINE RESOURCES CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

8. FINANCIAL RISK MANAGEMENT (continued)

Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements. There have been no changes to the Company's management of capital for the years presented.

Classification of financial instruments

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount, due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

December 31, 2023	Level One
Cash	\$ 394,152
	\$ 394,152
<hr/>	
December 31, 2022	Level One
Cash	\$ 839,079
	\$ 839,079

The carrying value of the accounts payable and accrued liabilities approximates the fair values because of the short-term nature of these instruments.

9. INCOME TAXES

The reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2023	2022
(Income) Loss for the year before income taxes	\$ 371,322	\$ 173,209
Expected income tax (recovery)	\$ (100,000)	\$ (47,000)
Change in statutory rate and other		3,000
Permanent differences	7,000	6,000
Share issue cost		(2,000)
Change in unrecognized deductible temporary differences	90,000	40,000
Total income tax recovery	\$ -	\$ -

BLACK PINE RESOURCES CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

9. INCOME TAXES (Continued)

The nature of the tax effects of the temporary differences and tax loss carry forwards giving rise to the deferred tax assets are as summarized below:

	2023	2022
Deferred income tax assets:		
Share issue costs	1,000	2,000
Non-capital loss available for future periods	198,000	104,000
	199,000	106,000
Unrecognized tax assets	(199,000)	(106,000)
Net deferred tax assets	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2023	Expiry Date Range	2022	Expiry Date Range
Temporary Differences:				
Share issue costs	4,000	2024 to 2045	6,000	2023 to 2045
Cryptocurrencies	-	No expiry date	-	No expiry date
Non-capital losses available for future periods	732,000	2039 to 2043	385,000	2039 to 2042

10. PROPOSED TRANSACTION

During the year ended December 31, 2023, as amended on October 22, 2023, and January 31, 2024 (subsequent to the year ended December 31, 2023), the Company became party to a Definitive Agreement to complete a Qualifying Transaction ("the Proposed QT" or "the Agreement") with Anquiro Ventures Ltd. ("AVL" or "the Resulting Issuer") and Anquiro Financial Corp. ("AFC"), a wholly owned subsidiary of AVL. The Company, AVL and AFC entered into a binding merger agreement, as amended, (the "Merger Agreement"), whereby AVL and AFC will acquire 100% interest in the Company. The Merger Agreement outlines the terms and conditions pursuant to which the Company, AVL and AFC are anticipated to complete a three-cornered amalgamation, whereby AFC will amalgamate with the Company under the *Business Corporations Act* (British Columbia) (the "Proposed Transaction").

Upon completion of the Proposed QT, it is anticipated that the Resulting Issuer will have changed its name to "Black Pine Resources Corp." or such other name as may be agreed upon in writing by the Company and AVL. The Proposed QT, if completed, will constitute AVL's "Qualifying Transaction" (as such term is defined in Policy 2.4 - *Capital Pool Companies* ("Policy 2.4") of the TSX Venture Exchange ("the Exchange"). Upon completion of the QT, the Resulting Issuer will carry on the business of the Company and intends to list as a tier 2 mining issuer on the Exchange.

Subject to satisfaction or waiver of the conditions precedent, the Company and AVL anticipate that the Proposed QT will be completed no later than May 31, 2024. There is no assurance that the Proposed QT will be completed on the terms proposed herein or at all.

10. PROPOSED TRANSACTION (Continued)

The Proposed Qualifying Transaction

The Proposed QT will result in AVL acquiring all of the issued and outstanding securities of the Company in exchange for the issuance of securities of AVL by way of a three-cornered amalgamation between the Company, AVL and AFC, and the Company becoming a wholly-owned subsidiary of AVL.

In exchange for each common share of the Company, AVL will issue to the shareholders of the Company, on a prospectus and registration exempt basis, one AVL share at an issuance price of \$0.10 per AVL share (the "Resulting Issuer List Price").

The completion of the Proposed QT is subject to the satisfaction of various conditions, including but not limited to (i) the receipt of all necessary corporate approvals, (ii) the receipt of regulatory and Exchange approval for the Proposed QT to the extent as required by applicable law and policies of the Exchange; (iii) the filing with the applicable securities regulatory authorities of a filing statement or information circular regarding the Proposed QT, (iv) the receipt of conditional approval from the Exchange for the Proposed QT and the listing of the Resulting Issuer Shares upon completion of the Proposed QT; and (v) the completion of the Name Change. There can be no assurance that the Proposed QT will be completed on the terms proposed above or at all.

Concurrent Financing

Prior to the effective time of the Proposed QT, the Company will undertake a private placement offering of securities of up to 7,000,000 subscription receipts of the Company ("Subscription Receipts") for aggregate gross proceeds of up to \$700,000.

Upon satisfaction of certain escrow release conditions, each Subscription Receipt will automatically convert into one unit of the Company (an "SR Unit"), comprised of one common share in the capital of the Company and one of one common share purchase warrant of the Company, at no additional cost to the holder.

11. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of unproven exploration and evaluation assets. The Company's long-lived assets are located in New Mexico, USA.

**SCHEDULE F
AUDITED FINANCIAL STATEMENTS
OF BLACK PINE FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

See attached.

BLACK PINE RESOURCES CORP.
(Formerly, Digital Asset Management Corp.)

FINANCIAL STATEMENTS

DECEMBER 31, 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Black Pine Resources Corp.

Opinion

We have audited the accompanying financial statements of Black Pine Resources Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of income (loss) and comprehensive income (loss), changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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.

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.

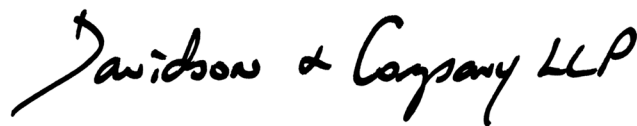
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Daniel Nathan.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 6, 2023

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)

STATEMENTS OF FINANCIAL POSITION

(EXPRESSED IN CANADIAN DOLLARS)

As at

	Note	December 31, 2022	December 31, 2021
ASSETS			
Current assets			
Cash		\$ 839,079	\$ 1,204,198
Accounts receivable		-	556
Prepaid	7	7,875	2,580
		846,954	1,207,334
Non-current assets			
Exploration and Evaluation assets	6	181,805	-
TOTAL ASSETS			
		\$ 1,028,759	\$ 1,207,334
LIABILITIES			
Accounts payable and accrued liabilities	4, 7	\$ 36,080	\$ 62,071
SHAREHOLDERS' EQUITY			
Share capital	8	1,377,056	1,377,056
Reserves	8	81,671	61,046
Deficit		(466,048)	(292,839)
TOTAL SHAREHOLDERS' EQUITY			
		992,679	1,145,263
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			
		\$ 1,028,759	\$ 1,207,334

Nature of operations (Note 1)

Continuance of operations (Note 2)

Subsequent events (Note 11)

On behalf of the Board:

"Drew Martel" Director "Joe DeVries" Director

The accompanying notes are an integral part of financial statements

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021
(EXPRESSED IN CANADIAN DOLLARS)

	Note	December 31, 2022	December 31, 2021
EXPENSES			
Consulting		\$ 992	\$ -
Foreign exchange (gain) loss		(3,845)	13,585
General and administration	6	45,339	24,388
Management fees	7	84,000	78,750
Professional fees	6	19,403	42,419
Shareholder communications		6,695	-
Share-based compensation		20,625	-
Gain on sale of cryptocurrencies	5	-	(363,921)
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		\$ (173,209)	\$ 204,779
Basic and diluted earnings (loss) per share ¹		\$ 0.01	\$ 0.02
Weighted average number of common shares outstanding ¹		15,931,728	10,501,975

¹ Per share calculations adjusted to reflect the 4:1 share consolidation completed January 13, 2021 (Note 1)

The accompanying notes are an integral part of financial statements

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 (EXPRESSED IN CANADIAN DOLLARS)

	Share capital				
	Number of shares	Amount - \$ -	Reserves - \$ -	Deficit - \$ -	Total - \$ -
Balance at December 31, 2020	3,931,728	786,346	61,046	(497,618)	349,774
Shares issued for debt settlement	7 840,000	42,000	-	-	42,000
Shares issued for private placement (net)	8 11,160,000	548,710	-	-	548,710
Income for the year	-	-	-	204,779	204,779
Balance at December 31, 2021	15,931,728	1,377,056	61,046	(292,839)	1,145,263
Share based compensation	-	-	20,625	-	20,625
Income (loss) for the year	-	-	-	(173,209)	(173,209)
Balance at December 31, 2022	15,931,728	1,377,056	81,671	(466,048)	992,679

Share Capital disclosure in the above table has been adjusted to reflect the 4:1 share consolidation completed on January 13, 2021 (Note 1)

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022, and 2021
(EXPRESSED IN CANADIAN DOLLARS)

	Note	December 31, 2022	December 31, 2021
OPERATING ACTIVITIES			
Income (loss) for the year		\$ (173,209)	\$ 204,779
Adjustment for:			
Net realized gain on sale of cryptocurrencies	5	-	(363,921)
Stock-based compensation	8	20,625	-
Net change in non-cash working capital accounts:			
Increase (decrease) in cryptocurrencies		-	790,951
Decrease (increase) in accounts receivable		556	(556)
Increase in prepaid		(5,296)	(2,580)
Increase (decrease) in accounts payable		(25,991)	(7,089)
Net cash provided by (used in) operating activities		\$ (183,314)	\$ 621,584
INVESTING ACTIVITIES			
Exploration and evaluation asset expenditures		(181,805)	-
Net cash used in financing activities		\$ (181,805)	\$ -
FINANCING ACTIVITIES			
Shares issued for private placement, net	8	-	548,710
Net cash used in financing activities		\$ -	\$ 548,710
Increase (decrease) in cash during the year		(365,119)	1,184,472
Cash, beginning of year		1,204,198	19,726
Cash, end of year		\$ 839,079	\$ 1,204,198

Supplementary cash flow information

During the year ended December 31, 2022, there were no non-cash transactions.

During the year ended December 31, 2021, the Company issued 840,000 (2020 - 205,000) shares for settlement of \$42,000 (2020 - \$41,000) of debt (Note 7).

During the year ended December 31, 2022, the Company paid \$nil (2021 - \$nil) in interest and taxes.

Share Capital disclosure presented in the Supplementary cash flow information has been adjusted to reflect the 4:1 share consolidation completed on January 13, 2021 (Note 1).

1. NATURE OF OPERATIONS

Black Pine Resources Corp. (Formerly Digital Asset Management Corp.) (the “Company”) was incorporated on October 20, 2017 under the laws of British Columbia. The registered and records office is located at 25th Floor, 700 West Georgia Street, Vancouver, British Columbia V7Y 1B3.

During the current year, the Company commenced a change of business to mineral property acquisition, and exploration. Historically, the Company’s activities focused on the development of a portfolio of cryptocurrency holdings. As at December 31, 2022, the Company has an accumulated deficit of \$466,048 (2021 - \$292,839).

On January 13, 2021, the Company completed a 4:1 share consolidation and changed its name to Black Pine Resources Corp. All references to share capital, earnings per share, and stock options in the financial statements for the year ended December 31, 2022 and 2021, have been adjusted to reflect the consolidation of share capital.

During the year ended December 31, 2022, the Company entered into a property option agreement to acquire an exploration and evaluation asset as further described in Note 6. During the year ended December 31, 2021, the Company divested of all of its cryptocurrency holdings (Note 5).

2. CONTINUANCE OF OPERATIONS

These financial statements have been with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company has incurred significant losses to date. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning they will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at December 31, 2022, the Company has sufficient capital for the next 12 months or longer.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance and basis of presentation

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted, which is also the Company’s functional currency.

These financial statements were authorized for issuance on April 6, 2023 by the directors of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the dated of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the determination of the recoverability of the carrying value of exploration and evaluation assets, rehabilitation obligation, and other equity-based payments. Actual results may differ from those estimates and judgments.

Rehabilitation obligation – At such point as the Company incurs a rehabilitation obligation, it will be recorded an estimated present value of the rehabilitation obligation that is expected to be paid at a future date, determined by estimates of amounts to be paid in future years. Such estimates are revised based on market conditions.

Valuation of Exploration and Evaluation assets - The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to commence and complete development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Share-based compensation - The Company grants stock options to directors, officers and consultants. All share-based awards are measured and recognized using a fair value-based method. The fair value of options and other share-based awards to employees or consultants, issued or altered in the period, are determined using the Black-Scholes option pricing model.

Earnings per share

The Company computes the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per common share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For fiscal 2022 and 2021, there was no difference between basic and diluted earnings per share.

Basic earnings (loss) per common share is calculated using the weighted average number of shares outstanding during the period.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations 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. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company’s accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of profit or loss in the period. Cash is considered as FVTPL

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset’s contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment. Accounts payable and accounts receivable are classified as amortized cost.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial liabilities and equity: Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Amortized cost – This category consists of liabilities carried at amortized cost using the effective interest method. Accounts payable and accrued liabilities are included in this category. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Share capital

Common shares are classified as share capital. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The proceeds from the issue of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

Share-based compensation

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Exploration and evaluation assets

Upon acquiring the legal right to explore, all costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of an exploration and evaluation asset is impaired, that property is written down to its estimated net realizable value. An exploration and evaluation asset is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Recoveries on mineral properties are recorded against the related property cost as amounts are received, with any net excess recorded to profit or loss.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of its exploration and evaluation assets, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related assets along with a corresponding increase in the decommission liability in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as related assets.

The Company's estimates of decommissioning costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed at the end of each reporting period for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of decommissioning costs, are charged to profit or loss.

Estimated future removal and site restoration costs will be provided for on the unit-of-production method. Costs will be based on estimates in accordance with current legislation and industry practices. Actual removal and site restoration expenditures will be charged to the accumulated provision account as incurred.

New accounting standards, interpretations and amendments not yet effective

The effects of new standards and amendments to existing standards do not apply and/or are not expected to have a material impact on these financial statements.

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2022	December 31, 2021
Accounts payable (Note 7)	\$ 16,080	\$ 44,866
Accrued liabilities	20,000	17,205
	\$ 36,080	\$ 62,071

5. CRYPTOCURRENCIES

Cryptocurrencies are digital currencies that are typically part of a decentralized system of recording transactions and issuance of new units and that rely on cryptography to secure its transactions, to control the creation of additional units, and to verify the transfer of assets.

During the year ended December 31, 2021, the Company, the Company divested all of its cryptocurrency holdings for cash proceeds of \$788,373, realizing a gain of \$363,921.

6. EXPLORATION AND EVALUATION ASSET

On April 15, 2022, the Company entered into a property option agreement to acquire a 100% interest in the Sugarloaf Copper Project located in New Mexico, USA. The Sugarloaf Project consists of 77 unpatented claims. The terms of the option agreement are described below:

- (i) Reimbursement for documented expenditures, not to exceed US\$100,000 (paid), including the preparation of a NI 43-101 technical report;
- (ii) Expending:
 - a) US\$300,000 in exploration funds by no later than the first anniversary date of the closing of a public listing event, and;
 - b) US\$500,000 in exploration funds by no later than the second anniversary date of the closing of a public listing event, and;
 - c) A cumulative aggregate of US\$1,500,000 in exploration funds by no later than the third anniversary date of the closing of a public listing event, and;
 - d) A cumulative aggregate of US\$3,000,000 in exploration funds by no later than the fourth anniversary date of the closing of a public listing event.

This property is subject to a 2.0% Net Smelter Return, and a cash payment of US\$1,000,000 payable to the vendor upon the project attaining commercial production.

As at December 31, 2022, the Company incurred \$181,085 in expenditures on property option agreement as detailed below:

	Total -\$-
Balance December 31, 2020 and 2021	\$ -
Claims fees and claims renewals	34,419
Assay expenditures	2,822
Geological and Geophysical consulting	112,240
Field travel and related	8,175
Field supplies	210
43-101 expenditures	23,939
Balance December 31, 2022	\$ 181,805

7. RELATED PARTY

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of December 31, 2022, there was a balance of \$7,875 (2021 - \$nil) recorded to prepaid in connection to advance payment for management services and the balance due to related parties is \$13,144 (2021 - \$43,575).

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

During the year ended December 31, 2022, the Company recorded transactions with related parties in the amount of \$84,000 (December 31, 2021 - \$78,750) was recorded as compensation costs for key management personnel and companies related to them.

During the year ended December 31, 2022, the Company incurred related party transactions in the amount of \$41,500 (December 31, 2021 - \$38,325) to a company controlled by a director, for office facilities, corporate and administrative services, and professional fees.

During the year ended December 31, 2022, the Company recorded \$16,500 (2021 - \$nil) in non cash share-based compensation expense in connection to stock options granted to Directors and Officers of the Company (Note 8).

During the year ended December 31, 2021, the Company settled \$42,000 in debt owing to related parties through the issuance of 840,000 of common shares (Note 8).

Amounts due to related parties consist of charges accrued for office administration. These amounts are due to directors, officers, or companies controlled by directors or officers. These amounts are unsecured and are due on demand.

8. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value, special rights or restrictions attached.

Issued share capital

As at December 31, 2022, and 2021, on a post consolidated basis, the issued share capital comprised of 15,931,728 common shares (Note 1).

During the year ended December 31, 2022, the Company had no share capital transactions.

During the year ended December 31, 2021 the Company completed the following share capital transactions;

- By way of shares for debt settlement, issued 840,000 common shares at a price of \$0.05 in settlement of \$42,000 of debt (Note 7).
- by way of private placement financing, issued 11,160,000 common shares at a price of \$0.05 per share for total proceeds of \$558,000, net of share issuance costs of \$9,290.

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

8. SHARE CAPITAL AND RESERVES (continued)

Stock options

The Board has approved a Stock Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward the Company's long-term goals, and to encourage such individuals to acquire shares as long-term investments. The Stock Option Plan is administered by the Board and authorizes the issuance of stock options not to exceed a total of 10% of the number of shares issued and outstanding from time to time. The terms of any award are determined by the Board, provided that no options may be granted at less than the fair market value of shares as of the date of the grant. The maximum term of the options is ten years.

Stock options (continued)

During the year ended December 31, 2022, the Company granted incentive stock options to purchase a total of 625,000 common shares at an exercise price of \$0.10, valid for five years expiring on March 31, 2027, to certain directors, and consultants.

During the year ended December 31, 2022, the Company cancelled incentive stock options to purchase a total of 217,619 common shares priced at \$0.20, originally expiring March 7, 2029.

The Company recorded share-based compensation of \$20,625, based on the Black-Scholes Option Pricing Model, using a risk-free interest rate of 3.04%, share price of \$0.05, expected life of 5 years, volatility of 100%, and 0% dividend and forfeiture rates.

The following table summarizes information about the stock options during the years ended December 30, 2022, and 2021 (Note 1):

	Options	
	Number of options	Weighted average exercise price - \$ -
Outstanding and exercisable, December 31, 2020	305,673	0.20
Issued	-	-
Outstanding and exercisable, December 31, 2021	305,673	0.20
Cancelled	(217,619)	0.20
Issued	625,000	0.10
Outstanding and exercisable, December 31, 2022	713,054	0.13
Expiry Date	Exercise Price	Number of Options
March 31, 2027	\$ 0.10	625,000
March 7, 2029	\$ 0.20	305,673

As at December 31, 2022, the options had a weighted average life of 4.89 years (2021 – 6.18 years).

9. FINANCIAL RISK MANAGEMENT

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's maximum exposure to credit risk is on its cash held in bank accounts. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

9. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Interest rate risk

The Company is not currently exposed to significant interest rate risk

Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as some of its mining and exploration operations are transacted in currencies other than the functional currency of the Company. If the Canadian dollar changes by ten percent against the US dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a \$nil change in profit or loss.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements. There have been no changes to the Company's management of capital for the years presented.

Classification of financial instruments

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount, due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

December 31, 2022	Level One
Cash	\$ 839,079
	\$ 839,079

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

9. FINANCIAL RISK MANAGEMENT (continued)

December 31, 2021	Level One
Cash	\$ 1,204,198
	\$ 1,204,198

The carrying value of the accounts payable and accrued liabilities approximates the fair values because of the short term nature of these instruments.

10. INCOME TAXES

The reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2022	2021
(Income) Loss for the year before income taxes	\$ 173,209	\$ (204,779)
Expected income tax (recovery)	\$ (47,000)	\$ 55,000
Change in statutory rate and other	3,000	-
Permanent differences	6,000	81,000
Impact of Crypto currency	-	(81,000)
Share issue cost	(2,000)	(2,000)
Change in unrecognized deductible temporary differences	40,000	(53,000)
Total income tax recovery	\$ -	\$ -

The nature of the tax effects of the temporary differences and tax loss carry forwards giving rise to the deferred tax assets are as summarized below:

	2021	2020
Deferred income tax assets:		
Share issue costs	2,000	2,000
Cryptocurrencies	-	-
Non-capital loss available for future periods	104,000	63,000
	106,000	65,000
Unrecognized tax assets	(106,000)	(65,000)
Net deferred tax assets	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2022	Expiry Date Range	2021	Expiry Date Range
Temporary Differences:				
Share issue costs	6,000	2042 to 2045	7,000	2042 to 2045
Cryptocurrencies	-	No expiry date	-	No expiry date
Non-capital losses available for future periods	385,000	2037 to 2042	232,000	2037 to 2040

11. SUBSEQUENT EVENTS

a) Potential Qualifying Transaction

On February 24, 2023, the Company entered into a non-binding letter of intent with Anquiro Ventures Ltd., a Capital Pool Company listed on the TSX Venture Exchange, whereby it is anticipated that the Company be acquired by Anquiro.

In exchange for each common share of the Company, Anquiro will issue to the shareholders of Black Pine, one common share in the capital of Anquiro.

Prior to the effective time of the potential transaction, it is expected that Black Pine will complete two private placement offerings of securities: (1) a private placement offering of up to 2,500,000 common shares in the capital of Black Pine for gross proceeds of up to \$250,000 at \$0.10; and (2) a private placement offering of up to 10,000,000 shares for proceeds of up to \$2,000,000 at a price per unit equal to the resulting issuer list price. Each unit is equal to one common share of Black Pine and one-half of one common share purchase warrant exercisable for a period of two years after its issuance to acquire one common share in the capital at a price per share of \$0.35.

On completion of the Potential Transaction, the securityholders of Black Pine will own a majority of the issued and outstanding common shares of the Resulting Issuer.

Certain of the Company's Directors and Officers are Directors or Officers of Anquiro and hold shares of Anquiro.

The completion of the potential qualifying transaction is subject to regulatory, and exchange acceptance.

b) Stock Options

Subsequent to the year ended December 31, 2022, the Company granted incentive stock options to purchase a total of 800,000 common shares priced at \$0.10, expiring on February 17, 2028.

c) Board of Director Appointment

Subsequent to the year ended December 31, 2022, the vendor of the property option agreement (Note 6), joined the board of directors of the Company. As such, all transactions subsequent to his appointment will be considered related party transactions.

**SCHEDULE G
AUDITED FINANCIAL STATEMENTS
OF BLACK PINE FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

See attached.

BLACK PINE RESOURCES CORP.
(Formerly, Digital Asset Management Corp.)

FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Black Pine Resources Corp. (formerly known as Digital Asset Management Corp.)

Opinion

We have audited the accompanying financial statements of Black Pine Resources Corp. (formerly known as Digital Asset Management Corp.) (the "Company"), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of income and comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Daniel Nathan.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

March 17, 2022

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
STATEMENTS OF FINANCIAL POSITION
 (EXPRESSED IN CANADIAN DOLLARS)
 As at

	Note	December 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash		\$ 1,204,198	\$ 19,726
Cryptocurrencies	5	-	427,030
Accounts receivable		556	-
Prepaid		2,580	-
TOTAL ASSETS		\$ 1,207,334	\$ 446,756
LIABILITIES			
Accounts payable and accrued liabilities	4, 6	\$ 62,071	\$ 96,982
SHAREHOLDERS' EQUITY			
Share capital	7	1,377,056	786,346
Reserves	7	61,046	61,046
Deficit		(292,839)	(497,618)
TOTAL SHAREHOLDERS' EQUITY		1,145,263	349,774
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,207,334	\$ 446,756

Nature of operations (Note 1)
 Continuation of operations (Note 2)

On behalf of the Board:

 "Drew Martel" Director "Joe DeVries" Director

The accompanying notes are an integral part of financial statements

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020
(EXPRESSED IN CANADIAN DOLLARS)

	Note	December 31, 2021	December 31, 2020
EXPENSES			
Foreign exchange (gain) loss		\$ 13,585	\$ 1,404
General and administration	6	24,388	2,156
Management fees	6	78,750	104,000
Professional fees	6	42,419	36,110
Travel and related		-	306
Net unrealized (gain) loss on cryptocurrencies	5	-	(294,214)
Recovery of accounts payable	7	-	(15,000)
Gain on sale of cryptocurrencies		(363,921)	-
INCOME AND COMPREHENSIVE INCOME		\$ 204,779	\$ 165,238
Basic and diluted earnings (loss) per share ¹		\$ 0.02	\$ 0.04
Weighted average number of common shares outstanding ¹		10,501,975	3,735,715

¹ Per share calculations adjusted to reflect the 4:1 share consolidation completed January 13, 2021 (Note 1)

The accompanying notes are an integral part of financial statements

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 (EXPRESSED IN CANADIAN DOLLARS)

	Share capital				
	Number of shares	Amount - \$ -	Reserves - \$ -	Deficit - \$ -	Total - \$ -
Balance at December 31, 2019	3,726,729	745,346	61,046	(662,856)	143,536
Shares issued for debt settlement	7 205,000	41,000	-	-	41,000
Income for the year	-	-	-	165,238	165,238
Balance at December 31, 2020	3,931,729	786,346	61,046	(497,618)	349,774
Shares issued for debt settlement	7 840,000	42,000	-	-	42,000
Shares issued for private placement (net)	7 11,160,000	548,710	-	-	548,710
Income for the year	-	-	-	204,779	204,779
Balance at December 31, 2021	15,931,729	1,377,056	61,046	(292,839)	1,145,263

Share Capital disclosure in the above table has been adjusted to reflect the 4:1 share consolidation completed on January 13, 2021 (Note 1)

The accompanying notes are an integral part of financial statements

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021, and 2020
(EXPRESSED IN CANADIAN DOLLARS)

	Note	December 31, 2021	December 31, 2020
OPERATING ACTIVITIES			
Income for the year		\$ 204,779	\$ 165,238
Adjustment for:			
Net unrealized (gain) loss on cryptocurrencies	5	-	(294,214)
Net realized gain on sale of cryptocurrencies	5	(363,921)	
Net change in non-cash working capital accounts:			
Increase (decrease) in Cryptocurrencies		790,951	(103,922)
Increase in accounts receivable		(556)	-
Increase in prepaid		(2,580)	-
Increase (decrease) in accounts payable		7,089	94,336
Net cash provided by (used in) operating activities		\$ 635,762	\$ (138,562)
FINANCING ACTIVITIES			
Shares issued for private placement, net	7	548,710	-
Net cash used in financing activities		\$ 548,710	\$ -
Increase (decrease) in cash during the year		1,184,472	(138,562)
Cash, beginning of year		19,726	158,288
Cash, end of year		\$ 1,204,198	\$ 19,726

Supplementary cash flow information

During the year ended December 31, 2021, the Company issued 840,000 (2020 - 205,000) shares for settlement of \$42,000 (2020 - \$41,000) of debt (Note 7)

During the year ended December 31, 2021, the Company paid \$nil (2020 - \$nil) in interest and taxes.

Share Capital disclosure presented in the Supplementary cash flow information has been adjusted to reflect the 4:1 share consolidation completed on January 13, 2021 (Note 1).

The accompanying notes are an integral part of financial statements

1. NATURE OF OPERATIONS

Black Pine Resources Corp. (Formerly Digital Asset Management Corp.) (the “Company”) was incorporated on October 20, 2017 under the laws of British Columbia. The registered and records office is located at 25th Floor, 700 West Georgia Street, Vancouver, British Columbia V7Y 1B3.

Since incorporation, the Company’s activities have focused on the development of a portfolio of cryptocurrency holdings. The Company has an accumulated deficit of \$292,839 as at December 31, 2021.

On January 13, 2021, the Company completed a 4:1 share consolidation and changed its name to Black Pine Resources Corp. All references to share capital, earnings per share, and stock options in the financial statements for the year ended December 31, 2021, have been adjusted to reflect the consolidation of share capital.

During the year ended December 31, 2021, the Company divested of all of its cryptocurrency holdings (Note 5) and is pursuing a project of merit and a public listing.

As at December 31, 2021, the Company had working capital of \$1,145,263. During the year ended December 31, 2021, the Company completed a private placement financing for gross proceeds of \$558,000 (Note 7). During the year ended December 31, 2021, the Company divested of all of its crypto currency holdings for cash proceeds of \$788,373 (Note 5) and is pursuing a project of merit and public listing.

As at December 31, 2021, the Company has sufficient capital for the next 12 months or longer. The Company has no operating cash flows, such that the Companies ability to continue as a going concern is contingent on its ability to secure a project of merit, public listing, completion of additional financings as necessary, and generating profitable operations.

2. CONTINUANCE OF OPERATIONS

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company has incurred significant losses to date. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning they will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations.

During the year ended December 31, 2021, the Company completed a financing and is pursuing a project of merit and a public listing and as such, the Company divested of all of its cryptocurrency holdings (Note 5).

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance and basis of presentation

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted, which is also the Company’s functional currency.

These financial statements were authorized for issuance on March 17, 2022 by the directors of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, income and expenses. Actual results may differ from those estimates.

Significant Judgements

Classification of cryptocurrencies as current assets - The Company has determined to classify its holding of cryptocurrencies as current assets, based on its assessment that they are considered to be commodities, and the availability of liquid markets to which the Company may sell such assets to generate a profit from price fluctuations.

Accounting for cryptocurrencies - The Company applied judgement in the determination that its holding of cryptocurrencies should be accounted for under IAS 2, Inventories, since it meets the definition of a commodity broker-trader. The inventories held by commodity broker-traders are principally acquired for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin.

Significant Estimates

Valuation of cryptocurrencies - The Company's cryptocurrencies are traded in active markets and are valued based upon quoted prices at period end.

Realized gains and losses from the sale and disposition of cryptocurrencies, whether by conversion to cash or other cryptocurrencies, are recorded as net realized gain (loss) on cryptocurrencies. Unrealized gains and losses on cryptocurrencies due to the change in fair market value are recorded as net unrealized gain (loss) on cryptocurrencies.

Earnings per share

The Company computes the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per common share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For fiscal 2021 and 2020, there was no difference between basic and diluted earnings per share.

Basic earnings (loss) per common share is calculated using the weighted average number of shares outstanding during the period.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Cryptocurrencies

The Company's cryptocurrencies are primarily traded in active markets and are purchased with the intent to resell in the near future, generating a profit from the fluctuations in prices or margins. As a result, the Company has determined that its holding of cryptocurrencies should be accounted for under IAS 2, Inventories, and it meets the definition of a commodity broker-trader. Under IAS 2, cryptocurrencies are measured at fair value less cost to sell, with changes in fair value recognized in profit or loss. In accordance with IAS 2, commodity broker-traders are those who buy or sell commodities for others or on their own account. The inventories held by commodity broker-traders are principally acquired for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin. As these inventories are measured at fair value less costs to sell, they are excluded from only the measurement requirements of IAS 2.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of profit or loss in the period. Cash is considered as FVTPL.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial liabilities and equity: Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Amortized cost – This category consists of liabilities carried at amortized cost using the effective interest method. Accounts payable and accrued liabilities are included in this category. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Share capital

Common shares are classified as share capital. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The proceeds from the issue of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

Share-based compensation

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

New accounting standards, interpretations and amendments not yet effective

The effects of new standards and amendments to existing standards do not apply and/or are not expected to have a material impact on these financial statements.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2021	December 31, 2020
Accounts payable (Note 8)	\$ 44,866	\$ 69,777
Accrued liabilities	17,205	27,205
	\$ 62,071	\$ 96,982

5. CRYPTOCURRENCIES

Cryptocurrencies are digital currencies that are typically part of a decentralized system of recording transactions and issuance of new units and that rely on cryptography to secure its transactions, to control the creation of additional units, and to verify the transfer of assets.

During the year ended December 31, 2021, the Company, the Company divested all of its cryptocurrency holdings for cash proceeds of \$788,373, realizing a gain of \$363,921 on the sale of the cryptocurrencies listed below:

	Quantity Sold
Bitcoin	10.8014
Neo	10
Ethereum	29.5773

As at December 31, 2020, the balance of cryptocurrencies at cost and at market value is as follows:

	Quantity	Cost	Market Value
Bitcoin	10.8014	\$ 28,309	\$ 399,064
Neo	10	220	182
Ethereum	29.5773	6,694	27,784
Balance at December 31, 2020		\$ 35,223	\$ 427,030

During the year ended December 31, 2020, the Company recorded a net unrealized gain of \$294,214, and transaction fees of \$397.

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

5. CRYPTOCURRENCIES (continued)

During the year ended December 31, 2021, the Company divested of all of its cryptocurrency holdings and is pursuing a project of merit and a public listing.

The continuity of the cryptocurrencies account is as follows:

Balance December 31, 2019	\$ 28,894
Cash purchases	104,319
Net unrealized gain on crypto currencies	294,214
Cryptocurrency account administration fees	(397)
Balance December 31, 2020	\$ 427,030
Cryptocurrencies sold	(788,373)
Net realized gain on crypto currencies	363,921
Cryptocurrency account administration fees	(2,578)
Balance December 31, 2021	\$ -

6. RELATED PARTY

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of December 31, 2021, the balance due to related parties is \$43,575 (2020 - \$39,375)

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

During the year ended December 31, 2021, the Company recorded transactions with related parties in the amount of \$78,750 (December 31, 2020 - \$98,750) was recorded as compensation costs for key management personnel and companies related to them.

During the year ended December 31, 2021, the Company incurred related party transactions in the amount of \$38,325 (December 31, 2020 - \$nil) to a company controlled by a director, for office facilities, corporate and administrative services, and professional fees.

During the year ended December 31, 2021, the Company settled \$42,000 (2020 - \$41,000) in debt owing to related parties through the issuance of 840,000 (2020 – 205,000) of common shares (Note 7).

7. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value, special rights or restrictions attached.

Issued share capital

As at December 31, 2021, on a post consolidated basis, the issued share capital comprised of 15,931,729 (December 31, 2020 – 3,931,729) common shares (Note 1).

During the year ended December 31, 2021 the Company completed the following share capital transactions;

- By way of shares for debt settlement, issued 840,000 common shares at a price of \$0.05 in settlement of \$42,000 of debt (Note 6).
- by way of private placement financing, issued 11,160,000 common shares at a price of \$0.05 per share for total proceeds of \$558,000, net of share issuance costs of \$9,290.

During the year ended December 31, 2020 the Company completed the following share capital transactions;

- By way of shares for debt settlement, issued 205,000 common shares in settlement of \$41,000 of debt (Note 1, and Note 6).

Stock options

The Board has approved a Stock Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward the Company’s long-term goals, and to encourage such individuals to acquire shares as long-term investments. The Stock Option Plan is administered by the Board and authorizes the issuance of stock options not to exceed a total of 10% of the number of shares issued and outstanding from time to time. The terms of any award are determined by the Board, provided that no options may be granted at less than the fair market value of shares as of the date of the grant. The maximum term of the options is ten years.

During the year ended December 31, 2019, the Company granted incentive stock options to purchase a total of 305,673 common shares at an exercise prices of \$0.20, valid for ten years expiring on March 7, 2029, to certain directors, and consultants (Note 1).

The Company recorded share-based compensation of \$61,046, based on the Black-Scholes Option Pricing Model, using a risk-free interest rate of 1.54%, expected life of 10 years, volatility of 200%, and 0% dividend and forfeiture rates.

The following table summarizes information about the stock options during the years ended December 30, 2021, and 2020 (Note 1):

	Options	
	Number of options	Weighted average exercise price - \$ -
Outstanding, December 31, 2019	305,673	0.20
Issued	-	-
Outstanding, December 31, 2020, and 2021	305,673	0.20
Expiry Date	Exercise Price	Number of Options
March 7, 2029	\$ 0.20	305,673

As at December 31, 2021, the options had a weighted average life of 6.18 years (2020 – 7.18 years).

8. FINANCIAL RISK MANAGEMENT

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Cryptocurrencies Risk

Cryptocurrencies are measured at fair value less cost to sell. Cryptocurrency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and political and economic conditions. Further, cryptocurrencies have no underlying backing or contracts to enforce recovery of invested amounts. The profitability of the Company is related to the current and future market price of cryptocurrencies; in addition, the Company may not be able to liquidate its inventory of cryptocurrencies at its desired price if necessary. Investing in cryptocurrencies is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for such currencies change rapidly and are affected by a variety of factors, including regulation and general economic trends.

Cryptocurrencies have a limited history; their fair values have historically been volatile and the value of cryptocurrencies held by the Company could decline rapidly. A decline in the market prices of cryptocurrencies could negatively impact the Company's future operations. Historical performance of cryptocurrencies is not indicative of their future performance.

Many cryptocurrency networks are online end-user-to-end-user networks that host a public transaction ledger (blockchain) and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In many cryptocurrency transactions, the recipient or the buyer must provide its public key, which serves as an address for a digital wallet, to the seller. In the data packets distributed from cryptocurrency software programs to confirm transaction activity, each party to the transaction user must sign transactions with a data code derived from entering the private key into a hashing algorithm, which signature serves as validation that the transaction has been authorized by the owner of the cryptocurrency. This process is vulnerable to hacking and malware, and could lead to theft of the Company's digital wallets and the loss of the Company's cryptocurrency.

Cryptocurrencies are loosely regulated and there is no central marketplace for exchange. Supply is determined by a computer code, not a central bank. Additionally, exchanges may suffer from operational issues, such as delayed execution, that could have an adverse effect on the Company.

The cryptocurrency exchanges on which the Company may trade on are relatively new and, in many cases, largely unregulated, and therefore may be more exposed to fraud and failure than regulated exchanges for other assets. Any financial, security, or operational difficulties experienced by such exchanges may result in an inability of the Company to recover money or cryptocurrencies being held on the exchange. Further, the Company may be unable to recover cryptocurrencies awaiting transmission into or out of the exchange, all of which could adversely affect an investment of the Company. Additionally, to the extent that the digital asset exchanges representing a substantial portion of the volume in digital asset trading are involved in fraud or experience security failures or other operational issues, such digital asset exchanges' failures may result in loss or less favorable prices of cryptocurrencies, or may adversely affect the Company, its operations and its investments.

Furthermore, crypto-exchanges engage in commingling their client's assets in exchange wallets. When cryptoassets are commingled transactions are not recorded on the applicable blockchain ledger but are only recorded by the exchange. Therefore, there is a risk around the occurrence of transactions or existence of period end balances represented by exchanges. The Company believes that the above risks are sufficiently mitigated by the subsequent liquidation and receipt of fiat proceeds into a traditional bank account of all crypto currency holdings (Note 1 and Note 5).

8. FINANCIAL RISK MANAGEMENT

Loss of access risk

The loss of access to the private keys associated with the Company's cryptocurrency holdings may be irreversible and could adversely affect an investment. Cryptocurrencies are controllable only by an individual that possess both the unique public key and private key or keys relating to the "digital wallet" in which the cryptocurrency is held. To the extent a private key is lost, destroyed or otherwise compromised and no backup is accessible the Company may be unable to access the cryptocurrency. The Company believes that the above risks are sufficiently mitigated by the subsequent liquidation and receipt of fiat proceeds into a traditional bank account of all crypto currency holdings.

Irrevocability of transactions

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred cryptocurrencies may be irretrievable. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer or theft generally will not be reversible, and the Company may not be capable of seeking compensation. The Company believes that the above risks are sufficiently mitigated by the subsequent liquidation and receipt of fiat proceeds into a traditional bank account of all crypto currency holdings.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

Currency risk

The Company's cryptocurrencies are denominated in US dollars and therefore the Company is exposed to foreign currency fluctuations on the purchase and sale of cryptocurrencies.

Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements. There have been no changes to the Company's management of capital for the years presented.

Classification of financial instruments

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount, due to their short-term nature.

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

8. FINANCIAL RISK MANAGEMENT (continued)

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

December 31, 2021	Level One	Level Two	Level Three
Cash	\$ 1,204,198	\$ -	\$ -
Cryptocurrencies (Note 5)	-	-	-
	\$ 1,204,198	\$ -	\$ -

December 31, 2020	Level One	Level Two	Level Three
Cash	\$ 19,726	\$ -	\$ -
Cryptocurrencies (Note 5)	-	427,030	-
	\$ 19,726	\$ 427,030	\$ -

The carrying value of the accounts payable and accrued liabilities approximates the fair values because of the short term nature of these instruments.

The Company's cryptocurrencies are classified as Level Two (Note 5).

9. INCOME TAXES

The reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2021	2020
(Income) Loss for the year before income taxes	\$ 204,779	\$ 165,238
Expected income tax (recovery)	\$ 55,000	\$ 45,000
Change in statutory rate and other	-	3,000
Permanent differences	81,000	(83,000)
Impact of Crypto currency	(81,000)	79,000
Share issue cost	(2,000)	-
Change in unrecognized deductible temporary differences	(53,000)	(44,000)
Total income tax recovery	\$ -	\$ -

BLACK PINE RESOURCES CORP. (Formerly, Digital Asset Management Corp.)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

9. INCOME TAXES (continued)

The nature of the tax effects of the temporary differences and tax loss carry forwards giving rise to the deferred tax assets are as summarized below:

	2021	2020
Deferred income tax assets:		
Share issue costs	2,000	-
Cryptocurrencies	-	(81,000)
Non-capital loss available for future periods	63,000	199,000
	65,000	118,000
Unrecognized tax assets	(65,000)	(118,000)
Net deferred tax assets	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2021	Expiry Date Range	2020	Expiry Date Range
Temporary Differences:				
Share issue costs	7,000	2042 to 2045	-	2041 to 2044
Cryptocurrencies	-	No expiry date	(301,000)	No expiry date
Non-capital losses available for future periods	232,000	2037 to 2040	736,000	2037 to 2040

**SCHEDULE H
UNAUDITED FINANCIAL STATEMENTS
OF BLACK PINE FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024**

See attached.

BLACK PINE RESOURCES CORP.

FINANCIAL STATEMENTS

June 30, 2024

(Expressed in Canadian Dollars)

BLACK PINE RESOURCES CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)
As at

	Note	June 30, 2024	December 31, 2023
ASSETS			
Current assets			
Cash		\$ 167,142	\$ 394,152
Prepaid	6	27,617	28,849
		<u>194,759</u>	<u>423,001</u>
Non-current assets			
Exploration and Evaluation assets	5	279,194	253,955
TOTAL ASSETS		\$ 473,953	\$ 676,956
LIABILITIES			
Accounts payable and accrued liabilities	4, 6	\$ 34,289	\$ 29,078
SHAREHOLDERS' EQUITY			
Share capital	7	1,377,056	1,377,056
Reserves	7	108,192	108,192
Deficit		(1,045,584)	(837,370)
TOTAL SHAREHOLDERS' EQUITY		439,664	647,878
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 473,953	\$ 676,956

Nature of operations (Note 1)
Continuance of operations (Note 2)
Proposed Transaction (Note 10)

On behalf of the Board:

"Drew Martel" Director *"Joe DeVries"* Director

BLACK PINE RESOURCES CORP.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

		Three months ended		Six months ended	
	Note	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
EXPENSES					
Business development		\$ 10,500	\$ -	\$ 10,500	\$ -
Foreign exchange (gain) loss		(15)	(12)	342	3,865
General and administration	6	20,269	11,567	40,316	21,542
Management fees	6	23,625	23,625	47,250	47,250
Professional fees	6	46,215	32,051	78,365	83,613
Shareholder communications		91	1,188	1,731	2,290
Share-based compensation	7	-	-	-	26,521
Transaction costs		14,149	-	14,149	-
Travel and related		12,393	13,471	15,561	21,218
LOSS AND COMPREHENSIVE LOSS		\$ (127,227)	\$ (81,890)	\$ (208,214)	\$ (206,299)
Basic and diluted earnings (loss) per share		\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding		15,931,728	15,931,728	15,931,728	15,931,728

The accompanying notes are an integral part of these condensed interim financial statements

BLACK PINE RESOURCES CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

	Share capital				
	Number of shares	Amount - \$ -	Reserves - \$ -	Deficit - \$ -	Total - \$ -
Balance at December 31, 2022	15,931,728	1,377,056	81,671	(466,048)	992,679
Share based compensation	-	-	26,521	-	26,521
Loss for the period	-	-	-	(206,299)	(206,299)
Balance at June 30, 2023	15,931,728	1,377,056	108,192	(672,347)	812,901
Balance at December 31, 2023	15,931,728	1,377,056	108,192	(837,370)	647,878
Loss for the period	-	-	-	(208,214)	(208,214)
Balance at June 30, 2024	15,931,728	1,377,056	108,192	(1,045,584)	439,664

The accompanying notes are an integral part of these condensed interim financial statements

BLACK PINE RESOURCES CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2024, and 2023
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

	Note	June 30, 2024	June 30, 2023
OPERATING ACTIVITIES			
Loss for the period		\$ (208,214)	\$ (206,299)
Adjustment for:			
Share-based compensation	7	-	26,521
Net change in non-cash working capital accounts:			
Increase (decrease) in prepaid		1,232	(16,927)
Increase (decrease) in accounts receivable		-	556
Increase (decrease) in accounts payable		5,211	(37,862)
Net cash used in operating activities		\$ (201,771)	\$ (234,011)
INVESTING ACTIVITIES			
Exploration and evaluation asset expenditures		(25,239)	(754)
Net cash used in investing activities		\$ (25,239)	\$ (754)
Decrease in cash during the period		(227,010)	(234,765)
Cash, beginning of period		394,152	838,523
Cash, end of period		\$ 167,142	\$ 603,758

Supplementary cash flow information

During the period ended June 30, 2024, and 2023, there were no non-cash transactions.

During the period ended June 30, 2024, the Company paid \$nil (2023 - \$nil) in interest and taxes.

The accompanying notes are an integral part of these condensed interim financial statements

BLACK PINE RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
EXPRESSED IN CANADIAN DOLLARS - UNAUDITED

1. NATURE OF OPERATIONS

Black Pine Resources Corp. (the "Company") was incorporated on October 20, 2017 under the laws of British Columbia. The registered and records office is located at 595 Howe St., Vancouver, British Columbia V6C 2T5.

During the year ended December 31, 2023, the Company increased its board seats, with the addition of a Director who controls the vendor of the Property Option Agreement.

The Company's business is the exploration and evaluation of mineral properties, its sole asset is a Property Option Agreement to acquire a 100% interest in the Sugarloaf Copper Project located in New Mexico, USA (Note 5).

2. CONTINUANCE OF OPERATIONS

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

As at June 30, 2024, the Company had working capital surplus of \$160,470 (December 31, 2023 - \$393,923). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and ultimately upon discovery of proven reserves and generating profitable operations. The Company will require additional financing in order to meet its current financial obligations and to continue its operations. These matters result in material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements. These adjustments could be material.

3. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION***Statement of compliance and basis of presentation***

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation, critical judgements, and estimates as the most recent annual financial statements for the year ending December 31, 2023.

These unaudited condensed consolidated interim financial statements do not include all the note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2023. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flow have been included. Operating results for the six-month period ended June 30, 2024, are not necessarily indicative of the results that may be expected for the current fiscal year.

BLACK PINE RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
EXPRESSED IN CANADIAN DOLLARS - UNAUDITED

3. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable and are presented in Canadian dollars, which is the Company's functional currency.

These financial statements were authorized for issuance on November 12, 2024 by the directors of the Company.

Recent Accounting Pronouncements

There are no recently adopted accounting standards or upcoming standards which have had, or are expected to have a material impact on the Company's financial statements.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2024	December 31, 2023
Accounts payable	\$ 1,289	\$ 1,578
Accrued liabilities	33,000	27,500
	\$ 34,289	\$ 29,078

5. EXPLORATION AND EVALUATION ASSET

On April 15, 2022, the Company entered into a property option agreement to acquire a 100% interest in the Sugarloaf Copper Project located in New Mexico, USA. The Sugarloaf Project consists of 77 unpatented claims. The terms of the option agreement are described below:

- (i) Reimbursement for documented expenditures, not to exceed US\$100,000 (paid), including the preparation of a NI 43-101 technical report;
- (ii) Expending:
 - a) US\$300,000 in exploration funds by no later than the first anniversary date of the closing of a public listing event, and;
 - b) US\$500,000 in exploration funds by no later than the second anniversary date of the closing of a public listing event, and;
 - c) A cumulative aggregate of US\$1,500,000 in exploration funds by no later than the third anniversary date of the closing of a public listing event, and;

BLACK PINE RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
EXPRESSED IN CANADIAN DOLLARS - UNAUDITED

5. EXPLORATION AND EVALUATION ASSET (continued)

- d) A cumulative aggregate of US\$3,000,000 in exploration funds by no later than the fourth anniversary date of the closing of a public listing event.

This property is subject to a 2.0% Net Smelter Return, and a cash payment of US\$1,000,000 payable to the vendor upon the project attaining commercial production.

As at June 30, 2024, the Company incurred a total of \$279,194 (December 31, 2023 - \$253,955) in expenditures on property option agreement as detailed below:

	Total
	-\$-
	\$
Balance December 31, 2022	181,805
Claims fees and claims renewals	17,657
Permit	684
Survey	17,087
Geological and Geophysical consulting	29,321
Field travel and related	7,376
Field supplies	25
Balance December 31, 2023	\$ 253,955
Permit	75
Geological and Geophysical consulting	16,849
Field travel and related	8,300
Field supplies	15
Balance June 30, 2024	\$ 279,194

6. RELATED PARTY

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of June 30, 2024, there was a balance of \$16,006 (December 31, 2023 - \$16,006) recorded to prepaid in connection to advance payment for management services, professional fees and office administration fees. The balance due to related parties is \$nil (December 31, 2023 - \$nil) and \$6,611 (December 31, 2023 - \$7,843) is advanced to a company controlled by a director of the Company to be expended on exploration and evaluation expenditures.

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

BLACK PINE RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
EXPRESSED IN CANADIAN DOLLARS - UNAUDITED

6. RELATED PARTY (continued)

During the period ended June 30, 2024, the Company recorded transactions with related parties for management fees in the amount of \$47,250 (2023 - \$47,250) to a company controlled by the CEO, office facilities and professional fees of \$38,350 (2023 - \$18,350) to a company controlled by a director, capitalized geological consulting services of \$9,196 (2023 - \$2,948) to a company controlled by a director, and corporate administration fees of \$20,318 (2023 - \$15,750) to a company controlled by a director recorded as compensation costs for key management personnel and companies related to them.

During the period ended June 30, 2024, the Company recorded \$nil (2023 - \$26,521) in non-cash share-based compensation expense in connection to stock options granted to Directors and Officers of the Company (Note 7).

7. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value, special rights or restrictions attached.

Issued share capital

As at the period ended June 30, 2024, the issued share capital comprised of 15,931,728 common shares.

During the period ended June 30, 2024, the Company had no share capital transactions.

Stock options

The Board has approved a Stock Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward the Company's long-term goals, and to encourage such individuals to acquire shares as long-term investments. The Stock Option Plan is administered by the Board and authorizes the issuance of stock options not to exceed a total of 10% of the number of shares issued and outstanding from time to time. The terms of any award are determined by the Board, provided that no options may be granted at less than the fair market value of shares as of the date of the grant. The maximum term of the options is ten years.

During the period ended June 30, 2023, the Company recorded share-based compensation of \$26,521, based on the Black-Scholes Option Pricing Model, using a risk-free interest rate of 3.45%, share price of \$0.05, exercise price of \$0.10, expected life of 5 years, volatility of 100%, and 0% dividend and forfeiture rates.

The following table summarizes information about the stock options during the period ended June 30, 2024 and the year ended December 31, 2023:

	Options	
	Number of options	Weighted average exercise price - \$ -
Outstanding and exercisable, December 31, 2022	713,054	0.13
Issued	800,000	0.10
Outstanding and exercisable, December 31, 2023 and June 30, 2024	1,513,054	0.11

BLACK PINE RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
EXPRESSED IN CANADIAN DOLLARS - UNAUDITED

7. SHARE CAPITAL AND RESERVES (continued)

Expiry Date	Exercise Price	Outstanding and Exercisable
March 31, 2027	\$ 0.10	625,000
February 17, 2028	\$ 0.10	800,000
March 7, 2029	\$ 0.20	88,054

As at June 30, 2024, the options had a weighted average life of 3.33 years (December 31, 2023 – 3.83 years).

8. FINANCIAL RISK MANAGEMENT

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's maximum exposure to credit risk is on its cash held in bank accounts. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Interest rate risk

The Company is not currently exposed to significant interest rate risk

Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as some of its mining and exploration operations are transacted in currencies other than the functional currency of the Company. If the Canadian dollar changes by ten percent against the US dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a \$nil change in profit or loss.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

BLACK PINE RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
EXPRESSED IN CANADIAN DOLLARS - UNAUDITED

8. FINANCIAL RISK MANAGEMENT (continued)***Capital Management***

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements. There have been no changes to the Company's management of capital for the years presented.

Classification of financial instruments***Fair value***

The fair value of the Company's financial assets and liabilities approximates the carrying amount, due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

June 30, 2024	Level One
Cash	\$ 167,142
	\$ 167,142
December 31, 2023	Level One
Cash	\$ 394,152
	\$ 394,152

The carrying value of the accounts receivable, accounts payable and accrued liabilities approximates the fair values because of the short-term nature of these instruments.

9. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of unproven exploration and evaluation assets. The Company's long-lived assets are located in New Mexico, USA.

BLACK PINE RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
EXPRESSED IN CANADIAN DOLLARS - UNAUDITED

10. PROPOSED TRANSACTION AND SUBSEQUENT EVENT

On June 16, 2023, as amended on October 22, 2023, January 31, 2024 and May 21, 2024, the Company became party to a Definitive Agreement to complete a Qualifying Transaction “the Proposed Transaction” or “the Agreement” with Anquiro Financial Corp (“AFC”) and Anquiro Ventures Ltd. (“AVL”). The Company, AVL and AFC entered into a binding merger agreement, as amended, whereby AVL is anticipated to acquire the business of the Company.

Subsequent to the period ended June 30, 2024, to satisfy regulatory structuring requirements, the following transactions occurred on October 17, 2024:

- The Company and AVL have entered into a termination agreement with Anquiro Financial Corp. (“AQR AcquisitionCo”), terminating the previously announced transaction pursuant to the second amended and restated merger agreement dated May 21, 2024 (the “Original Agreement”).
- The Company and AVL have entered into a merger agreement with 1504671 B.C. Ltd. (“New AcquisitionCo”), whereby AVL is anticipated to acquire the business of the Company.

The Merger Agreement features near identical terms (other than (i) the replacement of AQR AcquisitionCo with New AcquisitionCo and (ii) the revision of the outside date of the Merger Agreement to February 28, 2025) to the previously terminated Original Agreement, pursuant to which AVL and the Company are anticipated to complete a three-cornered amalgamation, whereby New AcquisitionCo will amalgamate with the Company under the Business Corporations Act (British Columbia) (the “Proposed Transaction”).

Concurrent Financing

In connection with the binding merger agreement, the Company will complete a private placement of up to 10,000,000 subscription receipts (the “Subscription Receipts”) at a price per Subscription Receipt of \$0.10. Each Subscription Receipt will be converted into one unit of the Company comprised of one common share of the Company and one common share purchase warrant (a “BP Warrant”), exercisable to acquire one common share of the Company for a period of three years after its issuance at a price per share of \$0.20. The parties further provided clarity that if the price of the common shares of the post-Proposed Transaction Resulting Issuer exceeds \$0.28 over a period of eight consecutive trading dates commencing four months from the date of the issuance of the BP Warrant, then the Resulting Issuer may give notice in writing within 30 days of such occurrence to the holder of the BP Warrant (or the common share purchase warrants issued in exchange for the BP Warrants) (together, the “RI Warrants”) that the RI Warrant shall expire at the accelerated expiry time, being 30 days from the date of the notice, unless previously exercised by the holder.

Furthermore, the Company has agreed to be responsible for all costs and charges incurred with respect to the Proposed Transaction.

Subsequent to the period ended June 30, 2024, on November 12, 2024, AVL, New AcquisitionCo and the Company entered into an amending agreement to amend the Merger Agreement to, inter alia, increase the concurrent financing from up to 10,000,000 Subscription Receipts to a minimum of 11,000,000 Subscription Receipts and to confirm that a finder's fee of up to 10% of the gross proceeds of the concurrent financing will be payable from the escrowed proceeds on or after the date on which the escrowed funds will be released to the Company.

The Proposed Transaction is a Non-Arm's Length Qualifying Transaction as the same parties and their Associates or Affiliates are Control Persons (as such aforementioned capitalized terms are defined in the policies of the Exchange) in both AVL and the Company. Furthermore, the Proposed Transaction may be considered a related party transaction (as such term is defined in Multilateral Instrument 61-101) because (a) Ms. Keturah Nathe (President, CEO and a director of AVL) is also a director of the Company, Mr. Joe DeVries (a director of AVL) is also a director of the Company, and Mr. Richard Barnett (a director of AVL) is also the CFO of the Company; and (b) the aggregated holdings of the issued and outstanding common shares of AVL and of the Company by Principals (as such term is defined 32798436v9 in the policies of the Exchange) of the Company exceed 20%.

BLACK PINE RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
EXPRESSED IN CANADIAN DOLLARS - UNAUDITED

10. PROPOSED TRANSACTION AND SUBSEQUENT EVENT (continued)

Subject to satisfaction or waiver of the condition's precedent referred to herein and in the Merger Agreement, AVL and the Company anticipate that the Proposed Transaction will be completed no later than December 31, 2024. There is no assurance that the Proposed Transaction will be completed on the terms proposed herein or at all.

**SCHEDULE I
UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL STATEMENTS OF AQR AS AT JUNE 30, 2024**

See attached.

ANQUIRO VENTURES LTD.

Pro Forma Consolidated Financial Statements

June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

ANQUIRO VENTURES LTD.

Pro Forma Consolidated Statement of Financial Position

As at June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

	Anquiro Ventures Ltd.	Black Pine Resources Corp.	Note 3	Pro Forma Adjustments	Pro Forma Consolidated
	June 30, 2024	June 30, 2024		June 30, 2024	June 30, 2024
	(\$)	(\$)		(\$)	(\$)
Current assets					
Cash	930	167,142		990,000	1,158,072
Prepaid expenses	335	27,617		–	27,952
Total current assets	1,265	194,759		990,000	1,186,024
Exploration and evaluation assets	–	279,194		2,801,057	3,080,251
Total assets	1,265	473,953		3,791,057	4,266,275
Liabilities					
Accounts payable and accrued liabilities	108,650	34,289		–	142,939
Shareholder loan	5,499	–		–	5,499
Advance payable	95,000	–		–	95,000
Total liabilities	209,149	34,289		–	243,438
Shareholders' equity (deficit)					
Share capital (Note 4)	255,521	1,377,056	(c)	(255,521)	4,960,229
			(a)	990,000	
			(b)	2,593,173	
Reserves	44,316	108,192	(c)	(44,316)	108,192
Deficit	(507,721)	(1,045,584)	(c)	507,721	(1,045,584)
Total shareholders' equity (deficit)	(207,884)	439,664		3,791,057	4,022,837
Total liabilities and shareholders' equity (deficit)	1,265	473,953		3,791,057	4,266,275

ANQUIRO VENTURES LTD.

Notes to the Pro Forma Consolidated Financial Statements
June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

1. Basis of Presentation

The unaudited pro forma consolidated statement of financial position of Anquiro Ventures Ltd. (the “**Resulting Issuer**” or the “**Company**”) as at June 30, 2024 has been prepared by management after giving effect to the proposed Transaction (as defined below) among the Company, its wholly owned subsidiary, and Black Pine Resources Ltd. (“**Black Pine**”), (Note 2). These unaudited pro forma consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

The pro forma financial information is not intended to reflect the financial position that will exist following the Transaction. Actual amounts recorded when the Transaction closes will likely differ from those recorded in the pro forma financial information. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transaction have been excluded from the pro forma financial information.

The pro forma financial information is presented in Canadian dollars and has been compiled from and includes:

- an unaudited pro forma consolidated statement of financial position as at June 30, 2024, combining the audited consolidated statement of financial position of the Company as at June 30, 2024, with the unaudited interim statement of financial position of Black Pine as at June 30, 2024, giving effect to the Transaction as if it occurred on June 30, 2024.

These pro forma consolidated financial statements do not contain all of the information required for annual financial statements. Accordingly, it should be read in conjunction with the most recent annual and interim financial statements of both the Company and Black Pine. Based on the review of the accounting policies of Black Pine, it is the Company’s management’s opinion that there are no material accounting differences between the accounting policies of the Company and Black Pine.

The pro forma adjustments and allocations of the purchase price of Black Pine by the Company are based on the fair value of the common shares and share purchase warrants of the Company. The unaudited pro forma financial information is not intended to reflect the financial position of the Company which would have actually resulted had the proposed Transaction been effected on the date indicated. The actual pro forma adjustments will depend on a number of factors and could result in a change to the pro forma financial information.

2. Proposed Transaction and Subsequent Event

Black Pine was incorporated under the Business Corporations Act (British Columbia) on October 20, 2017, under the name “Digital Asset Management Corp.” On February 23, 2021, Black Pine changed its name to “Black Pine Resources Corp.”. Black Pine is a mineral exploration company focused on the acquisition and exploration of mineral properties. Pursuant to a letter of intent dated April 12, 2022 (“**GBR LOI**”), as amended, with Great Basin Resources Inc. (“**GBR**”), Black Pine is entitled to earn an undivided 100% interest in the Sugarloaf Copper Project (the “**Sugarloaf Property**”), subject to a 2% net smeltery royalty due to GBR and certain other payments due to GBR, as provided in the GBR LOI.

On October 17, 2024, the Company and Black Pine have entered into a termination agreement with Anquiro Financial Corp. (“**AFC**”), terminating the previously announced transaction pursuant to the second amended and restated merger agreement dated May 21, 2024 (the “**Original Agreement**”).

ANQUIRO VENTURES LTD.

Notes to the Pro Forma Consolidated Financial Statements

June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

2. Proposed Transaction and Subsequent Event (Continued)

The purchase of AFC required consent from the Exchange, which the Company had not obtain and thus inadvertently contravened the policies of the Exchange. At the request of the Exchange, the Company has agreed to unwind the acquisition of AFC. To that end, the Company has entered into a share purchase agreement with Richard Barnett whereby the Company will sell and Mr. Barnett will purchase the sole outstanding common share of AFC in consideration for the purchase price paid by the Company for such share, being \$1.00 (the “Unwinding Transaction”). Pursuant to the Unwinding Transaction, all liabilities of AFC will remain liabilities of AFC and will not be assumed by the Company. During the year ended June 30, 2024, the Company reclassified \$95,000 of subscriptions received from equity to liabilities as this amount will no longer be settled with the Company’s shares.

Subsequent to the completion of the Unwinding Transaction, the Company and Black Pine entered into a merger agreement with 1504671 B.C. Ltd. (“New AcquisitionCo”). This merger agreement features near identical terms (other than (i) the replacement of AFC with New AcquisitionCo and (ii) the revision of the outside date of the Merger Agreement to February 28, 2025) to the previously terminated Original Agreement, pursuant to which the Company and Black Pine are anticipated to complete a three-cornered amalgamation, whereby New AcquisitionCo will amalgamate with Black Pine under the Business Corporations Act (British Columbia) (the “Proposed Transaction”).

The Proposed Transaction is a Non-Arm’s Length Qualifying Transaction as the same parties and their Associates or Affiliates are Control Persons (as such aforementioned capitalized terms are defined in the policies of the Exchange) in both the Company and Black Pine. Furthermore, the Proposed Transaction may be considered a related party transaction (as such term is defined in Multilateral Instrument 61-101) because (a) Ms. Keturah Nathe (President, CEO and a director of the Company) is also a director of Black Pine, Mr. Joe DeVries (a director of the Company) is also a director of Black Pine, and Mr. Richard Barnett (a director of the Company) is also the CFO of Black Pine; and (b) the aggregated holdings of the issued and outstanding common shares of the Company and of Black Pine by Principals (as such term is defined in the policies of the Exchange) of the Company exceed 20%.

Subject to satisfaction or waiver of the conditions precedent referred to herein and in the Merger Agreement, the Company and Black Pine anticipate that the Proposed Transaction will be completed no later than December 31, 2024. There is no assurance that the Proposed Transaction will be completed on the terms proposed herein or at all.

Trading in the common shares of the Company is currently suspended in accordance with the policies of the Exchange and will remain suspended until such time as all required documentation in connection with the Proposed Transaction has been filed with and accepted by the Exchange and permission to resume trading has been obtained from the Exchange.

ANQUIRO VENTURES LTD.

Notes to the Pro Forma Consolidated Financial Statements
June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

2. Proposed Transaction and Subsequent Event (continued)

Concurrent Financing

On November 12, 2024, the Company, AcquisitionCo and Black Pine entered into an amending agreement to amend the Merger Agreement to, inter alia, increase the concurrent financing in connection with the Proposed Transaction (the “Concurrent Financing”) and confirm the finder’s fee.

Subsequent to the period ended June 30, 2024, and pursuant to the aforementioned amending agreement, the concurrent financing was updated to the following: Black Pine anticipates completing a non-brokered private placement offering of a minimum of 11,000,000 subscription receipts (the “Subscription Receipts”) to subscribers for aggregate gross proceeds of a minimum of \$1,100,000 at a price per Subscription Receipt of \$0.10. The Subscription Receipts will be governed by the Subscription Receipt certificates. A finder’s fee of up to 10% of the gross proceeds of the Concurrent Financing will be payable from the escrowed proceeds on or after the date on which the escrowed funds will be released to Black Pine.

On the closing date of the Concurrent Financing, the escrowed proceeds will be delivered to and held by the escrow agent of the Subscription Receipts (the “SR Agent”) and invested in an interest bearing account pursuant to the terms and conditions of an escrow agreement.

Each Subscription Receipt unit (“SR Unit”) is comprised of one Black Pine common share (“Black Pine Share”) and one warrant (“SR Warrant”), with each SR Warrant being exercisable for a period of three years after its issuance to acquire one Black Pine Share at the price per share of \$0.20, subject to certain acceleration rights (“SRW Acceleration Right”).

At the effective time of the Proposed Transaction, the Black Pine Share and the SR Warrants will be exchanged for common share of the resulting issuer and warrants of the resulting issuer, respectively, with each such warrant being exercisable for a period of three years from the issuance date of the exchanged warrant to acquire one common share of the resulting issuer at the price per share of \$0.20, subject to the SRW Acceleration Right.

Furthermore, Black Pine has agreed to be responsible for all costs and charges incurred with respect to the Proposed Transaction.

3. Pro Forma Assumptions and Adjustments

These pro forma consolidated financial statements include the effects of the following pro forma assumptions:

- (a) Net proceeds of \$990,000 from the Black Pine non-brokered private placement offering of a minimum of 11,000,000 Subscription Receipts to subscribers for aggregate gross proceeds of a minimum of \$1,100,000 at a price per Subscription Receipt of \$0.10. The Subscription Receipts will be governed by the Subscription Receipt certificates. A finder’s fee of up to 10% of the gross proceeds of the Concurrent Financing will be payable from the Escrowed Proceeds on or after the date on which the Escrowed Funds will be released to Black Pine.

Each SR Unit is comprised of one Black Pine Share and one SR Warrant, with each SR Warrant being exercisable for a period of three years after its issuance to acquire one Black Pine Share at the price per share of \$0.20, subject to the SRW Acceleration Right.

At the Effective Time, the Black Pine Shares and the SR Warrants comprising the SR Units will be exchanged for Resulting Issuer Shares and Resulting Issuer Warrants, respectively, with each such Resulting Issuer Warrant being exercisable for a period of three years from the issuance date of the exchanged SR Warrant to acquire one Resulting Issuer Share at the price per share of \$0.20, subject to the SRW Acceleration Right. Further description of the terms of the financing can be found in Note 2.

ANQUIRO VENTURES LTD.

Notes to the Pro Forma Consolidated Financial Statements

June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

- (b) The resulting issuer, issuing 25,931,728 acquisition shares at a deemed price of \$0.10 to the holders of Black Pine valued at \$2,593,173.
- (c) An entry was made to eliminate the historical share capital of \$255,521, reserves of \$44,316, and retained earnings of \$507,721 of the Company.

4. Pro Forma Share Capital

After giving effect to the pro forma assumptions and adjustments in Note 3, the issued and fully paid share capital of the Company is anticipated to be as follows at the time of Closing:

	Note	Number	Amount (\$)
Anquiro Shares as at June 30, 2024		4,500,001	255,521
Black Pine Shares as at June 30, 2024		15,931,728	1,377,056
Black Pine Shares issued in connection with financing	3(a)	11,000,000	990,000
Shares issued by resulting issuer for Black Pine	3(b)	25,931,728	2,593,173
Elimination of Black Pine Share capital at Closing		(25,931,728)	(255,521)
Pro forma balance, June 30, 2024		31,431,729	4,960,229

5. Pro Forma Statutory Income Tax Rates

The pro forma effective income tax rate that will be applicable to the consolidated operations of the Company and Black Pine will be 27%.

**SCHEDULE J
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF AQR FOR THE YEAR ENDED JUNE 30, 2024**

See attached.

**ANQUIRO VENTURES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

OVERVIEW

The following management discussion and analysis (“MDA”) of the financial position of Anquiro Ventures Ltd. (“the Company”), and results of operations prepared on October 28, 2024, should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2024. All amounts are stated in Canadian dollars unless otherwise indicated. These financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

The head office, the principal address, and the registered and records office of the Company are located at 303 - 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com or by requesting further information from the Company’s head office in Vancouver.

DESCRIPTION OF BUSINESS

The Company was incorporated under the Business Corporations Act (British Columbia) on March 1, 2012. It was incorporated for the purposes of becoming a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4.

The Company completed its final prospectus on December 19, 2017 for the purposes of completing an IPO becoming a CPC trading on the TSX-V.

The principal business of the Company is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction (“QT”).

The Exchange revised its policies for CPC companies (the “New CPC Policy”), pursuant to these revisions, the Company sought and received the requisite approvals of the shareholders to adopt and align the Company with the New CPC Policy 2.4.

The proposed business of the Company and the completion of a QT involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast doubt about the Company’s ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

RESULTS OF OPERATIONS

At June 30, 2024, the Company had no continuing source of operating revenues and related expenditures.

During the year ended June 30, 2024, the Company reported a net loss of \$47,492 (2023 - \$173,306).

The Company has not paid any dividends on its common shares and has no present intention of paying dividends, as it anticipates that all available funds for the foreseeable future will be used to finance its business activities.

PROPOSED QUALIFYING TRANSACTION AND SUBSEQUENT EVENT

On June 16, 2023, as amended on October 22, 2023, January 31, 2024, May 21, 2024 and October 17, 2024, the Company became party to a Definitive Agreement to complete a Qualifying Transaction “the Proposed Transaction” or “the Agreement” with AFC and Black Pine Resources Corp. (“Black Pine”), a private corporation incorporated under the laws of the Province of British Columbia. The Company, Black Pine and AFC entered into a binding merger agreement, as amended, whereby the Company is anticipated to acquire the business of Black Pine. Three of the directors of the Company are also directors and / or officers of Black Pine.

Black Pine was incorporated under the Business Corporations Act (British Columbia) on October 20, 2017, under the name “Digital Asset Management Corp.” On February 23, 2021, Black Pine changed its name to “Black Pine Resources Corp.”. Black Pine is a mineral exploration company focused on the acquisition and exploration of mineral properties. Pursuant to a letter of intent dated April 12, 2022 (“GBR LOI”), as amended, with Great Basin Resources Inc. (“GBR”), Black Pine is entitled to earn an undivided 100% interest in the Sugarloaf Copper Project (the “Sugarloaf Property”), subject to a 2% net smeltery royalty due to GBR and certain other payments due to GBR, as provided in the GBR LOI.

On October 17, 2024, the Company and Black Pine have entered into a termination agreement with AFC, terminating the previously announced transaction pursuant to the second amended and restated merger agreement dated May 21, 2024.

The purchase of AFC required consent from the Exchange, which the Company had not obtain and thus inadvertently contravened the policies of the Exchange. At the request of the Exchange, the Company has agreed to unwind the acquisition of AFC. To that end, the Company has entered into a share purchase agreement with Richard Barnett whereby the Company will sell and Mr. Barnett will purchase the sole outstanding common share of AFC in consideration for the purchase price paid by the Company for such share, being \$1.00 (the “Unwinding Transaction”). Pursuant to the Unwinding Transaction, all liabilities of AFC will remain liabilities of AFC and will not be assumed by the Company. During the year ended June 30, 2024, the Company reclassified \$95,000 of subscriptions received from equity to liabilities as this amount will no longer be settled with the Company’s shares.

Subsequent to the completion of the Unwinding Transaction, the Company and Black Pine entered into a merger agreement with 1504671 B.C. Ltd. (“New AcquisitionCo”). This merger agreement features near identical terms (other than (i) the replacement of AFC with New AcquisitionCo and (ii) the revision of the outside date of the Merger Agreement to February 28, 2025) to the previously terminated Original Agreement, pursuant to which the Company and Black Pine are anticipated to complete a three-cornered amalgamation, whereby New AcquisitionCo will amalgamate with Black Pine under the Business Corporations Act (British Columbia).

The Proposed Transaction is a Non-Arm’s Length Qualifying Transaction as the same parties and their Associates or Affiliates are Control Persons (as such aforementioned capitalized terms are defined in the policies of the Exchange) in both the Company and Black Pine. Furthermore, the Proposed Transaction may be considered a related party transaction (as such term is defined in Multilateral Instrument 61-101) because (a) Ms. Keturah Nathe (President, CEO and a director of the Company) is also a director of Black Pine, Mr. Joe DeVries (a director of the Company) is also a director of Black Pine, and Mr. Richard Barnett (a director of the Company) is also the CFO of Black Pine; and (b) the aggregated holdings of the issued and outstanding common shares of the Company and of Black Pine by Principals (as such term is defined in the policies of the Exchange) of the Company exceed 20%.

Subject to satisfaction or waiver of the conditions precedent referred to herein and in the Merger Agreement, the Company and Black Pine anticipate that the Proposed Transaction will be completed no later than December 31, 2024. There is no assurance that the Proposed Transaction will be completed on the terms proposed herein or at all.

Trading in the common shares of the Company is currently suspended in accordance with the policies of the Exchange and will remain suspended until such time as all required documentation in connection with the Proposed Transaction has been filed with and accepted by the Exchange and permission to resume trading has been obtained from the Exchange.

Concurrent Financing

The parties have also revised the requirement for Black Pine to complete a private placement of up to 10,000,000 subscription receipts (the "Subscription Receipts") at a price per Subscription Receipt of \$0.10. Each Subscription Receipt will be converted into one unit of Black Pine comprised of one common share of Black Pine and one common share purchase warrant (a "BP Warrant"), exercisable to acquire one common share of Black Pine for a period of three years after its issuance at a price per share of \$0.20. The parties further provided clarity that if the price of the common shares of the post-Proposed Transaction Resulting Issuer exceeds \$0.28 over a period of eight consecutive trading dates commencing four months from the date of the issuance of the BP Warrant, then the Resulting Issuer may give notice in writing within 30 days of such occurrence to the holder of the BP Warrant (or the common share purchase warrants issued in exchange for the BP Warrants) (together, the "RI Warrants") that the RI Warrant shall expire at the accelerated expiry time, being 30 days from the date of the notice, unless previously exercised by the holder.

Furthermore, Black Pine has agreed to be responsible for all costs and charges incurred with respect to the Proposed Transaction.

SELECTED ANNUAL INFORMATION

	Years ended June 30,		
	2024	2023	2022
	- \$ -	- \$ -	- \$ -
Net loss	(47,492)	(173,306)	(51,392)
Loss per share	(0.01)	(0.04)	(0.01)
Total assets	1,265	18,377	51,291
Total equity (deficit)	(207,884)	(65,392)	12,914

YEAR ENDING JUNE 30, 2024

For the year ended June 30, 2024, the Company had no revenues and had a loss of \$47,492 (2023 - \$173,306). The main components of expenditure during both the current and prior year was professional fees of \$38,412 (2023 - \$40,558), and transfer agent and filing fees of \$18,876 (2023 - \$23,024), and transaction costs of \$nil (2023 - \$102,654). This is mainly due to are due to increased professional fees utilized in pursuit of a business or acquisition of a potential project of merit for a QT. The transactions costs were a result of the acquisition of Anquiro Financial Corp. during the year ended June 30, 2023.

YEAR ENDING JUNE 30, 2023

For the year ended June 30, 2023, the Company had no revenues and had a loss of \$173,306 (2022 - \$51,392). The main components of expenditure during both the current and prior year was professional fees of \$40,558 (2022 - \$35,797), and transfer agent and filing fees of \$23,024 (2022 - \$14,937), and transaction costs of \$102,654 (2022 - \$nil). This is mainly due to are due to increased professional fees utilized in pursuit of a business or acquisition of a potential project of merit for a QT. The transactions costs were a result of the acquisition of Anquiro Financial Corp. during the year ended June 30, 2023.

The Company continues to seek opportunities to complete its Qualifying Transaction.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for eight quarters ending June 30, 2024:

	<i>Three months ended</i>			
	<i>June 30,</i> <i>2024</i>	<i>March 31,</i> <i>2024</i>	<i>December 31,</i> <i>2023</i>	<i>September 30,</i> <i>2023</i>
	<i>-\$-</i>	<i>-\$-</i>	<i>-\$-</i>	<i>-\$-</i>
Total assets	1,265	1,924	2,551	12,996
Working capital (deficit)	(207,884)	(114,325)	(95,727)	(82,449)
Shareholders' equity	(207,884)	(114,325)	(95,727)	(82,449)
Net loss for the period	1,441	(18,597)	(13,279)	(17,057)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	<i>Three months ended</i>			
	<i>June 30,</i> <i>2023</i>	<i>March 31,</i> <i>2023</i>	<i>December 31,</i> <i>2022</i>	<i>September 30,</i> <i>2022</i>
	<i>-\$-</i>	<i>-\$-</i>	<i>-\$-</i>	<i>-\$-</i>
Total assets	18,377	27,246	47,209	50,227
Working capital	(65,392)	(19,598)	(1,187)	7,293
Shareholders' equity	(65,392)	(19,598)	(1,187)	7,293
Net loss for the period	(142,822)	(18,409)	(6,454)	(5,621)
Loss per share	(0.03)	(0.00)	(0.00)	(0.00)

Discussion

The Company has limited historical activity, and is subject to the ongoing costs of public listing maintenance while actively seeking opportunities for a Qualifying Transaction. No trends have been noted in reviewing the summary of selected financial information for the eight quarters ended June 30, 2024.

Net income in the period ended June 30, 2024, is a result of the expense recovery pursuant to the merger agreement with Black Pine whereby Black Pine has agreed to be responsible for all costs and charges incurred with respect to the Proposed Transaction.

The increases in net loss in the periods ended March 31, 2024, December 31, 2023, September 30, 2023, June 30, 2023, and March 31, 2023, are due to increased professional fees and/or filing fees utilized in pursuit of a business or acquisition of a potential project of merit for a QT.

Certain comparative figures may have been modified to conform with the current year's presentation.

Year ended June 30, 2024 and 2023

For the year ended June 30, 2024 the Company recorded a loss of \$47,492 (2023 – \$173,306). During the current period there were increases in professional fees to \$38,412 (2023 - \$40,558) incurred in connection to the professional services required in connection to the proposed qualifying. Transfer agent and filing fees decreased in the current period to \$18,876 (2023 - \$23,024) in connection to costs recorded in the prior period related to review fees for the QT. Other fees were mostly commensurate during the comparative periods.

Three months ended June 30, 2024 and 2023

For the three months ended June 30, 2024 the Company recorded \$1,441 of income (2023 – \$142,822 loss). During the current period there was an increase in transfer agent and filing fees to \$7,758 (2023 - \$3,360) in connection to QT and AGM related costs in the comparative periods and decrease professional fees to \$3,750 (2023 - \$30,912) incurred in connection to the services required in connection to the proposed qualifying. During the period ended June 30, 2024, the Company recorded an expense recover of \$14,149 (2023 - \$nil). Other fees were mostly commensurate during the comparative periods.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through receipt of a loan from a shareholder, and from the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Proposed Transaction includes a concurrent financing as further described above in the Proposed Transaction section; whereby, the Resulting Issuer anticipates using the proceeds of the Concurrent Financings to carry out exploration of the Sugarloaf Property and for general working capital. The Concurrent Financings as described in the Proposed Transaction section are not subject to a minimum financing amount and may close in tranches. There is no assurance that the Concurrent Financings will be completed on the terms proposed herein or at all.

During the year ended June 30, 2024, 2023, there were no share capital transactions.

On June 29, 2017, the Company issued 2,500,000 common shares at \$0.05 per share for gross proceeds of \$125,000.

Upon the Company completing its IPO financing, the common shares issued to the Company's founders (2,500,001) were held in escrow and deposited with the trustee under the escrow agreement. Pursuant to the agreement, 10% of the escrowed common shares will be released from escrow on the issuance of the final Exchange bulletin on the closing of a QT and an additional 15% will be released every six months following the initial release over a period of thirty-six months.

On February 23, 2018, the Company completed its IPO financing, issuing 2,000,000 common shares at \$0.10 per share for total gross proceeds of \$200,000. The Company paid the agent a cash commission of \$20,000, and a corporate finance fee of \$10,000. The Company also issued non-transferrable agents warrants to purchase 200,000 common shares at a price of \$0.10, expiring February 23, 2020.

Net cash used in operating activities for the year ended June 30, 2024, is \$17,447 (2023 - \$44,632).

At June 30, 2024, the Company has working capital deficit of \$207,884 (June 30, 2023 - \$65,392).

There can be no assurance of successfully completing future financings or a Qualifying Transaction. The Company may need to raise further capital to continue operations and complete its Qualifying Transaction. Management is actively seeking such opportunities.

Stock options

During the years ended June 30, 2024 and 2023, there were no stock option transactions.

On February 23, 2018, the Company granted 450,000 stock options to directors and officers of the Company, priced at \$0.10, expiring February 23, 2023. The estimated grant date fair value of these options was \$33,736. The fair values were based on the following assumptions: share price at grant date of \$0.10; exercise price of \$0.10; expected life of 5 years; expected volatility of 100%; risk free interest rate of 2.05%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

During the year ended June 30, 2023, 450,000 stock options expired unexercised.

RELATED PARTY TRANSACTIONS

Related party balances

As at June 30, 2024, the balance of \$5,499¹ (June 30, 2023 - \$5,499¹) is due to a director of the Company and is included as a shareholder loan (Note 5 to the financial statements).

As at June 30, 2024, there were the following balances in connection to companies controlled by a director of the Company:

- recorded to prepaid, \$335¹ (June 30, 2023 - \$nil¹) for filing fees advanced.
- recorded to accounts payable, \$18,092¹ (June 30, 2023 - \$nil¹) for business expenses paid by companies controlled by a director of the company.

The sole share outstanding in AFC was held by a director of the Company prior to its transfer to the Company (Note 3 to the financial statements).

The Company has identified all of the directors and officers as its key management personnel. During the years ended June 30, 2024 and 2023, the Company did not incur transactions with directors and officers, or companies that are controlled by directors or officers of the Company, other than disclosed above.

¹ Joe DeVries, Director

FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Interest rate

The fair values of cash, accounts payable and shareholder loan approximate their carrying values due to the short-term to maturities of these financial instruments.

Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash on hand to meet its financial obligations. The Company is exposed to liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its cash held in bank accounts. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company assessed its credit risk as low.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

Risks and Uncertainties

The Company has a limited history of existence. There can be no assurance that a Qualifying Transaction will be completed. Equity or debt financing may be required to complete a Qualifying Transaction. There can be no

assurance that the Company will be able to obtain adequate financing to continue. The securities of the Company should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's common shares:

- a) until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- b) the Company has had no business activity and has not acquired any material assets since its incorporation other than cash;
- c) the Company does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of the Qualifying Transaction;
- d) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;
- e) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
- f) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company;
- g) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares;
- h) the Company competes with many CPCs that are seeking suitable Qualifying Transactions. In addition, other CPCs may have substantially greater financial and technical resources than the Company.

Capital Management

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to complete a Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements (Note 9 to the financial statements).

Financial Instruments

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 classification determines the method by which the financial assets are carried on the balance sheet subsequent to inception and how changes in value are recorded.

Impairment

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 balance sheet subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are classified as other financial liabilities and carried on the balance sheet at amortized cost.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at June 30, 2024, and up to the current date, the Company had no off-balance sheet arrangements.

Legal proceedings

As at the current date management was not aware of any legal proceedings involving the Company.

Outstanding Share Data

1) Common shares:

As at June 30, 2024 and the date of this MD&A, the Company has 4,500,001 common shares outstanding of which, 2,500,001 of the issued shares are held in escrow.

2) Warrants:

As at June 30, 2024 and the date of this MD&A, the Company has no warrants outstanding.

3) Stock options:

As at June 30, 2024, and the date of this MD&A, the Company has no stock options outstanding.

Contingent liabilities

As at June 30, 2024 and up to the current date management was not aware of any outstanding contingent liabilities relating to the Company's activities.

Any forward-looking information in this MDA is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition of a new business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain future development of a business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended June 30, 2024. The Company is not subject to externally imposed capital requirements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

**SCHEDULE K
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF BLACK PINE FOR THE YEAR ENDED DECEMBER 31, 2023**

See attached.

**BLACK PINE RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Date prepared: March 13, 2024

This management discussion and analysis (the "MDA") of the financial position of Black Pine Resources Corp. (the "Company"), and results of operations prepared on March 13, 2024 should be read in conjunction with the audited financial statements for the year ended December 31, 2023. All monetary amounts referred to herein are in Canadian dollars unless otherwise stated. These financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company. Refer to Note 3 of the financial statements for the Company's material accounting policies.

FORWARD LOOKING STATEMENTS

Information contained in this MDA that is not historical fact may be considered "forward looking statements". These forward-looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company's objectives, goals or plans are forward looking statements. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Actual results could differ materially from those currently anticipated due to a number of factors, including such variables as fluctuation of exchange rate, legislative and other regulatory or political changes, competition in areas where the Company operates, and other factors discussed herein. Readers are cautioned not to place undue reliance on this forward-looking information.

OVERVIEW

Corporate Development

During the prior year, the Company commenced a change of business to mineral property acquisition, and exploration as further described below. As at December 31, 2023, the Company has an accumulated deficit of \$837,370 (2022 - \$466,048).

The Proposed Qualifying Transaction

The Proposed QT will result in AVL acquiring all of the issued and outstanding securities of the Company in exchange for the issuance of securities of AVL by way of a three-cornered amalgamation between the Company, AVL and AFC, and the Company becoming a wholly-owned subsidiary of AVL.

In exchange for each common share of the Company, AVL will issue to the shareholders of the Company, on a prospectus and registration exempt basis, one AVL share at an issuance price of \$0.10 per AVL share (the "Resulting Issuer List Price").

The completion of the Proposed QT is subject to the satisfaction of various conditions, including but not limited to (i) the receipt of all necessary corporate approvals, (ii) the receipt of regulatory and Exchange approval for the Proposed QT to the extent as required by applicable law and policies of the Exchange; (iii) the filing with the applicable securities regulatory authorities of a filing statement or information circular regarding the Proposed QT, (iv) the receipt of conditional approval from the Exchange for the Proposed QT and the listing of the Resulting Issuer Shares upon completion of the Proposed QT; and (v) the completion of the Name Change. There can be no assurance that the Proposed QT will be completed on the terms proposed above or at all.

Concurrent Financing

Prior to the effective time of the Proposed QT, the Company will undertake a private placement offering of securities of up to 7,000,000 subscription receipts of the Company ("Subscription Receipts") for aggregate gross proceeds of up to \$700,000.

Upon satisfaction of certain escrow release conditions, each Subscription Receipt will automatically convert into one unit of the Company (an "SR Unit"), comprised of one common share in the capital of the Company and one of one common share purchase warrant of the Company, at no additional cost to the holder.

BLACK PINE RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023

Non-Arm's Length Parties

Mr. Joe DeVries and Ms. Keturah Nathe are directors of the Company and of Black Pine and Ms. Nathe is the President and Chief Executive Officer of Black Pine. Mr. Richard Barnett is a director of AQR and the Chief Financial Officer of Black Pine. As such, Mr. DeVries, Ms. Nathe and Mr. Barnett are: (i) Non-Arm's Length Parties and Insiders of the Company, and (ii) Non-Arm's Length Parties and Insiders of Black Pine. The Company does not consider the Proposed Transaction to be a "Non-Arm's Length Qualifying Transaction" (as such term is defined in Policy 2.4) as (i) Mr. DeVries holds more than 20% of the issued and outstanding Company Shares but less than 20% of the issued and outstanding BP Shares, (ii) Ms. Nathe holds less than 20% of the issued and outstanding Company Shares and less than 20% of the issued and outstanding BP Shares, and (iii) Mr. Barnett holds less than 20% of the issued and outstanding Company Shares and less than 20% of the issued and outstanding BP Shares.

Insiders of the Resulting Issuer

Upon completion of the Proposed Transaction, it is anticipated that the board of directors of the Resulting Issuer will consist of five directors: Joe DeVries, Keturah Nathe, Christopher Cherry, Richard Drew Martel, and Richard Kern. It is anticipated that the senior management of the Resulting Issuer will be as follows: Keturah Nathe as Interim Chief Executive Officer and Corporate Secretary, and Teresa Cherry as Chief Financial Officer.

Sponsorship

Sponsorship of a Qualifying Transaction (as such term is defined in Policy 2.4) is required by the Exchange unless a waiver from the sponsorship requirement is obtained. The Company intends to apply for a waiver from sponsorship for the Proposed Transaction. There is no assurance that a waiver from this requirement will be obtained.

During the year ended December 31, 2022, the Company entered into a property option agreement to acquire an exploration and evaluation asset; the Company acquired a 100% interest in the Sugarloaf Copper Project located in New Mexico, USA. The terms of the option agreement are described below:

- (i) Reimbursement for documented expenditures, not to exceed US\$100,000 (paid), including the preparation of a NI 43-101 technical report (completed);
- (ii) Expending:
 - a) US\$300,000 in exploration funds by no later than the first anniversary date of the closing of a public listing event, and;
 - b) US\$500,000 in exploration funds by no later than the second anniversary date of the closing of a public listing event, and;
 - c) A cumulative aggregate of US\$1,500,000 in exploration funds by no later than the third anniversary date of the closing of a public listing event, and;
 - d) A cumulative aggregate of US\$3,000,000 in exploration funds by no later than the fourth anniversary date of the closing of a public listing event.

This property is subject to a 2.0% Net Smelter Return, and a cash payment of US\$1,000,000 payable to the vendor upon the project attaining commercial production.

As at December 31, 2023, the Company incurred a total of \$253,955 (December 31, 2022 - \$181,805) in expenditures on the property in connection to the option agreement.

The Company is pursuing a project of merit and a public listing and intends to raise capital through the issuance of common shares. The outcome of pursuing a project of merit and a public listing cannot be determined.

RESULTS OF OPERATIONS

At December 31, 2023, the Company had no continuing source of operating revenues and related expenditures.

During the year ended December 31, 2023, the net loss was \$371,322 (2022 - \$173,209). See the discussion below for explanations of the most significant variances.

**BLACK PINE RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

COMPARISON OF RESULTS OF OPERATIONS

Significant variances between the year ended December 31, 2023 and 2022 are detailed as follows:

As a result of operations in the current year, the Company incurred \$72,150 (2022 - \$181,805) of expenditures on its exploration and evaluation asset, the Sugarloaf Copper Project, acquired by way of option agreement during the year ended December 31, 2022.

Additionally, in the current year, the Company realized variances of increases in general and administration fees of \$61,709 (2022 - \$45,339), professional fees of \$154,606 (2022 - \$19,403), and management fees of \$94,500 (2022 - \$84,000) due to the increased services required to support the change of business, legal, accounting, and business activities related to the transaction, and the increase in business exploration activity.

Significant variances between the three months ended December 31, 2023 and 2022 are detailed as follows:

In the three months ended December 31, 2023, the net loss was \$81,173 (2022: \$48,769).

As a result of operations in the current period, the Company incurred \$18,996 (2022 - \$nil) of expenditures on its exploration and evaluation asset, the Sugarloaf Copper Project.

Additionally, in the current period, the Company realized variances of increases in general and administration fees of \$25,236 (2022 - \$18,904), and professional fees of \$28,304 (2022 - \$10,000) due to the increased services required to support the change of business, business activities related to the transaction, and the business exploration activity.

SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Company's financial operations for the prior three fiscal years. For more detailed information, refer to the Company's financial statements for the years then ended.

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
	-\$ -	-\$ -	-\$ -
Total assets	676,956	1,028,759	1,207,334
Cryptocurrencies	-	-	-
Other assets	-	-	-
Working capital	393,924	810,874	1,145,263
Shareholders' equity	647,878	992,679	1,145,263
Revenues	-	-	-
Comprehensive income (loss)	(371,322)	(173,209)	204,779
Income (loss) per share – basic and diluted	(0.02)	(0.01)	0.02

Year ended December 31, 2023:

In the year ended December 31, 2023, the Company's total assets were \$676,956 (2022 - \$1,028,759), comprehensive loss of \$371,322 (2022 - \$173,209), and working capital of \$393,924 (2022 - \$810,874). The Company expended \$72,150 (2022 - \$181,805) in exploration and evaluation expenditures on the Sugarloaf Copper Project during the fiscal year.

Additionally, in the current year, the Company realized an increase in general and administration fees of \$61,709 (2022 - \$45,339) due to the increased services required to support the change of business and increase in business activity, professional fees increased to \$154,606 (2022 - \$19,403), as expenses in the current year include costs related to legal and auditing services in connection to the proposed transaction whereas the prior year included audit expenses for the year. In the current year, the Company incurred an increase in travel and related expenses of \$25,905 (2022 - \$nil) in connection to increased business travel during the year and share-based compensation expenses increased to \$26,521 (2022 - \$20,625) in connection to the issuance of stock options.

**BLACK PINE RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Year ended December 31, 2022:

In the year ended December 31, 2022, the Company's total assets were \$1,028,759 (2021 - \$1,207,334), comprehensive loss of \$173,209 (2021 - \$204,779 - income), and working capital of \$810,874 (2021 - \$1,145,263). The variance in these items is a result of the Company's shift in strategic direction, change of business to mineral exploration and acquisition and pursuit of a public listing. In connection to this strategy, during the year ended December 31, 2022, the Company acquired a 100% interest in the Sugarloaf Copper Project by way of option agreement and expended \$181,805 (2021 - \$nil) in exploration and evaluation expenditures during the current year, where there were no comparable expenditures in the prior year.

Additionally, in the current year, the Company realized an increase in general and administration fees of \$45,339 (2021 - \$24,388) due to the increased services required to support the change of business and increase in business activity, and a decrease in professional fees of \$19,403 (2021 - \$42,419), as expenses in the prior year included the costs to bring the Company's audits current. In the current year, the Company incurred shareholder communications expenses of \$6,695 (2021 - \$nil) in connection to creation of the website and share-based compensation expenses of \$20,625 (2021 - \$nil) in connection to the issuance of stock options, whereas there were no comparable costs in the prior year.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of selected financial information compiled from the quarterly unaudited financial statements for eight quarters ending December 31, 2023:

	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Three months ended	- \$ -	- \$ -	- \$ -	- \$ -
Total assets	676,956	738,652	811,118	1,028,757
Cryptocurrencies	-	-	-	-
Other assets	-	-	-	-
Working capital	393,924	494,091	992,677	712,231
Long term debt	-	-	-	-
Shareholders' equity	647,878	729,050	812,890	894,789
Revenues	-	-	-	-
Net income (loss)	(81,173)	(83,851)	(81,890)	(124,409)
Income (loss) per share - basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)

	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Three months ended	- \$ -	- \$ -	- \$ -	- \$ -
Total assets	1,028,759	1,035,993	1,069,265	1,132,621
Cryptocurrencies	-	-	-	-
Other assets	-	-	-	-
Working capital	810,874	1,051,446	1,074,214	1,111,954
Long term debt	-	-	-	-
Shareholders' equity	992,679	1,051,446	1,074,214	1,111,954
Revenues	-	-	-	-
Net income (loss)	(48,769)	(32,770)	(37,738)	(53,932)
Income (loss) per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

During years ended December 31, 2023 and 2022, the Company is a private company and prepares financial statements on an annual basis. Other than the factors leading to certain costs discussed above in the section "Results of Operations", management of the Company does not believe that meaningful information about the Company's operations can be derived from an analysis of quarterly fluctuations.

BLACK PINE RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023

LIQUIDITY AND CAPITAL RESOURCES

In the year ended December 31, 2023, significant cash flows are as follows:

Operating activities used cash flows of \$372,777 (2022: \$183,314), including a decrease trade payables and accrued liabilities of \$7,002 (2022: \$25,991) and decrease in prepaid expenses of \$20,974 (2022 - \$5,296).

Investing activities used cash flows of \$72,150 (2022 - \$181,805) which include expenditures of the Sugarloaf Copper Project exploration and evaluation asset.

At December 31, 2023, the Company had working capital of \$393,924 (2022 - \$810,874), and had an accumulated deficit of \$837,370 (2022 - \$466,048).

During the year ended December 31, 2023, the Company granted incentive stock options to purchase a total of 800,000 common shares priced at \$0.10, expiring on February 17, 2028 to certain directors and consultants. In connection with this option issuance, the Company recorded share-based compensation of \$26,521, based on the Black-Scholes Option Pricing Model, using a risk-free interest rate of 3.45%, share price of \$0.05, exercise price of \$0.10, expected life of 5 years, volatility of 100%, and 0% dividend and forfeiture rates.

During the year ended December 31, 2022, the Company granted incentive stock options to purchase a total of 625,000 common shares at an exercise price of \$0.10, valid for five years expiring on March 31, 2027, to certain directors, and consultants. In connection to this stock option issuance, the Company recorded share-based compensation expense of \$20,625, based on the Black-Scholes Option Pricing Model, using a risk-free interest rate of 3.04%, share price of \$0.05, expected life of 5 years, volatility of 100%, and 0% dividend and forfeiture rates.

During the year ended December 31, 2022, the Company cancelled incentive stock options to purchase a total of 217,619 common shares priced at \$0.20, originally expiring March 7, 2029.

There can be no assurance of successfully completing future financings, successfully finding a project of merit and or achieving a public listing. The Company may need to raise further capital to continue operations, acquire a suitable project of merit, and pursue a public listing. Management is actively seeking such opportunities.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of December 31, 2023, there was a balance of \$16,006^{1,2,3} (December 31, 2022 - \$7,875¹) recorded to prepaid to company's controlled by directors and/or officers in connection to advance payment for the month of January 2024 for management services or office administration services. The balance due to related parties or company's controlled by related parties is \$nil (December 31, 2022 - \$13,144²) and \$7,843⁵ (2022 - \$nil) is advanced to a company controlled by a director of the Company to be expended on exploration and evaluation expenditures.

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

During the year ended December 31, 2023, the Company recorded transactions with related parties for management fees in the amount of \$94,500¹ (2022 - \$84,000¹) to a company controlled by the CEO, office facilities and professional fees of \$61,950² (2022 - \$41,500²) to a company controlled by a director, geological consulting services of \$2,700⁵ (2022 - \$nil) to a company controlled by a director, and corporate administration fees of \$31,500³ (2022 - \$nil) to a company controlled by a director recorded as compensation costs for key management personnel and companies related to them.

**BLACK PINE RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

During the year ended December 31, 2023, the Company recorded \$24,863 (2022 - \$16,500) in non-cash share-based compensation expense in connection to stock options granted to Directors and Officers of the Company (Note 7 to the financial statements).

1. Richard Drew Martel, VP Corporate Development, Director (January 9, 2018 – current)
2. Joe DeVries, Director
3. Keturah Nathe, Director
4. Richard Barnett, CFO
5. Richard Kern, Director

Amounts due to related parties consist of charges accrued for office administration, management fees and loans to the Company. These amounts are due to directors, officers, or companies controlled by directors or officers. These amounts are unsecured and are due on demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

OTHER MATTERS

Shares outstanding

At December 31, 2023, and the current date, the Company has 15,931,728 common shares outstanding.

Stock options

At December 31, 2023 and the current date, the Company has 1,513,054 stock options outstanding as further described in Note 7 to the financial statements.

Warrants

At December 31, 2023 and the current date, the Company has no warrants outstanding.

Directors

As at the current date, the Directors of the Company are: Richard Martel (President), Joe DeVries, Keturah Nathe, and Richard Kern.

FINANCIAL INSTRUMENTS, RISK MANAGEMENT, AND CAPITAL MANAGEMENT STRATEGY

Financial risk and capital management

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

**BLACK PINE RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements. There have been no changes to the Company's management of capital for the years presented.

Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as some of its mining and exploration operations are transacted in currencies other than the functional currency of the Company. If the Canadian dollar changes by ten percent against the US dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a \$nil change in profit or loss.

Classification of financial instruments

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount, due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

December 31, 2023	Level One
Cash	\$ 394,152
	\$ 394,152

December 31, 2022	Level One
Cash	\$ 839,079
	\$ 839,079

The carrying value of the accounts payable and accrued liabilities approximates the fair values because of the short-term nature of these instruments.

**BLACK PINE RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of developing and exploring mining resources and health technology. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

**SCHEDULE L
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF BLACK PINE FOR THE SIX MONTHS ENDED JUNE 30, 2024**

See attached.

**BLACK PINE RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
SIX MONTHS ENDED JUNE 30, 2024**

Date prepared: November 12, 2024

This management discussion and analysis (the “MDA”) of the financial position of Black Pine Resources Corp. (the “Company”), and results of operations prepared on November 12, 2024 should be read in conjunction with the audited financial statements for the year ended December 31, 2023 and the condensed interim financial statements for the period ended June 30, 2024. All monetary amounts referred to herein are in Canadian dollars unless otherwise stated. These financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company. These financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

FORWARD LOOKING STATEMENTS

Information contained in this MDA that is not historical fact may be considered “forward looking statements”. These forward-looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company’s objectives, goals or plans are forward looking statements. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Actual results could differ materially from those currently anticipated due to a number of factors, including such variables as fluctuation of exchange rate, legislative and other regulatory or political changes, competition in areas where the Company operates, and other factors discussed herein. Readers are cautioned not to place undue reliance on this forward-looking information.

OVERVIEW

Corporate Development

During the prior year, the Company commenced a change of business to mineral property acquisition, and exploration as further described below. As at June 30, 2024, the Company has an accumulated deficit of \$1,045,584 (December 31, 2023 - \$837,370).

Proposed Qualifying Transaction

On June 16, 2023, as amended on October 22, 2023, January 31, 2024 and May 21, 2024, the Company became party to a Definitive Agreement to complete a Qualifying Transaction “the Proposed Transaction” or “the Agreement” with Anquiro Financial Corp (“AFC”) and Anquiro Ventures Ltd. (“AVL”). The Company, AVL and AFC entered into a binding merger agreement, as amended, whereby AVL is anticipated to acquire the business of the Company.

Subsequent to the period ended June 30, 2024, to satisfy regulatory structuring requirements, the following transactions occurred on October 17, 2024:

- The Company and AVL have entered into a termination agreement with Anquiro Financial Corp. (“AQR AcquisitionCo”), terminating the previously announced transaction pursuant to the second amended and restated merger agreement dated May 21, 2024 (the “Original Agreement”).
- The Company and AVL have entered into a merger agreement (the “Merger Agreement”) with 1504671 B.C. Ltd. (“New AcquisitionCo”), whereby AVL is anticipated to acquire the business of the Company.

The Proposed Transaction, if completed, will constitute the Company’s “Qualifying Transaction” (as such term is defined in Policy 2.4 of the Exchange). Upon completion of the Proposed Transaction, the resulting issuer (the “Resulting Issuer”) will carry on the business of Black Pine and intends to list as a tier 2 mining issuer on the Exchange.

The Merger Agreement features near identical terms (other than (i) the replacement of AQR AcquisitionCo with New AcquisitionCo and (ii) the revision of the outside date of the Merger Agreement to February 28, 2025) to the previously terminated Original Agreement, pursuant to which AVL and the Company are anticipated to complete a three-cornered amalgamation, whereby New AcquisitionCo will amalgamate with the Company under the Business Corporations Act (British Columbia) (the “Proposed Transaction”).

BLACK PINE RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
SIX MONTHS ENDED JUNE 30, 2024

Subsequent to the period ended June 30, 2024, on November 12, 2024, AVL, New AcquisitionCo and the Company entered into an amending agreement to amend the Merger Agreement to, inter alia, increase the concurrent financing from up to 10,000,000 subscription receipts to a minimum of 11,000,000 subscription receipts and to confirm that a finder's fee of up to 10% of the gross proceeds of the concurrent financing will be payable from the escrowed proceeds on or after the date on which the escrowed funds will be released to the Company.

Concurrent Financing

In connection with the binding merger agreement, the Company will complete a private placement of up to 10,000,000 subscription receipts (the "Subscription Receipts") at a price per Subscription Receipt of \$0.10. Each Subscription Receipt will be converted into one unit of the Company comprised of one common share of the Company and one common share purchase warrant (a "BP Warrant"), exercisable to acquire one common share of the Company for a period of three years after its issuance at a price per share of \$0.20. The parties further provided clarity that if the price of the common shares of the post-Proposed Transaction Resulting Issuer exceeds \$0.28 over a period of eight consecutive trading dates commencing four months from the date of the issuance of the BP Warrant, then the Resulting Issuer may give notice in writing within 30 days of such occurrence to the holder of the BP Warrant (or the common share purchase warrants issued in exchange for the BP Warrants) (together, the "RI Warrants") that the RI Warrant shall expire at the accelerated expiry time, being 30 days from the date of the notice, unless previously exercised by the holder.

Furthermore, the Company has agreed to be responsible for all costs and charges incurred with respect to the Proposed Transaction.

The Proposed Transaction is a Non-Arm's Length Qualifying Transaction as the same parties and their Associates or Affiliates are Control Persons (as such aforementioned capitalized terms are defined in the policies of the Exchange) in both AVL and the Company. Furthermore, the Proposed Transaction may be considered a related party transaction (as such term is defined in Multilateral Instrument 61-101) because (a) Ms. Keturah Nathe (President, CEO and a director of AVL) is also a director of the Company, Mr. Joe DeVries (a director of AVL) is also a director of the Company, and Mr. Richard Barnett (a director of AVL) is also the CFO of the Company; and (b) the aggregated holdings of the issued and outstanding common shares of AVL and of the Company by Principals (as such term is defined 32798436v9 in the policies of the Exchange) of the Company exceed 20%.

Subject to satisfaction or waiver of the condition's precedent referred to herein and in the Merger Agreement, AVL and the Company anticipate that the Proposed Transaction will be completed no later than December 31, 2024. There is no assurance that the Proposed Transaction will be completed on the terms proposed herein or at all.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions, including but not limited to (i) the receipt of all necessary corporate approvals, (ii) the receipt of regulatory and Exchange approval for the Proposed Transaction to the extent as required by applicable law and policies of the Exchange; (iii) the filing with the applicable securities regulatory authorities of a filing statement or information circular regarding the Proposed Transaction, (iv) the receipt of conditional approval from the Exchange for the Proposed Transaction and the listing of the Resulting Issuer Shares upon completion of the Proposed Transaction; and (v) the completion of a name change. There can be no assurance that the Proposed Transaction will be completed on the terms proposed above or at all.

Sugarloaf Copper Project, New Mexico, USA

During the year ended December 31, 2022, the Company entered into a property option agreement to acquire an exploration and evaluation asset; the Company acquired a 100% interest in the Sugarloaf Copper Project located in New Mexico, USA. The terms of the option agreement are described below:

- (i) Reimbursement for documented expenditures, not to exceed US\$100,000 (paid), including the preparation of a NI 43-101 technical report (completed);
- (ii) Expending:
 - a) US\$300,000 in exploration funds by no later than the first anniversary date of the closing of a public listing event, and;

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- b) US\$500,000 in exploration funds by no later than the second anniversary date of the closing of a public listing event, and;
- c) A cumulative aggregate of US\$1,500,000 in exploration funds by no later than the third anniversary date of the closing of a public listing event, and;
- d) A cumulative aggregate of US\$3,000,000 in exploration funds by no later than the fourth anniversary date of the closing of a public listing event.

This property is subject to a 2.0% Net Smelter Return, and a cash payment of US\$1,000,000 payable to the vendor upon the project attaining commercial production.

As at June 30, 2024, the Company incurred a total of \$279,194 (December 31, 2023 - \$253,955) in expenditures on the property in connection to the option agreement.

The Company is pursuing a project of merit and a public listing and intends to raise capital through the issuance of common shares. The outcome of pursuing a project of merit and a public listing cannot be determined.

RESULTS OF OPERATIONS

At June 30, 2024, the Company had no continuing source of operating revenues and related expenditures.

During the six months ended June 30, 2024, the net loss was \$208,214 (June 30, 2023 - \$206,299). See the discussion below for explanations of the most significant variances.

SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Company's financial operations for the prior three fiscal years. For more detailed information, refer to the Company's financial statements for the years then ended.

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
	-\$ -	-\$ -	-\$ -
Total assets	676,956	1,028,759	1,207,334
Cryptocurrencies	-	-	-
Other assets	-	-	-
Working capital	393,924	810,874	1,145,263
Shareholders' equity	647,878	992,679	1,145,263
Revenues	-	-	-
Comprehensive income (loss)	(371,322)	(173,209)	204,779
Income (loss) per share – basic and diluted	(0.02)	(0.01)	0.02

Year ended December 31, 2023:

In the year ended December 31, 2023, the Company's total assets were \$676,956 (2022 - \$1,028,759), comprehensive loss of \$371,322 (2022 - \$173,209), and working capital of \$393,924 (2022 - \$810,874). The Company expended \$72,150 (2022 - \$181,805) in exploration and evaluation expenditures on the Sugarloaf Copper Project during the fiscal year.

Additionally, during the year ended December 31, 2023, the Company realized an increase in general and administration fees of \$61,709 (2022 - \$45,339) due to the increased services required to support the change of business and increase in business activity, professional fees increased to \$154,606 (2022 - \$19,403), as expenses in the current year include costs related to legal and auditing services in connection to the proposed transaction whereas the prior year included audit expenses for the year. In the current year, the Company incurred an increase in travel and related expenses of \$25,905 (2022 - \$nil) in connection to increased business travel during the year and share-based compensation expenses increased to \$26,521 (2022 - \$20,625) in connection to the issuance of stock options.

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Year ended December 31, 2022:

In the year ended December 31, 2022, the Company's total assets were \$1,028,759 (2021 - \$1,207,334), comprehensive loss of \$173,209 (2021 - \$204,779 - income), and working capital of \$810,874 (2021 - \$1,145,263). The variance in these items is a result of the Company's shift in strategic direction, change of business to mineral exploration and acquisition and pursuit of a public listing. In connection to this strategy, during the year ended December 31, 2022, the Company acquired a 100% interest in the Sugarloaf Copper Project by way of option agreement and expended \$181,805 (2021 - \$nil) in exploration and evaluation expenditures during the current year, where there were no comparable expenditures in the prior year.

Additionally, in December 2022, the Company realized an increase in general and administration fees of \$45,339 (2021 - \$24,388) due to the increased services required to support the change of business and increase in business activity, and a decrease in professional fees of \$19,403 (2021 - \$42,419), as expenses in the prior year included the costs to bring the Company's audits current. In the current year, the Company incurred shareholder communications expenses of \$6,695 (2021 - \$nil) in connection to creation of the website and share-based compensation expenses of \$20,625 (2021 - \$nil) in connection to the issuance of stock options, whereas there were no comparable costs in the prior year.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of selected financial information compiled from the quarterly unaudited financial statements for eight quarters ending June 30, 2024:

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Three months ended	- \$ -	- \$ -	- \$ -	- \$ -
Total assets	473,953	331,683	676,956	738,652
Cryptocurrencies	-	-	-	-
Other assets	-	-	-	-
Working capital	160,470	295,743	393,924	494,091
Long term debt	-	-	-	-
Shareholders' equity	439,664	566,891	647,878	729,050
Revenues	-	-	-	-
Net income (loss)	(127,227)	(80,987)	(81,173)	(83,851)
Income (loss) per share - basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)

	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Three months ended	- \$ -	- \$ -	- \$ -	- \$ -
Total assets	811,118	1,028,759	1,028,759	1,035,993
Cryptocurrencies	-	-	-	-
Other assets	-	-	-	-
Working capital	992,677	712,231	810,874	1,051,446
Long term debt	-	-	-	-
Shareholders' equity	812,890	894,789	992,679	1,051,446
Revenues	-	-	-	-
Net income (loss)	(81,890)	(124,409)	(48,769)	(32,770)
Income (loss) per share - basic and diluted	(0.01)	(0.01)	(0.00)	(0.00)

During the period ended June 30, 2024 and the years ended December 31, 2023 and 2022, the Company is a private company and prepares financial statements on an annual basis. Other than the factors leading to certain costs discussed above in the section "Results of Operations", management of the Company does not believe that meaningful information about the Company's operations can be derived from an analysis of quarterly fluctuations.

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SIX MONTHS ENDED JUNE 30, 2024

Significant variances between the period ended June 30, 2024 and 2023 are detailed as follows:

In the six months ended June 30, 2024, the net loss was \$208,214 (2023: \$206,299).

As a result of operations in the current period, the Company incurred \$25,239 (Dec 31, 2023 - \$72,150) of expenditures on its exploration and evaluation asset, the Sugarloaf Copper Project, acquired by way of option agreement during the year ended December 31, 2022.

Additionally, in the current period, the Company realized variances of an increase in general and administration fees of \$40,316 (2023 - \$21,542), an increase in transaction costs of \$14,149 (2023 - \$nil) and a decrease in professional fees of \$78,365 (2023 - \$83,613), the variance in these expenses is due to the usage of services required to support the change of business, legal, accounting, and business activities related to the transaction in the comparative periods. In the prior period, the Company incurred share-based compensation expenses of \$nil (2023 - \$26,521) in connection to the issuance of incentive stock options as further described in liquidity and capital resources below. During the current period, the Company incurred business development expenses of \$10,500 (2023 - \$nil) in connection to business development activities during the current period.

THREE MONTHS ENDED June 30, 2024

Significant variances between the period ended June 30, 2024 and 2023 are detailed as follows:

In the three months ended June 30, 2024, the net loss was \$127,227 (2023: \$81,890).

As a result of operations in the current period, the Company incurred \$8,046 (2023 - \$182,558) of expenditures on its exploration and evaluation asset, the Sugarloaf Copper Project, acquired by way of option agreement during the year ended December 31, 2022.

Additionally, in the current period, the Company realized variances of an increase in general and administration fees of \$20,270 (2023 - \$11,567), an increase in transaction costs of \$14,149 (2023 - \$nil), and an increase in professional fees of \$46,215 (2023 - \$32,051), the variance in these expenses is due to the usage of services required to support the change of business, legal, accounting, and business activities related to the transaction in the comparative periods. During the current period, the Company incurred business development expenses of \$10,500 (2023 - \$nil) in connection to business development activities during the current period.

LIQUIDITY AND CAPITAL RESOURCES

In the period ended June 30, 2024, significant cash flows are as follows:

Operating activities used cash flows of \$201,771 (2023: \$234,011), including an increase trade payables and accrued liabilities of \$5,211 (2023: \$37,862 decrease) and increase in prepaid expenses of \$1,232 (2023 - \$16,927 increase).

Investing activities used cash flows of \$25,239 (2023 - \$754) which include expenditures of the Sugarloaf Copper Project exploration and evaluation asset.

At June 30, 2024, the Company had working capital of \$174,618 (December 31, 2023 - \$393,923), and had an accumulated deficit of \$1,045,584 (December 31, 2023 - \$837,370).

During the period ended June 30, 2023, the Company granted incentive stock options to purchase a total of 800,000 common shares priced at \$0.10, expiring on February 17, 2028 to certain directors and consultants. In connection with this option issuance, the Company recorded share-based compensation of \$26,521, based on the Black-Scholes Option Pricing Model, using a risk-free interest rate of 3.45%, share price of \$0.05, exercise price of \$0.10, expected life of 5 years, volatility of 100%, and 0% dividend and forfeiture rates.

There can be no assurance of successfully completing future financings, successfully finding a project of merit and or achieving a public listing. The Company may need to raise further capital to continue operations, acquire a suitable project of merit, and pursue a public listing. Management is actively seeking such opportunities.

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RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of June 30, 2024, there was a balance of \$16,006^{1,2,3} (December 31, 2023 - \$16,006^{1,2,3}) recorded to prepaid to company's controlled by directors and/or officers in connection to advance payment for the month of July 2024 for management services or office administration services. The balance due to related parties or company's controlled by related parties is \$nil (December 31, 2023 - \$nil) and \$6,611⁵ (December 31, 2023 - \$7,843⁵) is advanced to a company controlled by a director of the Company to be expended on exploration and evaluation expenditures.

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

During the period ended June 30, 2024, the Company recorded transactions with related parties for management fees in the amount of \$47,250¹ (2023 - \$47,250¹) to a company controlled by the CEO, office facilities and professional fees of \$38,350² (2023 - \$18,350²) to a company controlled by a director, geological consulting services of \$9,196⁵ (2023 - \$2,948) to a company controlled by a director, and corporate administration fees of \$20,318³ (2023 - \$15,750) to a company controlled by a director recorded as compensation costs for key management personnel and companies related to them.

During the period ended June 30, 2024, the Company recorded \$nil (2023 - \$26,521) in non-cash share-based compensation expense in connection to stock options granted to Directors and Officers of the Company (Note 7 to the financial statements).

1. Richard Drew Martel, VP Corporate Development, Director
2. Joe DeVries, Director
3. Keturah Nathe, Director
4. Richard Barnett, CFO
5. Richard Kern, Director

Amounts due to related parties consist of charges accrued for office administration, management fees and loans to the Company. These amounts are due to directors, officers, or companies controlled by directors or officers. These amounts are unsecured and are due on demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

OTHER MATTERS

Shares outstanding

At June 30, 2024, and the current date, the Company has 15,931,728 common shares outstanding.

Stock options

At June 30, 2024 and the current date, the Company has 1,513,054 stock options outstanding as further described in Note 7 to the financial statements.

Warrants

At June 30, 2024 and the current date, the Company has no warrants outstanding.

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Directors

As at the current date, the Directors of the Company are: Richard Martel (President), Joe DeVries, Keturah Nathe, and Richard Kern.

FINANCIAL INSTRUMENTS, RISK MANAGEMENT, AND CAPITAL MANAGEMENT STRATEGY

Financial risk and capital management

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements. There have been no changes to the Company's management of capital for the years presented.

Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as some of its mining and exploration operations are transacted in currencies other than the functional currency of the Company. If the Canadian dollar changes by ten percent against the US dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a \$nil change in profit or loss.

Classification of financial instruments

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount, due to their short-term nature.

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Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

June 30, 2024	Level One
Cash	\$ 167,142
	\$ 167,142

December 31, 2023	Level One
Cash	\$ 394,152
	\$ 394,152

The carrying value of the accounts payable and accrued liabilities approximates the fair values because of the short-term nature of these instruments.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management’s best estimates using careful judgment. The selection of accounting principles and methods is management’s responsibility.

Management recognizes its responsibility for conducting the Company’s affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee’s role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company’s accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company’s management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of developing and exploring mining resources and health technology. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

SCHEDULE M AQR AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (the "**Committee**") is to assist the AQR 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:

- 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;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the AQR Board.

Composition

The Committee must be comprised of three directors as determined by the AQR Board, the majority of whom shall be free from any relationship that, in the opinion of the AQR Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

All members of the Audit Committee are financially literate and have a working familiarity with basic finance and accounting practices. For the purposes of this 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.

The members of the Committee are required to be elected by the AQR Board at its first meeting following the annual shareholders' meeting. Unless a Chairman is elected by the full AQR Board, the members of the Committee may designate a Chairman by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice 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 Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A 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.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the board of directors and the Committee as representatives of the shareholders.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (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, or recommend that the full board of directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the AQR Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, 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.
- (g) 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.

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 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) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

The Committee also reviews any related-party transactions.

**SCHEDULE N
NEW PLAN**

ANQUIRO VENTURES LTD.

(the "Company")

Fixed Equity Incentive Plan

Dated for Reference November 13, 2024

**ARTICLE 1
PURPOSE**

1.1 Purpose

The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company by Participants through the acquisition of Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with the policies of the Exchange and any inconsistencies between this Plan and policies of the Exchange will be resolved in favour of the latter.

**ARTICLE 2
INTERPRETATION**

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

"Affiliate" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 – *Prospectus Exemptions*, as amended from time to time;

"Associate" has the meaning set forth in the Securities Act;

"Award" means any Option, RSU, PSU, DSU or SAR granted under this Plan which may be denominated or settled in Shares or cash;

"Award Agreement" means a signed, written agreement between a Participant and the Company, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under this Plan (including written or other applicable employment agreements) and which need not be identical to any other such agreements;

"Blackout Period" means an interval of time formally imposed by the Company during which one or more Participants is prohibited from trading any securities of the Company as a result of the bona fide existence of undisclosed Material Information from time to time, including pursuant to the Company's insider trading policy and/or applicable laws;

"Board" means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Awards under this Plan as it may be constituted from time to time;

"Business Day" means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Vancouver, British Columbia are open for commercial business during normal banking hours;

"Canadian Taxpayer" means a Participant that is resident of Canada for purposes of the Tax Act;

"Cash Fees" has the meaning set forth in Subsection 7.1(a);

"Cashless Exercise" has the meaning set forth in Subsection 4.6(b);

"Cause" means, with respect to a particular Participant:

- (a) "cause" (or any similar term) as such term is defined in the employment or other written agreement between the Company or a subsidiary of the Company and the Employee;
- (b) in the event there is no written or other applicable employment or other agreement between the Company or a subsidiary of the Company or "cause" (or any similar term) is not defined in such agreement, "cause" as such term is defined in the Award Agreement; or
- (c) in the event neither (a) nor (b) apply, then "cause" as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where (i) an employer may terminate an individual's employment without notice or pay in lieu thereof or other damages, or (ii) the Company or any subsidiary thereof may terminate the Participant's contract without notice or without pay in lieu thereof or other termination fee or damages, except, in each case, to the extent required under ESL, and provided that the failure by a Participant to meet performance targets or similar measures shall not, in and of itself, constitute cause for purposes of such termination of employment or contract;

"Change in Control" means the occurrence of any one or more of the following events:

- (a) any transaction at any time and by whatever means pursuant to which any Person or any group of two (2) or more Persons acting jointly or in concert (other than the Company or a subsidiary of the Company) hereafter acquires the direct or indirect "beneficial ownership" (as determined pursuant to the Securities Act) of, or acquires the right to exercise Control or direction over, securities of the Company representing more than 50% of the total voting power represented by the then issued and outstanding voting securities of the Company, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Company with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
- (b) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Company to a Person other than an Affiliate of the Company;
- (c) the dissolution or liquidation of the Company, other than in connection with the distribution of assets of the Company to one (1) or more Persons which were Affiliates of the Company prior to such event; or
- (d) the occurrence of a transaction requiring approval of the Company's shareholders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a subsidiary of the Company),

provided that, notwithstanding clauses (a), (b), (c) and (d) above, a Change in Control shall be deemed not to have occurred if immediately following the transaction set forth in clauses (a), (b), (c) or (d) above, the holders of securities of the Company that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Company hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Company in a transaction contemplated in clause (b) above) (the "**Surviving Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees ("**voting power**") of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the "**Parent Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, (any such transaction which satisfies all of the criteria specified above being referred to as a "**Non-**

Qualifying Transaction" and, following the Non-Qualifying Transaction, references in this definition of "Change in Control" to the "Company" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "Board" shall mean and refer to the board of directors or trustees, as applicable, of such entity).

"Committee" has the meaning set forth in Section 3.2(b);

"Consultant" has the meaning set forth in Policy 4.4;

"Control" means the relationship whereby a Person is considered to be "controlled" by a Person if:

- (a) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
- (b) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
- (c) when applied in relation to a trust, the beneficial ownership at the relevant time of more than 50% of the property settled under the trust, and
- (d) the words "Controlled by", "Controlling" and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;

"Company" means Anquiro Ventures Ltd., a corporation duly incorporated under the laws of the Province of British Columbia, and its Affiliates, if any, and as the context requires, and includes any successor or assignee entity or entities into which the Company may be merged, changed, or consolidated; any entity for whose securities the securities of the Company shall be exchanged; and any assignee of or successor to substantially all of the assets of the Company;

"Date of Grant" means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;

"Deferred Share Unit" or "DSU" means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Company in accordance with Article 7;

"Director" means a director of the Company or a subsidiary of the Company who is not an Employee;

"Disabled" or "Disability" means, with respect to a particular Participant:

- (a) "disabled" or "disability" (or any similar terms) as such terms are defined in the employment or other written agreement between the Company or a subsidiary of the Company and the Participant;
- (b) in the event there is no written or other applicable employment or other agreement between the Company or a subsidiary of the Company, or "disabled" or "disability" (or any similar terms) are not defined in such agreement, "disabled" or "disability" as such term are defined in the Award Agreement; or
- (c) in the event neither (a) or (b) apply, then the incapacity or inability of the Participant, by reason of mental or physical incapacity, disability, illness or disease (as determined by a

legally qualified medical practitioner or by a court) that prevents the Participant from carrying out his or her normal and essential duties as an Employee, Director or Consultant for a continuous period of six months or for any cumulative period of 180 days in any consecutive twelve month period and is expected to continue, the foregoing subject to and as determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;

"Discounted Market Price" has the meaning set forth in Policy 1.1;

"Effective Date" means the effective date of this Plan, being the date of the completion of the Qualifying Transaction (as defined in the policies of the TSX Venture Exchange) with Black Pine Resources Corp., pursuant to a merger agreement dated October 17, 2024, between the Company, Black Pine Resources Corp., and 1504671 B.C. Ltd., a wholly owned subsidiary of the Company;

"Elected Amount" has the meaning set forth in Subsection 7.1(a);

"Electing Person" means a Participant who is, on the applicable Election Date, designated by the Plan Administrator as an Electing Person pursuant to this Plan;

"Election Date" means the date on which the Electing Person files an Election Notice in accordance with Subsection 7.1(b);

"Election Notice" has the meaning set forth in Subsection 7.1(b);

"Employee" has the meaning set forth in Policy 4.4;

"ESL" means the employment standards legislation, as amended or replaced, applicable to a Participant who is an Employee or Officer;

"Exchange" means the TSXV and any other exchange on which the Shares are or may be listed from time to time;

"Exercise Notice" means a notice in writing in the form of Schedule A hereto, signed by a Participant and stating the Participant's intention to exercise a particular Option;

"Exercise Price" means the price at which an Option Share may be purchased pursuant to the exercise of an Option;

"Expiry Date" means, in respect of Options, the expiry date specified in the Award Agreement for an Option (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;

"Insider" means an "insider" as defined in the rules of the Exchange from time to time;

"Investor Relations Service Provider" has the meaning ascribed to such term in Policy 4.4;

"Market Price" at any date in respect of the Shares shall be the volume weighted average trading price of the Shares on the Exchange, for the five (5) trading days immediately preceding the Date of Grant (or, if such Shares are not then listed and posted for trading on the Exchange, on such stock exchange on which the Shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;

"Material Information" has the meaning set forth in Policy 1.1;

"Officer" means an Employee who is considered by the Company as an officer of the Company or a subsidiary of the Company;

"Option" means a right to purchase Shares under Article 4 of this Plan that is non-assignable and non-transferable, unless otherwise approved by the Plan Administrator;

"Option Shares" means Shares issuable by the Company upon the exercise of outstanding Options;

"Participant" means a Director, Officer, Employee or Consultant to whom an Award has been granted under this Plan;

"Participant's Employer" means with respect to a Participant that is or was an Employee, the Company or such subsidiary of the Company as is or, if the Participant has ceased to be employed by the Company or such subsidiary of the Company, was the Participant's Employer;

"Performance Goals" means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Company, a subsidiary of the Company, a division of the Company or a subsidiary of the Company, or an individual, or may be applied to the performance of the Company or a subsidiary of the Company relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

"Performance Share Unit" or "PSU" means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Company in accordance with Article 6;

"Person" means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

"Plan" means this Equity Incentive Plan, as may be amended from time to time;

"Plan Administrator" means the Person or Persons determined by the Board, which will initially be the Board, or if the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

"Policy 1.1" means the TSXV's Policy 1.1 – *Interpretation* as the same may be amended from time to time;

"Policy 4.4" means the TSXV's Policy 4.4 – *Security Based Compensation* as the same may be amended from time to time;

"PSU Service Year" has the meaning set forth in Section 6.1;

"Restricted Share Unit" or "RSU" means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Company in accordance with Article 5;

"Retirement" means, with respect to a particular Participant:

- (a) "retirement" (or any similar term) as such term is defined in the employment or other written agreement between the Company or a subsidiary of the Company and the Participant;
- (b) in the event there is no written or other applicable employment or other agreement between the Company or a subsidiary of the Company, or "retirement" is not defined in such agreement, "retirement" as such term is defined in the Award Agreement; or
- (c) in the event neither (a) or (b) apply, the voluntary cessation of a Participant's employment with the Company, provided that, as at the Termination Date (i) the Participant's age is at

least sixty-five (65) and the Participant has at least ten years of service with the Company or a subsidiary of the Company, (ii) the Participant is not receiving or otherwise entitled to compensation in lieu of notice of termination, severance or similar payments, and (iii) the Participant has agreed in writing not to work for a competitor of the Company for a period of at least two (2) years following the Termination Date;

"RSU Service Year" has the meaning set forth in Section 5.1;

"SAR Exercise Price" has the meaning set forth in Section 8.3;

"SAR Fair Market Value" means, for the purpose of determining the SAR Exercise Price for any SAR, unless otherwise determined by the Plan Administrator in its discretion to the extent permitted by the policies of the Exchange, the Market Price on the day immediately prior to the date such SAR is granted;

"SAR Service Year" has the meaning set forth in Section 8.1;

"Securities Act" means the *Securities Act* (British Columbia);

"Securities Laws" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Company or to which it is subject;

"Share" means one (1) common share in the capital of the Company as constituted on the Effective Date, or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, or after an adjustment contemplated by Article 11, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

"Stock Appreciation Right" or **"SAR"** means a stock appreciation right granted to a Participant pursuant to the Plan in accordance with Article 8;

"subsidiary" means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Company has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary;

"Target Performance" has the meaning given to it in Section 6.3;

"Tax Act" means the *Income Tax Act* (Canada);

"Termination Date" means, subject to applicable law which cannot be waived:

- (a) in the case of an Employee or Officer whose employment with the Company or a subsidiary of the Company terminates (regardless of whether the termination is lawful or unlawful, with or without Cause, and whether it is the Participant or the Company or a subsidiary of the Company that initiates the termination), the later of: (i) if and only to the extent required to comply with the minimum standards of ESL, the date that is the last day of any applicable minimum statutory notice period applicable to the Employee or Officer pursuant to ESL, if any; and (ii) the date designated by the Employee or Officer and such Participant's Employer as at the last day of such Employee's or Officer's employment, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; and, for the avoidance of any doubt, the parties intend to displace the presumption that the Participant has any entitlements in respect of the Plan or any Options, RSUs, PSUs or DSUs during any period of reasonable notice of termination under common law or civil law in the case of either (i) or (ii), without regard to any applicable period of reasonable notice or contractual notice to which the Participant may claim to be entitled under common law, civil law or pursuant to contract in respect of a period that follows the last day that the Participant actually and actively provides services to the Company or a subsidiary of the Company, as

specified in the notice of termination provided by the Employee or Officer or the Participant's Employer, as the case may be;

- (b) in the case of a Consultant whose agreement or arrangement with the Company or a subsidiary of the Company terminates, (i) the date designated by the Company or the subsidiary of the Company, as the "Termination Date" (or similar term) or expiry date in a written agreement between the Consultant and the Company or a subsidiary of the Company, or (ii) if no such written agreement exists, the date designated by the Company or a subsidiary of the Company, as the case may be, on which the Consultant ceases to be a Consultant or a service provider to the Company or the subsidiary of the Company, as the case may be, or on which the Participant's agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant's consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given; in any event, the "Termination Date" shall be determined without including any period of notice that the Company or the subsidiary of the Company (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, termination fees or other damages paid or payable to the Participant; and
- (c) in the case of a Director, the date such individual ceases to be a Director, unless the individual continues to be a Participant in another capacity.

"**TSXV**" means the TSX Venture Exchange;

"**U.S.**" or "**United States**" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as may be amended and the rules and regulations promulgated thereunder; and

"**VWAP**" mean the volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the applicable date.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term "discretion" means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and *vice versa* and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

Subject to the terms herein, this Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants of Awards under the Plan may be made;
- (b) make grants of Awards under the Plan relating to the issuance of Shares (including any combination of Options, RSUs, PSUs, DSUs or SARs) in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which:
 - (A) Awards may be granted to Participants; or
 - (B) Awards may be forfeited to the Company,including any conditions relating to the attainment of specified Performance Goals;
 - (iii) the number of Shares to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
 - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

3.2 Delegation to Committee

- (a) The initial Plan Administrator shall be the Board.

- (b) To the extent permitted by applicable law, the Board may, from time to time, assume or delegate to any committee of the Board (the "**Committee**") all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Company or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party.

3.3 Determinations Binding

Any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Company and its subsidiaries, the affected Participant(s), their legal and personal representatives and all other Persons.

3.4 Eligibility

All *bona fide* Directors, Officers, Employees and Consultants are eligible to participate in the Plan, subject to Section 10.1(f). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Director, Officer, Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Director, Officer, Employee or Consultant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the discretion of the Plan Administrator. By his, her or its participation in the Plan, for so long as the Shares are listed and posted for trading on the TSXV, each of the Company and the Participant represents and warrants that the Participant is a *bona fide* Director, Officer, Employee and/or Consultant eligible to participate in the Plan pursuant to Policy 4.4.

3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Company shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Company is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Company in complying with such legislation, rules, regulations and policies.

3.6 Total Shares Subject to Awards

- (a) The aggregate number of Shares that may be reserved for issuance under this Plan, at any time, shall not exceed 4,714,759.
- (b) For the avoidance of doubt, any Shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall be subject to the limits on grant prescribed herein.
- (c) Awards that were settled in cash, cancelled, terminated, surrendered, forfeited, or expired without being exercised or settled, and pursuant to which no securities have been issued, will continue to be issuable under the Plan.

3.7 Limits on Grants of Awards

Notwithstanding anything in this Plan, the granting of Awards shall be subject to the following conditions:

- (a) for so long as the Shares are listed and posted for trading on the TSXV, not more than two (2%) percent of the Company's issued and outstanding Shares as of the Date of Grant may be granted to any one Consultant in any 12 month period;
- (b) for so long as the Shares are listed and posted for trading on the TSXV, not more than an aggregate of two (2%) percent the Company's issued and outstanding Shares may be granted in aggregate to Investor Relations Service Providers in any 12 month period;
- (c) for so long as the Shares are listed and posted for trading on the TSXV, unless the Company has obtained disinterested shareholder approval, not more than five (5%) percent of the Company's issued and outstanding Shares as of the Date of Grant may be issued to any one Person in any 12 month period;
- (d) for so long as the Shares are listed and posted for trading on the TSXV, unless the Company has obtained disinterested shareholder approval, the Company shall not decrease the Exercise Price or extend the term of Options previously granted to Insiders;
- (e) for so long as the Shares are listed and posted for trading on the TSXV, unless the Company has obtained disinterested shareholder approval, the aggregate number of Shares issuable to Insiders (as a group) at any time under this Plan, shall not exceed ten (10%) percent of the Company's issued and outstanding Shares;
- (f) for so long as the Shares are listed and posted for trading on the TSXV, unless the Company has obtained disinterested shareholder approval, the aggregate number of Shares issuable to Insiders (as a group) within any one (1) year period under this Plan shall not exceed ten (10%) percent of the Company's issued and outstanding Shares calculated as of the date such Award is granted or issued to such Insider;
- (g) for so long as the Shares are listed and posted for trading on the TSXV, no types of Awards other than Options may be granted to Investor Relations Service Providers; and
- (h) the Plan Administrator shall not grant any Awards that may be denominated or settled in Shares to residents of the United States unless such Awards and the Shares issuable upon exercise thereof are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

If disinterested shareholder approval is required, the proposed grant(s) or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting, excluding votes attaching to shares beneficially owned by: (i) Insiders to whom options may be granted under the Plan; and (ii) Associates and Affiliates of such Insiders.

3.8 Hold Period

All Awards and any Shares issued on the exercise of Awards may be subject to and legended with a four month hold period commencing on the date the Awards were granted pursuant to the rules of the Exchange and applicable securities laws. Any Shares issued on the exercise of Awards may be subject to resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Shares.

3.9 Awards Granted to Corporations

Except in relation to a Consultant that is a corporation, Awards may only be granted to an individual or a corporation that is wholly-owned a Director, Officer, Employee or Consultant. For so long as the Shares are listed and posted for trading on the TSXV, if a corporation is a Participant receiving Awards, it must provide the TSXV with a completed *Certification and Undertaking Required from a Company Granted Security Based Compensation* in the form of Schedule "A" to TSXV Form 4G – *Summary Form – Security Based Compensation*. The Company must agree not to effect or permit any transfer of ownership or option of shares of the Company nor to issue further shares of any class in the Company to any other individual or entity as long as the Award remains outstanding, except with the written consent of the Exchange.

3.10 Award Agreements

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Company is authorized and empowered to execute and deliver, for and on behalf of the Company, an Award Agreement to each Participant granted an Award pursuant to this Plan.

3.11 Non-Transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding Award pass to a beneficiary or legal representative upon death of a Participant, the period in which such Award can be exercised by such beneficiary or legal representative shall not exceed one year from the Participant's death.

ARTICLE 4 OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Director, Officer, Employee or Consultant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement. Notwithstanding any of the foregoing provisions, the Plan Administrator may authorize the grant of an Option to a person not then in the employ of the Company or of its subsidiary, conditioned upon such person becoming a Director, Officer, Employee or Consultant at or prior to the Date of Grant of such Option.

4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, provided that, for so long as the Shares are listed and posted for trading on the TSXV, the Exercise Price must in all cases be not less than the Discounted Market Price on the Date of Grant.

4.3 Term of Options

- (a) Subject to any accelerated vesting or termination as set forth in this Plan, each Option expires on its Expiry Date, which may not be later than the close of business ten (10) years from the Date of Grant.
- (b) Upon the Expiry Date, the Options granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which the Option hereby granted has not then been exercised.

4.4 Vesting

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options.
- (b) Notwithstanding the foregoing, all Options granted to Investor Relations Service Providers pursuant to this Plan shall vest and become fully exercisable as follows or as determined by the Plan Administrator when the Option is granted, but in any event, such Options shall not vest any sooner than:
 - (i) one quarter ($\frac{1}{4}$) of the Options on the date which is three (3) months from the Date of Grant;
 - (ii) one quarter ($\frac{1}{4}$) of the Options on the date which is six (6) months from the Date of Grant;
 - (iii) one quarter ($\frac{1}{4}$) of the Options on the date which is nine (9) months from the Date of Grant; and
 - (iv) the final one quarter ($\frac{1}{4}$) of the Options on the date which is twelve (12) months from the Date of Grant.
- (c) Notwithstanding anything to the contrary in the Plan, no more than one quarter ($\frac{1}{4}$) of such Options granted to Investor Relations Service Providers may vest in any three month period.

4.5 Exercisability

- (a) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, consulting agreement, Award Agreement or other written agreement between the Company or a subsidiary of the Company and the Participant. Each vested Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable. Notwithstanding the foregoing, the acceleration of the date upon which any Options granted to Investor Relations Service Providers becomes exercisable will be subject to the prior approval of the TSXV.
- (b) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Company.
- (c) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

4.6 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, wire transfer, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Plan Administrator, which, to the extent permitted by and otherwise subject to the rules and policies of the Exchange, may include through the Cashless Exercise process set out in Section 4.6(b). The Plan Administrator may at any time or from time to time grant Options which do not permit all of the foregoing

forms of consideration to be used in payment of the Exercise Price or which otherwise restrict one or more forms of consideration.

- (b) Subject to the Company having established a program or procedure pursuant to this Section 4.6(b), a Participant may elect to exercise such Options on a cashless basis (a "**Cashless Exercise**"). A "Cashless Exercise" means the exercise of an Option where the Company has an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to the Participant to purchase the Shares underlying the Option and then the brokerage firm sells a sufficient number of Shares to cover the exercise price of the Option in order to repay the loan made to the Participant and receives an equivalent number of Shares from the exercise of the Options as were sold to cover the loan and the Participant then receives the balance of the Shares or the cash proceeds from the balance of the Shares. Pursuant to a Cashless Exercise, a Participant shall deliver a properly executed Exercise Notice together with irrevocable instructions to a broker providing for assignment to the Company of the proceeds of a sale or loan with respect to some or all of the Shares being acquired upon the exercise of the Option. The Company reserves the right, in the Company's sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise, including with respect to one or more Participants specified by the Company notwithstanding that such program or procedures may be available to other Participants.

ARTICLE 5 RESTRICTED SHARE UNITS

5.1 Granting of RSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of services rendered by the applicable Participant in a taxation year (the "**RSU Service Year**"). The terms and conditions of each RSU grant may be evidenced by an Award Agreement. Each RSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.
- (b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any payment that is to be paid in RSUs (including the elected amount as applicable), as determined by the Plan Administrator, by (ii) the greater of (A) the Market Price of a Share on the Date of Grant; (B) such amount as determined by the Plan Administrator in its discretion; and (C) for so long as the Shares are listed and posted for trading on the TSXV, the Discounted Market Price of a Share on the Date of Grant.

5.2 RSU Account

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Company, as of the Date of Grant.

5.3 Vesting of RSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that, for so long as the Shares are listed and posted for trading on the TSXV, no RSUs may vest before the date that is one year following the Date of Grant.

5.4 Settlement of RSUs

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs. Except as otherwise provided in an Award Agreement, on the settlement date for any RSU, each vested RSU shall be redeemed for:
- (i) one (1) fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,
- in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 5.4 by the Company to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the greater of: (i) the Market Price per Share; and (ii) for so long as the Shares are listed and posted for trading on the TSXV, the Discounted Market Price, in each case as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Company's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan and except as otherwise provided in an Award Agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 5.4 any later than the final Business Day of the third calendar year following the applicable RSU Service Year.
- (e) No RSU holder who is resident in the United States may settle RSUs for Shares unless the Shares issuable upon settlement of the RSUs are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

ARTICLE 6 PERFORMANCE SHARE UNITS

6.1 Granting of PSUs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of services rendered by the applicable Participant in a taxation year (the "**PSU Service Year**"). The terms and conditions of each PSU grant shall be evidenced by an Award Agreement. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

6.2 Terms of PSUs

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a Participant's employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

6.3 Performance Goals

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the Performance Goals as necessary to align them with the Company's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) ("**Target Performance**"), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

6.4 PSU Account

All PSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Company, as of the Date of Grant.

6.5 Vesting of PSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs, provided that, for so long as the Shares are listed and posted for trading on the TSXV, no PSUs may vest before the date that is one year following the Date of Grant.

6.6 Settlement of PSUs

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSUs. Except as otherwise provided in an Award Agreement, on the settlement date for any PSU, each vested PSU shall be redeemed for:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct;
 - (ii) a cash payment; or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 6.6 by the Company to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the greater of: (i) the Market Price per Share; and (ii) for so long as the Shares are listed and posted for trading on the TSXV, the Discounted Market Price, in each case as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested PSUs may be made through the Company's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan and except as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 6.6 any later than the final Business Day of the third calendar year following the applicable PSU Service Year.
- (e) No PSU holder who is resident in the United States may settle PSUs for Shares unless the Shares issuable upon settlement of the PSUs are registered under the U.S. Securities Act

or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

ARTICLE 7 DEFERRED SHARE UNITS

7.1 Granting of DSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, determine that a portion of the compensation payable to a Participant be payable in the form of DSUs. Additionally, subject to the prior approval of the Plan Administrator, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 7.1(b) to participate in the grant of additional DSUs pursuant to this Article 7. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 7 shall receive their Elected Amount (as that term is defined below) in the form of DSUs. The "**Elected Amount**" shall be an amount, as elected by the Electing Person, in accordance with applicable tax law, between 0% and 100% of any compensation that would otherwise be paid in cash (the "**Cash Fees**").
- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs will be required to file a notice of election in the form of Schedule B hereto (the "**Election Notice**") with the Chief Financial Officer of the Company: (i) in the case of an existing Electing Person, by December 31st in the year prior to the year to which such election is to apply (other than for compensation payable for the 2022 financial year, in which case any Electing Person shall file the Election Notice by the date that is 30 days from the Effective Date with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly designated Electing Person, within 30 days of such designation with respect to compensation paid for services to be performed after such date. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Cash Fees in cash.
- (c) Subject to Subsection 7.1(d), the designation of an Electing Person under Subsection 7.1(b) shall be deemed to apply to all Cash Fees paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years.
- (d) Each Electing Person is entitled once per calendar year to terminate his or her election to receive DSUs by filing with the Chief Financial Officer of the Company a termination notice in the form of Schedule C hereto. Such termination shall be effective immediately upon receipt of such notice, provided that the Company has not imposed a Blackout Period. Thereafter, any portion of such Electing Person's Cash Fees payable or paid in the same calendar year and, subject to complying with Subsection 7.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 7, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs again until the calendar year following the year in which the termination notice is delivered.
- (e) Any DSUs granted pursuant to this Article 7 prior to the delivery of a termination notice pursuant to Section 7.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 7 will be calculated by dividing (i) the amount of any compensation that is to be paid in DSUs (including any Elected Amount), by (ii) the greater of: (A) the Market Price

of a Share on the Date of Grant; and (B) for so long as the Shares are listed and posted for trading on the TSXV, the Discounted Market Price of a Share on the Date of Grant.

- (g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.
- (h) For avoidance of doubt, all DSUs granted pursuant to the Plan shall be subject to the limits on grant prescribed herein.

7.2 DSU Account

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Company, as of the Date of Grant. The terms and conditions of each DSU grant may be evidenced by an Award Agreement.

7.3 Vesting of DSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of DSUs, provided that, for so long as the Shares are listed and posted for trading on the TSXV, no DSUs may vest before the date that is one year following the Date of Grant.

7.4 Settlement of DSUs

- (a) DSUs shall be settled on the date established in the Award Agreement; provided, however that if there is no Award Agreement or the Award Agreement does not establish a date for the settlement of the DSUs, then, the settlement date shall be the date determined by the Participant; provided that, in the case of a Participant who is a Canadian Taxpayer, the settlement date shall be no earlier than the date on which the Participant ceases to be a Director and no later than the last Business Day of the immediately following calendar year. On the settlement date for any DSU, each vested DSU shall be redeemed for:
 - (i) one (1) fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct;
 - (ii) a cash payment; or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 7.4 by the Company to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the greater of: (i) the Market Price per Share; and (ii) for so long as the Shares are listed and posted for trading on the TSXV, the Discounted Market Price, in each case as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested DSUs may be made through the Company's payroll or in such other manner as determined by the Company.
- (d) No DSU **holder** who is resident in the United States may settle DSUs for Shares unless the Shares issuable upon settlement of the DSUs are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

7.5 No Additional Amount or Benefit

For greater certainty, neither a Director to whom DSUs are granted nor any person with whom such Director does not deal at arm's length (for purposes of the Tax Act) shall be entitled, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the fair market value of the Shares to which the DSUs relate.

ARTICLE 8 STOCK APPRECIATION RIGHTS

8.1 Granting of SARs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant SARs to any Participant in respect of services rendered by the applicable Participant in a taxation year (the "**SAR Service Year**"). The terms and conditions of each SAR grant shall be evidenced by an Award Agreement. Each SAR will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 8.4(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

8.2 Vesting of SARs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of SARs, provided that, for so long as the Shares are listed and posted for trading on the TSXV, no SARs may vest before the date that is one year following the Date of Grant.

8.3 SAR Exercise Price

The exercise price per Share under each SAR (the "**SAR Exercise Price**") shall be the fair market value of the Shares, expressed in terms of money, as determined by the Plan Administrator, in its sole discretion, provided that such price may not be less than the SAR Fair Market Value or such other minimum price as may be permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Exchange.

8.4 Settlement of SARs

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of SARs. Except as otherwise provided in an Award Agreement, on the settlement date for any SAR, each vested SAR shall be redeemed for:
- (i) that number or fraction of fully paid and non-assessable Shares issued from treasury to the Participant or as the Participant may direct as is equal to a fraction, the numerator of which is the Market Price minus the SAR Exercise Price and the denominator of which is the Market Price,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,
- in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 8.4 by the Company to a Participant in respect of SARs to be redeemed for cash shall be calculated by multiplying the number of Shares issuable on settlement of the SARs pursuant to Section 8.4(a) in respect of SARs

to be redeemed for cash by the greater of: (i) the Market Price per Share; and (ii) for so long as the Shares are listed and posted for trading on the TSXV, the Discounted Market Price, in each case as at the settlement date.

- (c) Payment of cash to Participants on the redemption of vested SARs may be made through the Company's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan and except as otherwise provided in an Award Agreement, no settlement date for any SAR shall occur, and no Share shall be issued or cash payment shall be made in respect of any SAR, under this Section 8.4 any later than the final Business Day of the third calendar year following the applicable SAR Service Year.
- (e) No SAR holder who is resident in the United States may settle SARs for Shares unless the Shares issuable upon settlement of the SARs are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

ARTICLE 9 ADDITIONAL AWARD TERMS

9.1 Dividend Equivalents

- (a) Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, an Award of RSUs, PSUs, DSUs and SARs shall include the right for such RSUs, PSUs, DSUs and SARs to be credited with dividend equivalents in the form of additional RSUs, PSUs, DSUs and SARs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs, DSUs and SARs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's account shall vest in proportion to the RSUs, PSUs, DSUs and SARs to which they relate, and shall be settled in accordance with Subsections 5.4, 6.6, 7.4 and 8.4 respectively.
- (b) The foregoing does not obligate the Company to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.
- (c) For avoidance of doubt, all additional RSUs, PSUs, and DSUs credited as dividend equivalents pursuant to the Plan shall be subject to the limits on grant prescribed herein. In the event the issuance of additional RSUs, PSUs, and DSUs credited as dividend equivalents pursuant to the Plan shall otherwise result in a breach of the terms of the Plan, the Plan Administrator shall be entitled to make a binding determination with respect to the settlement of such dividend equivalents whether by payment of cash, in its sole and binding discretion.

9.2 Blackout Period

If an Award expires during a routine or special trading Blackout Period, then, notwithstanding any other provision of this Plan, unless the delayed expiration would result in negative tax consequences, the Award shall expire five (5) Business Days after the Blackout Period is lifted by the Company; and provided that, (i) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (ii) the automatic extension of an Award will not be permitted where the Participant or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company's securities.

9.3 Withholding Taxes

Notwithstanding any other terms of this Plan, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Company the minimum amount as the Company or a subsidiary of the Company is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Company or a subsidiary of the Company, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Company or any Affiliate may (a) withhold such amount from any remuneration or other amount payable by the Company or any Affiliate to the Participant, (b) require the sale, on behalf of the applicable Participant, of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Company of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

9.4 Recoupment

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Company or the relevant subsidiary of the Company, or as set out in the Participant's employment agreement, consulting agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The adoption of any clawback, recoupment or similar policy is subject to the prior approval of the Exchange. The Plan Administrator may at any time waive the application of this Section 9.4 to any Participant or category of Participants.

ARTICLE 10 TERMINATION OF EMPLOYMENT OR SERVICES

10.1 Termination of Officer, Employee, Consultant or Director

Subject to Section 10.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, consulting agreement, Award Agreement or other written agreement:

- (a) where a Participant's employment, consulting or other agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant, termination by the Company or a subsidiary of the Company (whether such termination occurs for, or without Cause, with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then, subject to applicable law that cannot be waived by the Participant:
 - (i) each Award held by the Participant that has not vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards; and
 - (ii) each Award held by a Participant that has vested may, subject to Sections 5.4(d) and 6.6(d) (where applicable), be exercised, settled or surrendered to the Company by the Participant at any time during the period that terminates on the date that is 90 days after the Termination Date. Any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards;

- (b) where a Participant's employment, consulting or other agreement or arrangement is terminated by reason of the death of the Participant, then each Award held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date and may, subject to Sections 5.4(d), 6.6(d) and 8.4(d) (where applicable), be exercised, settled or surrendered to the Company by the Participant at any time during the period that terminates on the first anniversary of the date of the death of such Participant provided that with respect to any PSUs held by such Participant, the attainment of Performance Goals shall be assessed on the basis of actual achievement of the Performance Goals up to the date of death of such Participant, if the applicable performance period has been completed and the Company can determine if the Performance Goals have been attained, failing which the Company will assume Target Performance. Any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards;
- (c) where a Participant's employment, consulting or other agreement, or arrangement terminates on account of him or her becoming Disabled, then any Award held by the Participant that has not vested as of the date of the Disability of such Participant shall continue to vest for a period of twelve (12) months following the date of such Disability in accordance with its terms and, if any such Awards vest, shall be exercised, settled or surrendered to the Company by the Participant in accordance with this Plan; provided that with respect to any PSUs held by such Participant, the attainment of Performance Goals shall be assessed on the basis of actual achievement of the Performance Goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the Performance Goals have been attained, failing which the Company will assume Target Performance. Notwithstanding the foregoing, if, following his or her Disability, the Participant breaches the terms of any restrictive covenant in the Participant's written or other applicable employment or other agreement with the Company or a subsidiary of the Company, any Award held by the Participant that has not been exercised, surrendered or settled shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards. For avoidance of doubt, if any Awards have not: (i) vested; or (ii) been exercised, settled or surrendered to the Company by the Participant in accordance with this Plan, in each case, prior to the twelve (12) month anniversary of the date of Disability, all such unvested and/or unexercised, unsettled or unsurrendered Awards shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards;
- (d) where a Participant's employment, consulting or other agreement or arrangement is terminated due to Retirement, then each Award held by the Participant that has not vested as of the date of such Retirement shall continue to vest for a period of twelve (12) months following the date of such Retirement in accordance with its terms and, if any such Awards vest, shall be exercised, settled or surrendered to the Company by the Participant in accordance with this Plan; provided that with respect to any PSUs held by such Participant, the attainment of Performance Goals shall be assessed on the basis of actual achievement of the Performance Goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the Performance Goals have been attained, failing which the Company will assume Target Performance. Notwithstanding the foregoing, if, following his or her Retirement, the Participant breaches the terms of any restrictive covenant in the Participant's written or other applicable employment or other agreement with the Company or a subsidiary of the Company, any Award held by the Participant that has not been exercised, surrendered or settled shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards. For avoidance of doubt, if any Awards have not: (i) vested; or (ii) been exercised, settled or surrendered to the

Company by the Participant in accordance with this Plan, in each case, prior to the twelve (12) month anniversary of the date of Retirement, all such unvested and/or unexercised, unsettled or unsurrendered Awards shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards;

- (e) a Participant's eligibility to receive further grants of Awards under this Plan ceases as of the earliest of the following:
 - (i) the Termination Date; or
 - (ii) the date of the death, Disability, Retirement or the date notice is given of the resignation of the Participant; and
- (f) notwithstanding Subsection 10.1(a), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Company or a subsidiary of the Company for so long as the Participant continues to be a Director, Officer, Employee or Consultant, as applicable, of the Company or a subsidiary of the Company.

10.2 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 10.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, consulting agreement, Award Agreement or other written agreement between the Company or a subsidiary of the Company and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator. Notwithstanding the foregoing, for so long as the Shares are listed and posted for trading on the Exchange, the Plan Administrator may only permit the acceleration of vesting Awards in compliance with Policy 4.4.

ARTICLE 11 EVENTS AFFECTING THE COMPANY

11.1 General

The existence of any Awards does not affect in any way the right or power of the Company or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Company's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Company, to create or issue any bonds, debentures, Shares or other securities of the Company or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 11 would have an adverse effect on this Plan or on any Award granted hereunder.

11.2 Change in Control

Except as may be set forth in an employment agreement, consulting agreement, Award Agreement or other written agreement between the Company or a subsidiary of the Company and the Participant:

- (a) Notwithstanding anything else in this Plan or any Award Agreement, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable,

or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment); (iv) the replacement of such Award with other rights or property selected by the Board in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 11.2, the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection (a)) any property in connection with a Change in Control other than rights to acquire shares of a corporation or units of a "mutual fund trust" (as defined in the Tax Act), of the Company or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Company, as applicable, at the time such rights are issued or granted. For avoidance of doubt, for so long as the Shares are listed and posted for trading on the Exchange, the Plan Administrator may only permit the acceleration of vesting Awards in compliance with Policy 4.4;

- (b) Notwithstanding Section 10.1, and except as otherwise provided in a written employment or other agreement between the Company or a subsidiary of the Company and a Participant, if within 12 months following the completion of a transaction resulting in a Change in Control, a Participant's employment, consultancy or directorship is terminated by the Company or a subsidiary of the Company without Cause:
 - (i) any unvested Awards held by the Participant at the Termination Date may vest in the sole discretion of the Plan Administrator; and
 - (ii) any vested Awards of Participants may, subject to Sections 5.4(d), 6.6(d) and 8.4(d) (where applicable), be exercised, settled or surrendered to the Company by such Participant at any time during the period that terminates on the date that is 90 days after the Termination Date, with any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards.
- (c) Notwithstanding Section 11.2(a) and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Company may terminate all of the Awards, other than an Option held by a Canadian Taxpayer for the purposes of the Tax Act, granted under this Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, at or within a reasonable period of time following completion of such Change in Control transaction.

11.3 Reorganization of Company's Capital

Should the Company effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Company that does not constitute a Change in Control

and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

11.4 Other Events Affecting the Company

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Company and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number and/or type of Shares that may be acquired on the vesting of outstanding Awards or by reference to which such Awards may be settled (as applicable), and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

11.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 11.3 and 11.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 11.3 and 11.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required to, permit the immediate vesting of any unvested Awards.

11.6 Issue by Company of Additional Shares

Except as expressly provided in this Article 11, neither the issue by the Company of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards.

11.7 Fractions

No fractional Shares will be issued pursuant to an Award and all fractions will be rounded down to the nearest whole number of Shares. Accordingly, if, as a result of any adjustment under this Article 11, a dividend equivalent or otherwise, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 12 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

12.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, subject to the approval of the Exchange and/or holders of voting shares of the Company if so required in accordance with the policies of the Exchange and/or applicable laws, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements.

12.2 Shareholder Approval

Notwithstanding Section 12.1 and subject to any rules of the Exchange, approval of the holders of Shares shall be required for, *inter alia*, any amendment, modification or change that:

- (a) increases the percentage of the Company's issued and outstanding Shares from time to time that can be reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increases or removes the 10% limits on Shares issuable or issued to Insiders as set forth in Subsections 3.7(e) and 3.7(f);
- (c) reduces the exercise price of an Award (for this purpose, a cancellation or termination of an Award of a Participant prior to its Expiry Date for the purpose of reissuing an Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Award) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (d) extends the term of an Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a Blackout Period applicable to the Participant or within five (5) business days following the expiry of such a Blackout Period);
- (e) permits an Award to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a Blackout Period of the Company);
- (f) increases or removes the limits on the participation of Directors;
- (g) permits Awards to be transferred to a Person;
- (h) changes the eligible participants of the Plan;
- (i) is a matter expressly subject to approval of the holders of Shares pursuant to the applicable rules of the Exchange; or
- (j) deletes or reduces the range of amendments which require approval of shareholders under this Section 12.2,

and in the case of Subsections (a) to (f), such approval must be obtained from disinterested shareholders of the Company.

12.3 Permitted Amendments

Without limiting the generality of Section 12.1, but subject to Section 12.2 and any rules of the Exchange, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award provided that such amendments do not have the effect of altering the scope, nature and intent of the amended provisions;
- (b) making any amendments to the provisions set out in Article 10, provided that, for so long as the Shares are listed and posted for trading on the TSXV, shareholder approval shall be required for such amendments. For greater certainty, amendments to termination

provisions of the Plan require shareholder approval for so long as the Shares are listed and posted for trading on the TSXV;

- (c) making any amendments to add covenants of the Company for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants and do not have the effect of altering the scope, nature and intent of the amended provisions, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors and do not have the effect of altering the scope, nature and intent of the amended or modified provisions; or
- (e) making such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants and do not have the effect of altering the scope, nature and intent of the changed or corrected provisions.

ARTICLE 13 MISCELLANEOUS

13.1 Legal Requirement

The Company is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the Company of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

13.2 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

13.3 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Officer, Consultant or Director. No Participant has any rights as a shareholder of the Company in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

13.4 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Company from taking corporate action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

13.5 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Plan shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Company or a subsidiary of the Company, as the case may be, on the other hand, the provisions of the Plan shall prevail.

13.6 Anti-Hedging Policy

By accepting an Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Awards.

13.7 Participant Information

Each Participant shall provide the Company with all information (including personal information) required by the Company in order to administer the Plan. Each Participant acknowledges that information required by the Company in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Company to make such disclosure on the Participant's behalf.

13.8 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Company to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Company does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

13.9 International Participants

With respect to Participants who reside or work outside Canada, the Plan Administrator may, in its discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

13.10 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and its subsidiaries.

13.11 General Restrictions or Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

13.12 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

13.13 Rights to Compensation or Damages

The Plan displaces any and all common law and civil law rights the Participant may have or claim to have in respect of any Awards, including any right to damages. The foregoing shall apply, regardless of: (i) the reason for the termination of the Participant's employment, term of office or service arrangement; (ii) whether such termination is lawful or unlawful, with or without Cause; (iii) whether it is the Participant or the Company or a subsidiary of the Company that initiates the termination; and (iv) any fundamental changes, over time, to the terms and conditions applicable to the Participant's employment, term of office or service arrangement.

13.14 Notices

All written notices to be given by a Participant to the Company shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Anquiro Ventures Ltd.
Suite 303, 595 Howe Street,
Vancouver, British Columbia V6C 2T5
Attention: Chief Executive Officer

All notices to a Participant will be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing. Any notice given by either the Participant or the Company is not binding on the recipient thereof until received.

13.15 Effective Date

This Plan becomes effective on a date to be determined by the Plan Administrator, subject to the approval of the shareholders of the Company.

13.16 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without any reference to conflicts of law rules.

13.17 Submission to Jurisdiction

The Company and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of British Columbia in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

SCHEDULE A

**ANQUIRO VENTURES LTD.
FIXED EQUITY INCENTIVE PLAN
(THE "PLAN")**

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

The undersigned hereby irrevocably gives notice of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

(a) all of the Shares; or

(b) _____ of the Shares;

which are the subject of the Award Agreement.

The undersigned tenders herewith a certified cheque or bank draft (circle one) payable to the Company in an amount equal to the aggregate Exercise Price of the aforesaid Shares exercised and directs the Company to issue the certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

By executing this Exercise Notice, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan.

DATED _____.

Signature of Option Holder

SCHEDULE B

**ANQUIRO VENTURES LTD.
FIXED EQUITY INCENTIVE PLAN
(THE "PLAN")**

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 7 of the Plan and to receive ____% of my Cash Fees in the form of DSUs.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Company will make all appropriate withholdings as required by law at that time.
- (c) The value of DSUs is based on the value of the Shares of the Company and therefore is not guaranteed.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE C

**ANQUIRO VENTURES LTD.
FIXED EQUITY INCENTIVE PLAN
(THE "PLAN")**

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule B to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 7 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: _____

(Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

CERTIFICATE OF ANQUIRO VENTURES LTD.

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Anquiro Ventures Ltd. assuming the Transaction Closing.

Dated: November 13, 2024

"Keturah Nathe"

Keturah Nathe
Chief Executive Officer

"Teresa Cherry"

Teresa Cherry
Chief Financial Officer

On Behalf of the Board of Directors:

"Huitt Tracey"

Huitt Tracey
Director

"Christopher Cherry"

Christopher Cherry
Director

CERTIFICATE OF BLACK PINE RESOURCE CORP.

The foregoing document, as it relates to Black Pine Resources Corp., constitutes full, true and plain disclosure of all material facts relating to the securities of Black Pine Resources Corp.

Dated: November 13, 2024

"Richard Drew Martel"
Richard Drew Martel
Chief Executive Officer

"Richard Barnett"
Richard Barnett
Chief Financial Officer

On Behalf of the Board of Directors:

"Keturah Nathe"
Keturah Nathe
Director

"Joe DeVries"
Joe DeVries
Director

ACKNOWLEDGEMENT – PERSONAL INFORMATION

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Circular; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

"Personal Information" means any information about an identifiable individual, and includes information contained in any Items in this Circular that are analogous to Items 4.2, 11, 13.1, 16, 18.2, 19.2, 24, 25, 27, 32.3, 33, 34, 35, 36, 37, 38, 39, 41 and 42 of Form 3D1 and 3D2 – *Information Required in an Information Circular for a Qualifying Transaction / Information Required in a Filing Statement for a Qualifying Transaction*, as applicable.

DATED November 13, 2024

"Keturah Nathe"

Keturah Nathe
Director, Chief Executive Officer