

# **TEUTON RESOURCES CORP.**

2130 Crescent Road  
Victoria, BC V8S 2H3

## **Notice of Meeting & Management Information and Proxy Circular**

Annual General and Special Meeting of Shareholders  
to be held on April 4, 2025 at 10:00 a.m.

Dated as of March 7, 2025

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## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “Meeting”) of the shareholders of Teuton Resources Corp. (the “Company”) will be held at #506-889 West Pender Street, Vancouver, B.C., on **April 4, 2025 at 10:00 am (Vancouver time)** for the following purposes:

1. To receive and consider the financial statements of the Company and the auditor's report thereon for the fiscal year ended December 31, 2023;
2. To fix the number of directors at four (4);
3. To elect the directors to hold office until the next annual meeting of shareholders;
4. To appoint Charlton & Company, Chartered Professional Accountants, as independent auditors of the Company for the next fiscal year, and to authorize the Directors to fix their remuneration;
5. To approve, with or without variation, the Company’s omnibus equity incentive plan, as more particularly described in the Circular;
6. To consider, in accordance with the interim order of the Supreme Court of British Columbia dated March 6, 2025, and, if deemed advisable, to approve, with or without variation, a special resolution approving a statutory plan of arrangement between the Company and Luxor Metals Ltd. (“Luxor”) under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) whereby, among other things, the Company will transfer certain mineral properties to Luxor and “spin out” Luxor as a stand-alone company owned by the Company’s shareholders; and
7. To approve, with or without variation, the SpinCo Stock Option Plan, as more particularly described in the Circular.

Accompanying this Notice of Meeting are a Management Information and Proxy Circular, Proxy Form and a Financial Statement Request Form.

A shareholder entitled to vote at the Meeting is entitled to appoint a proxyholder to attend and vote in his or her stead. If you are unable to attend the Meeting, or any adjournment thereof, in person, please date, execute, and return the enclosed form of proxy in accordance with the instructions set out in the notes to the proxy and any accompanying information from your intermediary.

DATED at Victoria, British Columbia, on March 7, 2025

BY ORDER OF THE BOARD OF DIRECTORS

*“Dino Cremonese”*

Dino Cremonese  
President and Chief Executive Officer

## INTRODUCTION

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

This Circular is furnished in connection with the solicitation of proxies by the Company's management for use at the Meeting. No person has been authorized to give any information or make any representation in connection with the Arrangement or other matters to be considered at the Meeting other than those contained in this Circular and if given or made, any such information or representation must not be relied upon as having been authorized.

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

Unless otherwise indicated, the information contained in this Circular is given as at March 7, 2025, and all currency figures are in Canadian dollars.

## FORWARD-LOOKING STATEMENTS

This Circular contains statements (such statements hereinafter referred to as "Forward-Looking Statements") regarding possible events, conditions or financial performance related to or affecting the Company that is based on assumptions about future economic conditions and courses of action, and includes future-oriented financial information with respect to the Company's prospective financial performance, financial position or cash flows which may be presented as a forecast or a projection.

Forward-Looking Statements in this Circular include but is not limited to:

- the implementation of the Arrangement,
- the terms and conditions of the Arrangement remaining unchanged
- the potential listing of SpinCo Shares on a stock exchange
- anticipated expenditures by the Company or SpinCo;
- anticipated future sources of funds to meet working capital requirements;

Forward-Looking Statements require the Company to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the predictions, forecasts, projections, expectations or conclusions expressed or implied by the Forward-Looking Statements will not prove to be true or accurate. You are cautioned not to place undue reliance on these statements as a number of factors could cause the Company's actual results to differ materially from the expectations expressed in such Forward-Looking Statements. These factors – many of which are beyond the Company's control and the effects of which can be difficult to predict – include but is not limited to:

- the Arrangement receiving the necessary shareholder, court and regulatory approval
- the ability to satisfy all conditions precedent to the Arrangement
- the absence of legal, regulatory and economic changes which will have a material adverse effect on the Company or Spinco

Except as required by law, the Company does not undertake to update any Forward-Looking Statement, whether written or oral, that may be made from time to time by the Company or on its behalf.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Information has been incorporated by reference in this Circular from documents filed by the Company with the securities commissions or similar authorities in British Columbia and Alberta. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Teuton at 2130 Crescent Road, Victoria, British Columbia, V8S 2H3 (Email: info@teuton.com). These documents also are/will be available under Teuton's profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The following documents are specifically incorporated by reference into, and form an integral part of, this Circular:

1. The Company's audited consolidated financial statements as at, and for the financial years ended December 31, 2023 and 2022, together with the auditor's report thereon and the notes thereto;
2. The Company's management's discussion and analysis for the year ended December 31, 2023;
3. The Company's unaudited consolidated financial statements for the three months ended September 30, 2024;
4. The Company's management's discussion and analysis for the three months ended September 30, 2024;
5. The Technical Report; and
6. The Arrangement Agreement.

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

### **NOTE TO UNITED STATES SHAREHOLDERS**

THE ARRANGEMENT AND THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN REGISTERED WITH, RECOMMENDED BY, OR APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES AUTHORITY IN ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES AUTHORITY OF ANY STATE OF THE UNITED STATES PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR AND ANY DOCUMENTS INCORPORATED BY REFERENCE HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Company Shares and the SpinCo Shares to be issued pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the applicable Securities Laws of any state of the

United States. The proposed issuance of SpinCo Shares under the Arrangement will be made in reliance on the Section 3(a)(10) Exemption and similar exemptions under Securities Laws of applicable states of the United States. Such exemptions, as further described in this Circular, are based on the approval of the Court which will consider, among other things, the fairness of the Arrangement to Shareholders.

The solicitation of proxies made pursuant to this Circular is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by “foreign private issuers” (as defined in Rule 3b-4 under the U.S. Exchange Act). Accordingly, this Circular has been prepared in accordance with disclosure requirements applicable in Canada. American Shareholders should be aware that such requirements are different from those applicable to registration statements under the U.S. Securities Act and to proxy statements under the U.S. Exchange Act.

Information concerning the properties and operations of the Company and SpinCo have been prepared in accordance with the requirements of Canadian Securities Laws, which differ from the requirements of United States Securities Laws.

Financial statements included or incorporated by reference in this Circular have been prepared in accordance with IFRS, and are subject to Canadian generally accepted auditing standards or international standards on auditing, as described in the related auditors’ report included in the financial statements, which differ from United States generally accepted accounting principles, auditing and auditor independence standards, respectively, in certain material respects, and thus they may not be comparable to financial statements of U.S. companies.

The enforcement by American Shareholders of civil liabilities under U.S. Securities Laws may be affected adversely by the fact that the Company is incorporated outside of the United States, that some or all of its officers and directors and the experts named herein are not residents of the United States and that some or all of the assets of the Company and the aforementioned persons are located outside the United States. As a result, it may be difficult or impossible for American Shareholders to effect service of process within the United States upon the Company, its officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal Securities Laws of the United States or “blue sky” laws of any state within the United States. In addition, American Shareholders should not assume that the courts of Canada would allow them to (a) sue the Company, its officers or directors, or the experts named herein in the courts of Canada, (b) enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal Securities Laws of the United States or “blue sky” laws of any state within the United States, or (c) enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal Securities Laws of the United States or “blue sky” laws of any state within the United States.

## GLOSSARY OF TERMS

In this Circular, the following terms have the meanings set out below unless the context indicates otherwise. Words importing the singular number include the plural and vice versa and words importing any gender include all genders.

“**American Shareholders**” has the meaning ascribed to such term under the heading “United States Securities Law Considerations” in this Circular.

“**Applicable Laws**” has the meaning ascribed to such term in the Arrangement Agreement.

“**Arrangement**” means the arrangement set out in the Arrangement Agreement.

**“Arrangement Agreement”** means the arrangement agreement dated January 23, 2025 between the Company and SpinCo, as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms therein.

**“Arrangement Resolution”** means the special resolution to be considered by the Company Shareholders at the Meeting to approve the Arrangement.

**“Audit Committee”** means the Company’s audit committee.

**“BCBCA”** means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, all as may be amended from time to time.

**“Board”** means the Company’s board of directors.

**“Business Day”** means any day other than a Saturday, a Sunday or a statutory or civic holiday in Vancouver, British Columbia.

**“CEO”** means chief executive officer.

**“CFO”** means chief financial officer.

**“Circular”** means this management information circular.

**“Company”** means Teuton Resources Corp.

**“Company Options”** means stock options of the Company.

**“Company Shareholder”** or **“Shareholder”** means a shareholder of the Company.

**“Company Shares”** means the common shares in the capital of the Company.

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

**“CRA”** means the Canada Revenue Agency.

**“Dissent Procedures”** means the rules pertaining to the exercise of Dissent Rights as set forth in Division 2 of Part 8 of the BCBCA and Part 3 of this Plan of Arrangement, as modified and supplemented by the Interim Order.

**“Dissent Rights”** means the rights granted in favour of registered holders of Company Shares to dissent to the Arrangement in accordance with Dissent Procedures.

**“Dissent Share”** means a Company Share held by a Dissenting Shareholder.

**“Dissenting Shareholder”** means a registered Company Shareholder who has exercised Dissent Rights in strict compliance with the Dissent Procedures, and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights.

**“Effective Date”** means the date selected by the Company upon which the Arrangement becomes effective.



**“Effective Time”** means 12:01 a.m. (PST) on the Effective Date, or such other time on the Effective Date as determined by the Company.

**“Final Order”** means the final order of the Court approving the Arrangement.

**“Forward-Looking Statements”** has the meaning ascribed to such term under the heading “Forward-Looking Statements” in this Circular.

**“Holder”** has the meaning ascribed to such term under the heading “Certain Canadian Federal Income Tax Considerations” in this Circular.

**“IFRS”** means International Financial Reporting Standards as developed and adopted by the International Accounting Standards Board from time to time.

**“Interim Order”** means an interim order of the Court concerning the Arrangement in respect of the Company, containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

**“Investor Relations Activities”** has the meaning assigned by the policies of the TSXV.

**“Intermediary”** has the meaning ascribed to such term under the heading “Non-Registered Holders” in this Circular.

**“Luxor”** means Luxor Metals Ltd.

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

**“Meeting”** means the annual and special meeting of Shareholders as described in this Circular.

**“Meeting Materials”** means the Notice of Meeting, the Circular, the Proxy and VIF .

**“NEO”** means “Named Executive Officer” and has the meaning ascribed to such term under the heading “Summary Compensation Table” in this Circular.

**“NI”** means National Instrument.

**“Non-Registered Holder”** has the meaning ascribed to such term under the heading “Non-Registered Holders” in this Circular.

**“Omnibus Plan”** has the meaning ascribed to such term under the heading “Adoption of Omnibus Equity Incentive Plan” in this Circular.

**“Person”** includes an individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, government or any other entity, whether or not having legal status.

**“Petition”** means the petition to the Court made in connection with the Arrangement.

**“Plan of Arrangement”** means the plan of arrangement set out in Schedule 1 of the Arrangement Agreement.

**“Proxy”** means the form of proxy accompanying this Circular.

**“Record Date”** means the record date for determining the registered Shareholders entitled to receive notice of and to vote at the Meeting.

**“Registered Plan”** means a trust governed by a registered retirement savings plan (a “RRSP”), a registered retirement income fund (a “RRIF”), a deferred profit sharing plan (a “DPSP”), a registered education savings plan (a “RESP”), a registered disability savings plan (a “RDSP”), a first home savings account (a “FHSA”) or a tax-free savings account (a “TFSA”).

**“SEC”** means the United States Securities and Exchange Commission.

**“Section 3(a)(10) Exemption”** means the exemption from the registration requirements of the U.S. Securities Act provided under Section 3(a)(10) thereof.

**“Securities Act”** means the *Securities Act* (British Columbia) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time.

**“Securities Laws”** means, with respect to a jurisdiction, all securities legislations of that jurisdiction, as now enacted or as amended, and the applicable rules, regulations, rulings, orders, instruments and forms promulgated under such statutes, as well as the rules, regulations, by-laws and policies of any applicable stock exchange.

**“Shareholder”** or **“Company Shareholder”** means a shareholder of the Company.

**“SpinCo”** means Luxor Metals Ltd.

**“SpinCo Shares”** means the common shares in the capital of SpinCo.

**“Spinout Properties”** means six mineral properties in the Province of British Columbia known as (1) the Big Gold Property, (2) the Eskay Rift Property, (3) the Four J’s Property, (4) the Pearson Property, (5) the Tennyson Property and (6) the Leduc Silver Property, all as more particularly described in Exhibit 1 of the Plan of Arrangement.

**“Stock Distribution”** means the distribution of the SpinCo Shares to Shareholders pursuant to the Arrangement.

**“Stock Option Plan”** means the Company’s current stock option plan.

**“Tax Act”** means the *Income Tax Act* (Canada) and the regulations made thereunder, all as may be amended from time to time.

**“Technical Report”** means the report authored by Tony Barresi, Ph.D., P.Geo., Barresi Geoscience, entitled *NI 43-101 Technical Report on the Luxor Project* with an effective date of August 21, 2024.

**“Teuton”** means Teuton Resources Corp.

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

**“United States”** or **“U.S.”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

**“U.S. Exchange Act”** means the *United States Securities Exchange Act of 1934* and the regulations made thereunder, all as may be amended from time to time.

**“U.S. Securities Act”** means the *United States Securities Act of 1933* and the regulations made thereunder, all as may be amended from time to time.

**“VIF”** means voting instruction form.

## SUMMARY

*The following is a summary of the principal features of the Arrangement and certain other matters, and is qualified in its entirety by the more detailed information appearing elsewhere in this Circular, including the Appendices attached hereto.*

### The Meeting

The Meeting will be held at #506-889 West Pender Street, Vancouver, British Columbia on April 4, 2025, at 10:00 a.m. (Vancouver time). The Record Date for determining the registered Shareholders entitled to receive notice of and to vote at the Meeting is February 14, 2025.

The purpose of the Meeting is for Shareholders to consider and vote on, in addition to the routine matters of an annual general meeting (see “Particulars of Matters to be Acted Upon”), the Arrangement Resolution, the full text of which is set out in Appendix A to this Circular. In order to implement the Arrangement, the Arrangement Resolution must be approved, with or without amendment, by not less than two-thirds of the votes cast by Company Shareholders, present in person or represented by proxy at the Meeting and voting as a single class. See “The Arrangement – Approval of Arrangement Resolution”.

Shareholders will also be asked to approve an omnibus equity incentive plan for the Company; an identical plan will also be presented for approval for adoption by SpinCo.

### The Arrangement

The Arrangement will be completed by way of plan of arrangement pursuant to section 288 of the BCBCA involving the Company, SpinCo and Shareholders. Below are the principals steps of the Arrangement:

1. The Company will assign and transfer to SpinCo: (a) all of its existing rights, title and interest to the Spinout Properties, (b) \$300,000 in cash, and (c) approximately \$1,600,000 in marketable securities, in exchange for that number of SpinCo Shares equal to one-third of the Company Shares outstanding at the Effective Time.
2. The Company will distribute the SpinCo Shares to all Company Shareholders on the basis of one SpinCo Share for every three Company Shares then held as a return of capital; and
3. The one SpinCo Share issued to Company on SpinCo’s date of incorporation shall be cancelled for no consideration.

The Spinout Properties consists of six mineral properties in the Province of British Columbia known as (1) the Big Gold Property, (2) the Eskay Rift Property, (3) the Four J’s Property, (4) the Pearson Property, (5) the Tennyson Property and (6) the Leduc Silver Property.

Any outstanding stock option or warrant of the Company will not be entitled to receive securities of SpinCo under the Arrangement. The Board may at any time before the Effective Date terminate the Arrangement Agreement without further action on the part of Shareholders.

Upon completion of the Arrangement, Shareholders will own all of the issued and outstanding SpinCo Shares, and SpinCo will be a reporting issuer in British Columbia and Alberta. SpinCo will be seeking a listing of its shares on a Canadian stock exchange, but there can be no guarantee that the SpinCo Shares will be listed on any stock exchange.

### Conditions to the Arrangement

Completion of the Arrangement is subject to a number of specified conditions being met or waived by the Company and SpinCo as of the Effective Time, including but not limited to:

- (a) the Arrangement Resolution will have been passed by the Shareholders in accordance with the Interim Order;
- (b) the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, and shall not have been set aside or modified in a manner unacceptable to the Company and the Purchaser, acting reasonably, on appeal or otherwise;
- (c) if required, the TSXV will have conditionally approved the transactions contemplated in the Arrangement Agreement;
- (d) all other material consents, orders and approvals, including any regulatory or judicial approvals or orders, that the Company or SpinCo considers necessary or desirable to effect the Arrangement will have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances on terms and conditions that are acceptable to the Company or SpinCo, as applicable;
- (e) no order, injunction, decree or any other kind of prohibition under Applicable Laws which restrains or enjoins the consummation of the Arrangement or any of the other transactions contemplated by the Arrangement Agreement is in force immediately before the Effective Time; and
- (f) the Arrangement Agreement has not been terminated in accordance with its terms.

#### Court Approval

An arrangement under the Act requires approval of the Court. The Company obtained the Interim Order, which provides for the calling and holding of the Meeting, Dissent Rights and certain other procedural matters. A copy of the Interim Order is attached as Appendix C.

Subject to the approval of the Arrangement Resolution by Shareholders at the Meeting, the hearing for the Final Order is currently scheduled to take place on April 9, 2025 at 9:45 a.m. (PST) in Vancouver, British Columbia. At the hearing, any Shareholder who wishes to participate, or be represented or present arguments or evidence, must file and serve a response to the petition no later than 4:00 p.m. (Pacific Time) on April 4, 2025, along with any other required documents set out in the Interim Order and the Notice of Hearing, and satisfy any other requirements of the court. **Such persons should consult with their lawyers with respect to the legal rights available to them in relation to the Arrangement and as to the necessary requirements to assert any such rights.**

The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms. Depending on the nature of any required amendments, the Company may determine not to proceed with the Arrangement.

See “The Arrangement – Court Approval of the Arrangement”.

#### Regulatory Approval

The Arrangement is subject to the acceptance of the TSXV. Conditional acceptance of the Arrangement was provided by the TSXV on February 7, 2025.

If the Arrangement is completed, SpinCo intends to apply to a Canadian stock exchange to list its common shares for trading. There can be no assurance as to if, or when, the SpinCo Shares will be listed or traded on any stock exchange.

### Dissent Rights

Registered Company Shareholders are entitled to exercise Dissent Rights by providing written notice to the Company no later than 4:00 p.m. (PST) on April 2, 2025 or two Business Days immediately preceding any date to which the Meeting may be postponed or adjourned. If a Company Shareholder exercises Dissent Rights in strict compliance with the Dissent Procedures, and provided the Arrangement is completed, such Dissenting Shareholder is entitled to be paid the fair value of the Company Shares with respect to which the Dissent Rights were exercised, calculated as of the close of business the day before the approval of the Arrangement Resolution. Shareholders should carefully read the section of this Circular entitled “Dissent Rights” and consult with their advisors if they wish to exercise Dissent Rights.

### Income Tax Considerations

All Shareholders should consult their own tax advisors for advice with respect to their own particular circumstances. A summary of the principal Canadian federal income tax considerations of the Arrangement applicable to Shareholders resident in Canada is included under “Certain Canadian Federal Income Tax Considerations” in the sections entitled “The Arrangement”.

### Canadian Securities Law Matters

The issuance of the SpinCo Shares to Shareholders pursuant to the Arrangement will constitute a distribution of securities which is exempt from the registration and prospectus requirements of Canadian securities legislation. The SpinCo Shares received by Shareholders pursuant to the Arrangement may be resold in Canada provided that (i) the trade is not a “control distribution” as defined in NI 45-102; (ii) no unusual effort is made to prepare the market or create a demand for those securities; (iii) no extraordinary commission or consideration is paid in respect of that sale; and (iv) if the selling securityholder is an insider or officer of SpinCo, the selling securityholder has no reasonable grounds to believe that SpinCo is in default of securities legislation.

For further details, see “Canadian Securities Law Considerations” in the section entitled “The Arrangement”.

### United States Securities Law Matters

The SpinCo Shares to be issued to Shareholders pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or any applicable Securities Laws of any state of the United States. The SpinCo Shares will be issued in reliance upon Section 3(a)(10) of the U.S. Securities Act (and similar exemptions under state securities laws) which provides an exemption from the registration requirements of the said Act for securities issued in exchange for other securities, claims or property interests, provided, amongst other things, (i) the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the proposed issuance and exchange, and (ii) all persons to whom the securities will be issued have the right to appear at such hearing and have received adequate notice thereof.

The U.S. Securities Act imposes restrictions on the resale of SpinCo Shares received pursuant to the Arrangement by persons who will be “affiliates” of the Company or SpinCo after the Effective Time or during the 90 days before the Effective Time. Such “affiliates” of the Company or SpinCo should consult qualified advisors to see if their SpinCo Shares can be traded in the United States under Rule 144 or Regulation S.

For further details, see “United States Securities Law Considerations” in the section entitled “The Arrangement”.

### Risk Factors

There are risks associated with the Arrangement including but not limited to the risks that:

- the required shareholder, TSXV or Court approvals may not be received
- the Arrangement may give rise to adverse tax consequences to some Shareholders
- the Arrangement may be terminated by the Board, or fail to be completed for other reasons
- the SpinCo Shares may not be listed or quoted on a stock exchange

There are also risks associated with the businesses of Company and SpinCo, including but not limited to the risk inherent to the mining industry and exploration activities in particular; risk that no economic mineral deposit may ever be found in the properties of the Company or SpinCo; “going concern” risks, including the risk that the Company or SpinCo may fail to raise the necessary capital to finance operations; fluctuating mineral and metal prices; adverse developments in applicable laws and regulations, including environmental regulation; risks arising from competition; adverse political, social or economic conditions; title risks; risk of losing key personnel; and force majeure events.

For a more comprehensive list of risk factors, see “Risk Factors” in the sections entitled “The Arrangement” and “Information Concerning Luxor After the Arrangement”.

### Recommendation of the Board

After receiving professional advice and careful consideration of a number of factors, the Board has unanimously determined that the Arrangement is in the best interests of the Company and is fair to Shareholders. **Accordingly, the Board unanimously recommends that Shareholders vote FOR the Arrangement Resolution.**

See “Recommendation of the Board” in the section entitled “The Arrangement” for more details.

### Omnibus Equity Incentive Plan

Shareholders will be asked to approve a new omnibus equity incentive plan which will replace the Company’s current stock option plan. The Omnibus Plan sets out the terms and conditions under which eligible persons may be granted stock options, restricted share units, deferred share units, share appreciation rights and other forms of securities-based compensation. The Omnibus Plan is a “fixed 20%” plan, meaning that the maximum number of shares issuable upon exercise of all securities-based compensation (granted under the Omnibus Plan) must not be more than 20% of the Company’s outstanding shares on the date the Omnibus Plan is approved by Shareholders. See “Omnibus Equity Incentive Plan” in the section entitled “Particulars of Matters To Be Acted Upon”.

Shareholders will also be asked to approve in advance the same equity incentive plan for SpinCo, in the event the Arrangement Resolution is adopted and the Arrangement is completed.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. Election of Directors

The term of office of each present Director expires at the Meeting. Management does not contemplate that any of the nominees will be unable to serve as a Director. Management of the Company proposes to nominate the persons named in the following table for election to the Board until the next annual shareholder meeting or until their successors are elected or appointed, unless their office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia). Unless otherwise instructed, the enclosed form of proxy will be voted FOR the nominees listed below.

Information concerning the nominees, as furnished by them individually, is set forth below.

Name, Province and Country of Residence and Current Position with the Company	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(2)</sup>	Principal Occupation for the Past Five Years
<b>Dino Cremonese</b> British Columbia, Canada <i>Director, President, CEO</i>	1981	2,915,906	Self-employed mineral property consultant; President & CEO of Company; Director of Silver Grail Resources Ltd.
<b>Robert Smiley</b> <sup>(1)</sup> British Columbia, Canada <i>Director, CFO</i>	2018	50,000	Retired lawyer; Director of Silver Grail Resources Ltd. and Sterling Group Ventures Inc.
<b>Jeff Kyba</b> <sup>(1)</sup> British Columbia, Canada <i>Director</i>	2022	Nil	Geologist; VP Exploration of ArcWest Exploration Inc.; CEO of Cedar Hill Gold Corp.
<b>Jeremy Zall</b> <sup>(1)</sup> British Columbia, Canada <i>Director</i>	2024	Nil	Owner and operator of Bajo Reef Helicopters

Notes:

(1) Member of the Audit Committee. Robert Smiley serves as chair of the Audit Committee.

(2) These figures do not include stock options which are disclosed under “Stock Option Plan”.

### *Cease Trade Orders and Bankruptcies*

Except as disclosed below, none of the nominees proposed to be Director is or has been, within the ten years prior to the date hereof, a director or chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to an order that was issued while the proposed director was acting as a 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. For the purposes hereof, “order” means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) 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.

No proposed director of the Company is, at the date of this Circular, or has been within ten years before the date of this Circular, a director or executive officer of any company (including the Company) 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.

Robert Smiley was a director of Sterling Group Ventures, Inc. which became subject to a cease trade order issued by the British Columbia Securities Commission on August 23, 2017 for failure to file certain financial statements and management's discussion and analysis as well as failure to file annual financial statements for Euroclub Holdings Ltd., a reverse takeover acquirer. The order remains outstanding.

#### *Penalties and Sanctions*

No proposed director of the Company 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 has 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 in deciding whether to vote for a proposed director.

#### *Individual Bankruptcies*

No proposed director of the Company has, within the ten 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.

### **2. Appointment of Auditor**

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the approval of the appointment of Charlton & Company, Chartered Professional Accountants, as the auditor of the Company until the close of the next annual meeting of shareholders or until a successor is appointed, and to authorize the Directors to fix the auditor's remuneration. Charlton & Company was first appointed as the auditor of the Company on January 25, 2024.

### **3. Adoption of Omnibus Equity Incentive Plan**

The Board has determined that it is in the best interest of the Company to adopt a new security-based compensation plan (the "Omnibus Plan") in replacement of the Company's stock option plan (the "Stock Option Plan").

The current Stock Option Plan is a 10% "fixed" plan which allows the Company to reserve up to 10% of the issued and outstanding common shares of the Company, at the time the Plan is approved by shareholders, for issuance upon exercise of stock options. The new Omnibus Plan includes all of the elements of the current Stock Option Plan, but will be a 20% "fixed" plan, meaning that the number of Shares that are issuable pursuant to all security-based compensation is a specified number approved by Shareholders, which may not be more than 20% of the outstanding Shares on the date of such shareholder approval. Moreover, the Omnibus Plan includes other forms of security-based compensation such as restricted share units, deferred share units, performance share units, and stock appreciation rights. A copy of the proposed Omnibus Plan is attached to this circular as Appendix K.

Outstanding stock options granted under the Stock Option Plan will continue to be valid but governed by the new Omnibus Plan, if approved by shareholders.

At the Meeting, shareholders will be asked to approved the following ordinary resolution:

“BE IT RESOLVED THAT:

1. Teuton Resources Corp. (the “Company”) adopt the omnibus equity incentive plan (the “Omnibus Plan”) as set out in Appendix K of the Company’s management information circular dated March 7, 2025;
2. The reservation of up to 11,549,376 common shares in the capital of the Company for issuance pursuant to exercise or settlement of Awards (as such term is defined in the Omnibus Plan) granted under the Omnibus Plan is hereby authorized and approved;
3. The Company is hereby authorized to make any changes to the Omnibus Plan as may be required by the TSX Venture Exchange; and
4. Any one Director or officer of the Company is hereby authorized and directed to do all acts and things, to execute, under the common seal of the Company or otherwise, and to deliver all agreements, documents and instruments, to give all notices and to deliver, file and distribute all documents and information which such person determines to be necessary or desirable in connection with or to give effect to or carry out any of the foregoing resolutions.”

**4. Approval of an Arrangement with Luxor Metals Ltd.**

Shareholders will be asked at the Meeting to consider, and if thought advisable, to pass a special resolution approving a plan of arrangement between the Company and its wholly-owned subsidiary, Luxor Metals Ltd. The full text of the Arrangement Resolution is set out in Appendix A.

Details of the Arrangement are described below in the section entitled “The Arrangement”. At least two-thirds (2/3) of the votes cast at the Meeting (whether in person or represented by proxy voting as a single class) must be in favour of the Arrangement Resolution in order for it to pass. Moreover, completion of the Arrangement is subject to receipt of required regulatory approvals, including the approval of the Court and other customary closing conditions.

The Board has approved the terms of the Arrangement Agreement and the Plan of Arrangement and unanimously recommends that Shareholders vote FOR the Arrangement Resolution. See “Recommendation of the Board” in the section entitled “The Arrangement” for more details.

Management recommends a vote FOR the approval of the foregoing resolution. In the absence of a contrary instruction, the persons designated by the Company’s management in the enclosed Proxy intend to vote FOR the approval of the foregoing resolution.

**5. Approval of the SpinCo Stock Option Plan**

Upon completion of the Arrangement, SpinCo intends to adopt a stock option plan in order to attract and retain experienced and qualified directors, officers and employees. Accordingly, shareholders will be asked to at the Meeting to approve a 20% “fixed” stock option plan (the “SpinCo Stock Option Plan”) for SpinCo, the key terms of which are described below. A copy of the SpinCo Stock Option Plan may be requested from the Company.

*Number of Options.* The number of options to be granted under the SpinCo Stock Option Plan is limited to that number equal to 20% of the SpinCo Shares issued and outstanding on the date that shareholders approve of the plan.

*Eligibility.* Only directors, officers, employees and consultants of SpinCo (collectively “Eligible Persons”) are eligible to receive options under the plan.

*Term.* The maximum term of options granted under the plan is 10 years.

*Vesting.* SpinCo's board of directors may impose vesting conditions on any option.

*Exercise Price.* The exercise price of an option under the Plan is to be determined by the SpinCo's board of directors, subject to the policies of the stock exchange that SpinCo Shares are listed on (if any).

*Termination of Options.* No option may be exercisable if the optionee ceases to be an Eligible Person, except:

- a) if SpinCo terminates the optionee's employment, engagement or directorship for cause, any outstanding option (whether exercisable or not at that time) shall be immediately forfeited and cancelled;
- b) if the optionee's employment, engagement or directorship ends for any reason other than for cause, any outstanding option(s) previously granted to such optionee must expire on the earlier of 90 days after the termination date and the original expiry date of such option(s); and
- c) if the optionee dies or ceases to be an Eligible Person due to a disability, any outstanding option(s) previously granted to such optionee must expire on the earlier of 12 months after the termination date and the original expiry date of such option(s).

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution:

"BE IT RESOLVED THAT:

1. Subject to completion of the Arrangement, the SpinCo Stock Option Plan, details of which are set forth in the accompanying information circular, be and is hereby approved, confirmed and ratified for adoption by Luxor Metals Ltd. ("Luxor");
2. Any director or officer of Luxor be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution."

Management recommends a vote FOR the approval of the foregoing resolution. In the absence of a contrary instruction, the persons designated by the Company's management in the enclosed Proxy intend to vote FOR the approval of the foregoing resolution.

## **THE ARRANGEMENT**

### **Background to the Arrangement**

On January 17, 2024, after the Board has reviewed extensively its strategic options, the Company incorporated a wholly-owned subsidiary called Luxor Metals Ltd. The Company proposes to transfer six of its mineral properties to SpinCo, and to "spin out" this entity as a separate stand-alone mining company by way of a plan of arrangement. If the Arrangement proceeds, Shareholders will receive shares of SpinCo on the basis of one SpinCo share for every three Company Shares held by each Shareholder.

SpinCo intends to list the SpinCo Shares on a Canadian stock exchange. Any listing will be subject to SpinCo fulfilling all of the stock exchange's listing requirements. There can be no assurances that SpinCo will be able to attain a listing on any stock exchange.

### **Reasons for the Arrangement**

The Board believes the Arrangement is in the best interests of the Company for many reasons, including:

- Currently, capital markets value all of the Company's property interests together and since the Company has a large portfolio of mineral properties, the value of some of these properties may not be fully reflected in the current Share price. By transferring the Spinout Properties into a separate entity, these assets will now be valued independently by capital markets and may attract attention from investors who may have overlooked these properties previously.
- After the separation of the property interests, each of the Company and SpinCo will be able to manage their respective properties in accordance with their unique characteristics, with each company able to pursue independent business strategies that best fit their assets.
- The Company has an extensive portfolio of mineral property interests. To explore and develop all of them would require significant equity financing, which would lead to substantial dilution of the Company's share value. By "spinning out" out the Spinout Properties, the Company is better able to preserve its share value while ensuring that the mineral interests remaining in its portfolio receive the resources required for their advancement.
- The Arrangement may expand the potential shareholder base and access to development capital by allowing investors that want specific ownership in certain properties to invest directly in SpinCo rather than through the Company.
- Shareholders will benefit by holding shares in two separate public companies and will be able to participate in any potential growth of each company.

### **The Arrangement Agreement**

The Arrangement will be carried out pursuant to the Arrangement Agreement and the Plan of Arrangement. The following is a summary of the principal terms of the Arrangement Agreement and does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which is incorporated by reference herein and has been filed by the Company under its SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) and to the Plan of Arrangement, which is attached hereto as Appendix B.

Commencing at the Effective Time, except as otherwise noted herein, the following will occur and will be deemed to occur in the following order without any further act or formality on the part of any Person:

- (a) the Company will assign and transfer to SpinCo:
  - (i) all of its existing rights, title and interest to the Spinout Properties;
  - (ii) \$300,000 in cash;
  - (iii) approximately \$1,600,000 in marketable securities;in exchange for that number of SpinCo Shares equal to one-third of the Company Shares outstanding at the Effective Time;
- (b) the Company will distribute the SpinCo Shares to all Shareholders on the basis of one SpinCo Share for every three Company Shares then held as a return of capital; and
- (c) The one SpinCo Share issued to the Company on SpinCo's date of incorporation shall be cancelled for no consideration.

### **Effect of the Arrangement**

If the Arrangement is completed, (a) SpinCo will be a reporting issuer in British Columbia and Alberta; (b) SpinCo will own the Spinout Properties transferred to it by the Company; (c) SpinCo will be wholly owned by Company Shareholders, who will each hold one SpinCo Share for every three Company Shares that they hold on the Record Date; (d) Company Shareholders will continue to hold the same number of Company Shares as they held before; and (e) the Company will retain its interests in all of its other properties and assets, remain listed on the TSXV and continue to trade under the trading symbol “TUO” as a resource issuer.

Additional information about SpinCo post-Arrangement is contained in Appendix D.

### **Recommendation of the Board**

In reviewing the proposed Arrangement, the Board has identified the benefits of the transaction as set out in “Reasons for the Arrangement” above. The Board has also identified disadvantages associated with the Arrangement, including the fact that there will be the additional costs associated with running two companies instead of one. Finally, the Board considered a variety of risks that may arise from the transaction, including but not limited to the risks described in “Risk Factors” below.

After receiving professional advice and careful consideration of the aforementioned factors, the Board has unanimously determined that the Arrangement is in the best interests of the Company and is fair to Shareholders. **Accordingly, the Board unanimously recommends that Shareholders vote FOR the Arrangement Resolution.**

### **Conditions to Closing**

Completion of the Arrangement is subject to a number of specified conditions being met or waived by the Company and SpinCo as of the Effective Time, including but not limited to:

- (a) the Arrangement Resolution will have been passed by the Shareholders in accordance with the Interim Order;
- (b) the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, and shall not have been set aside or modified in a manner unacceptable to the Company and the Purchaser, acting reasonably, on appeal or otherwise;
- (c) if required, the TSXV will have conditionally approved the transactions contemplated in the Arrangement Agreement;
- (d) all other material consents, orders and approvals, including any regulatory or judicial approvals or orders, that the Company or SpinCo considers necessary or desirable to effect the Arrangement will have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances on terms and conditions that are acceptable to the Company or SpinCo, as applicable;
- (e) no order, injunction, decree or any other kind of prohibition under Applicable Laws which restrains or enjoins the consummation of the Arrangement or any of the other transactions contemplated by the Arrangement Agreement is in force immediately before the Effective Time; and
- (f) the Arrangement Agreement has not been terminated in accordance with its terms.

### **Effective Date of the Arrangement**

Provided all the conditions precedent in the Arrangement Agreement are satisfied or waived, the Arrangement will become effective on the Effective Date, such date to be determined by the Company. A news release will announce the precise Effective Date once it has been determined.

### **Termination of Arrangement Agreement**

The Board may at any time before Effective Date terminate the Arrangement Agreement without further action on the part of Shareholders, and nothing expressed or implied herein or in the Plan of Arrangement will be construed as fettering the absolute discretion of the Board to terminate the Arrangement Agreement and to discontinue efforts to effect the Plan of Arrangement for whatever reason it may consider appropriate.

### **No Fractional Shares**

No fractional SpinCo Shares will be distributed to Shareholders. All fractional amounts arising under this Plan of Arrangement will be rounded down to the next whole number.

### **Treatment of Other Securities**

Any outstanding stock option or warrant of the Company will not be entitled to receive securities of SpinCo under the Arrangement. The holders of Company stock options have waived the adjustment provisions of their stock options, and accordingly the terms and conditions of all outstanding stock options remain unaffected by the Arrangement.

### **SpinCo Director and Officers**

Upon completion of the Arrangement, the board of directors for SpinCo will be comprised of Dino Cremonese, Robert Smiley and Jeremy Zall. Dino Cremonese will be SpinCo's chief executive officer and president, while Robert Smiley will be its chief financial officer.

### **Procedure for Receipt of SpinCo Shares**

Company Shareholders will not need to take any action to receive the SpinCo Shares. As soon as practicable after the Effective Date, the Transfer Agent will forward to each registered Teuton Shareholder (as of the Record Date and who has not dissented to the Arrangement) DRS statements representing the SpinCo Shares to which such shareholder is entitled to under the Arrangement.

### **Dissent Rights**

Subject to certain conditions described below, Shareholders are entitled to dissent to the Arrangement and to be paid the fair value, as of the close of business on the last Business Day before the day on which the Arrangement Resolution was adopted, for their Company Shares. No Shareholder who has voted in favour of the Arrangement Resolution shall be entitled to dissent with respect to the Arrangement.

A Shareholder may dissent only with respect to all of the Company Shares held by such Shareholder. Only registered Shareholders may dissent. Beneficial owners of Company Shares who wish to dissent must do so through the registered holder of their Company Shares, and in such a case, the registered holder must indicate in its written objection the name of the beneficial owner and the number of the Company Shares owned beneficially by such person.

The following description is not a comprehensive statement of the procedures to be followed by any registered Shareholder seeking payment of the fair value of its Company Shares from the Company, and is qualified in its entirety by the reference to the full text of the Interim Order, which is attached as Appendix C to this Circular, and the specific provisions of sections 237 to 247 of the BCBCA.

**Any Shareholder who intends to exercise Dissent Rights must strictly comply with the Dissent Procedures. Failure to follow the Dissent Procedures may result in the loss of all rights thereunder.**

A written notice of dissent from the Arrangement Resolution pursuant to section 242 of the BCBCA, must be received by the Company, from a dissenting Shareholder, by 4:00 p.m., Vancouver time, on April 2, 2025, or on or before the second last Business Day immediately preceding the Meeting should it be postponed. The notice of dissent must contain all of the information specified in the Interim Order, and must be delivered by registered mail to the Company's counsel at: Connect Law Corp., #506-889 West Pender Street, Vancouver, B.C., V6C 3B2, Attention: Melody Yiu.

If the Arrangement Resolution is approved at the Meeting, within one month after the Company notifies the dissenting Shareholder of the Company's intention to act upon the Arrangement Resolution pursuant to section 243 of the BCBCA, the dissenting Shareholder must send to the Company, a written notice (containing all information required by the relevant sections of the BCBCA and the Interim Order), together with the share certificate or certificates representing those Shares. A dissenting Shareholder who does not strictly comply with the Dissent Procedures is not entitled to be paid fair value for his, her or its Shares, and will be deemed to have participated in the Arrangement on the same basis as non-dissenting Shareholders.

Upon proper notice of dissent being received, the Company will engage with the dissenting Shareholder to agree on the payout value of such Shareholder's Shares, and if agreement can be reached, the Company will promptly pay the amount to the dissenting Shareholder unless the Company is unable to lawfully pay such amount due to there being reasonable grounds for believing that it is insolvent or that the payment would render it insolvent.

In the event that the dissenting Shareholder and the Company cannot agree on a payout value for the Shareholder's Shares, then either of the Company or the dissenting Shareholder may apply to the Court for a resolution, in which case the Court may determine the payout value, or make other orders or directions that it considers appropriate. There is no obligation on the Company to apply to the Court.

Exercising Dissent Rights can be a complex, time-consuming and expensive procedure -- shareholders intending to exercise their Dissent Rights are advised to consult legal counsel before undertaking such an endeavor.

**Court Approval of the Arrangement**

*Interim Order*

On March 6, 2025, the Company obtained the Interim Order from the Supreme Court of British Columbia. A copy of the Interim Order is set out in Appendix C to this Circular.

*Final Order*

If the Arrangement Resolution is approved by Shareholders at the Meeting, the Company intends to make an application to the Court for the Final Order approving the Arrangement. The application for the Final Order is expected to take place at the courthouse of the Court at 800 Smithe Street, Vancouver, British Columbia at 9:45 A.M. on April 9, 2025 or as soon thereafter as counsel may be heard, or at any other date and time and by any other method as the Court may direct. A copy of the Interim Order and Notice of Hearing is set forth in Appendix C to this Circular.

The Court has broad discretion under the BCBCA when making orders with respect to the Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms.

Depending upon the nature of any required amendments, the Company may determine not to proceed with the Arrangement.

Any party wishing to appear and make representations at the application for the Final Order must file with the Court and serve upon the Company, at the address and by the time set out below, a Response to Petition along with all required evidence and materials; such persons should consult with their lawyers as to the necessary requirements.

Deadline for service: 4:00 P.M. (Vancouver time) on April 4, 2025

Address for service: Connect Law Corporation  
#506-889 West Pender St.  
Vancouver, B.C. V6C 3B2  
Attn: Melody Yiu

In the event that the hearing is adjourned, only those persons having previously filed and served a Response to Petition will be given notice of the adjournment.

### **Regulatory Approvals**

The Arrangement is subject to the acceptance of the TSXV. Conditional acceptance of the Arrangement was provided by the TSXV on February 7, 2025.

Upon completion of the Arrangement, it is expected that SpinCo will be a reporting issuer in British Columbia and Alberta, and that it will seek a listing of the SpinCo Shares on a Canadian stock exchange. However, no regulatory authority has given assurance that SpinCo will be a reporting issuer in the specified jurisdictions, nor is there any assurance that SpinCo will be able to attain a listing on any stock exchange.

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

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

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act relating to the Arrangement applicable to a beneficial owner of Company Shares who, for the purposes of the Tax Act:

- (i) holds Company Shares, and will hold SpinCo Shares acquired on the Arrangement, as capital property;
- (ii) deals at arm's length with the Company and SpinCo for the purposes of the Tax Act;
- (iii) is not "affiliated" with the Company or SpinCo for the purposes of the Tax Act; and
- (iv) is, or is deemed to be, a resident in Canada for purposes of the Tax Act at all relevant times

(such an owner a "Holder").



This summary is based upon: (i) the current provisions of the Tax Act and the regulations under the Tax Act (the “Regulations”) in force as of the date hereof; (ii) all specific proposals to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof (“Tax Proposals”); and (iii) counsel’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the “CRA”). No assurance can be given that the Tax Proposals will be enacted or otherwise implemented in their current form, if at all. If the Tax Proposals are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. This summary does not otherwise take into account or anticipate any changes in law, administrative policy or assessing practice of the CRA, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada.

All italicized terms in this summary have the definitions ascribed to them in the Tax Act.

This summary is not applicable to a Holder: (i) that is a *financial institution* for the purposes of the mark-to-market property rules contained in the Tax Act; (ii) that is a *specified financial institution* or *restricted financial institution* (iii) who has acquired Company Shares on the exercise of a stock option; (iv) who has an interest in, or whose Company Shares or SpinCo Shares are or will be, a *tax shelter investment*; (v) that has made a *functional currency* reporting election under section 261 of the Tax Act; (vi) that has entered, or will enter, into a *derivative forward agreement* or *synthetic disposition arrangement* with respect to the Company Shares or SpinCo Shares; or (vii) that is a partnership. Such Holders should consult their own tax advisors regarding the Arrangement’s tax implications.

**Shareholders resident or subject to taxation in a jurisdiction other than Canada should be aware that the Arrangement may have tax consequences both in Canada and in such other jurisdiction. As these consequences are not described herein, such Shareholders are urged to consult with their own tax advisors regarding the Arrangement’s tax issues.**

Company Shares and SpinCo Shares will generally be considered to be capital property to a Holder unless such securities are held by the Holder in the course of carrying on a business of buying and selling securities or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade. Holders may in certain circumstances be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to have such shares, and every other *Canadian security* owned by such Holder in the taxation year in which the election is made and in all subsequent taxation years, deemed to be capital property.

#### *Distribution of SpinCo Shares to Holders*

Under the Arrangement, the Stock Distribution will be made by way of a reduction of the capital of the Company Shares which will result in a reduction of *paid-up capital* for purposes of the Tax Act.

Generally, when a *public corporation*, as defined in the Tax Act, reduces the paid-up capital in respect of a class of its shares and makes a distribution to its shareholders, the amount paid on such reduction is deemed to be a dividend. However, where the paid-up capital of the corporation exceeds the amount of the proposed distribution, a distribution not in excess of the amount by which the paid-up capital is reduced may be treated as a tax-free return of capital (subject to the comments below concerning the reduction of the *adjusted cost base* of the Company Shares) and not as a dividend in certain cases including (a) where the return of capital is made on the reorganization of the corporation’s business or (b) generally the amount paid on the distribution is derived from proceeds realized from certain non-ordinary course transactions within the previous 24 months. The reduction in capital should not be treated as a deemed dividend if either test is met and in this case, the distribution should satisfy both tests. The Company will be reorganizing its business by disposing of certain assets to SpinCo out of the ordinary course of its business. In addition, the SpinCo Shares to be distributed will represent the proceeds from a transaction or event that occurred no

more than 24 months before the return of capital and that transaction or event is outside the ordinary course of the business of the Company.

Based on the foregoing, the Stock Distribution should qualify as a return of paid-up capital and not be treated as a deemed dividend. A contrary view, however, could be adopted by CRA. Provided the Stock Distribution is treated as a return of capital for purposes of the Tax Act, the adjusted cost base of each Company Share held as capital property by a Holder would be reduced by an amount equal to the fair market value of the SpinCo Shares received. If such amount exceeds the adjusted cost base of the Company Shares to the Holder, such Holder would be deemed to have realized a capital gain equal to such excess (see discussion below under the subheading “Taxation of Capital Gains and Capital Losses”). The cost of any SpinCo Shares received by a Holder under the Arrangement will be equal to their fair market value at the Effective Time.

#### *Dividends on Company Shares and SpinCo Shares*

A Holder who is an individual (other than certain trusts) and who receives or is deemed to receive a dividend on its Company Shares or SpinCo Shares will be required to include in income such dividend, and will be subject to the normal gross-up and dividend tax credit rules applicable to taxable dividends received from *taxable Canadian corporations*, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by the Company or SpinCo, as the case may be, as *eligible dividends*.

A Holder that is a corporation will be required to include in income any dividend received or deemed to be received on its Company Shares or SpinCo Shares, and generally will be entitled to deduct an equivalent amount in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a dividend or deemed dividend received by a Holder that is a corporation as a capital gain or proceeds of disposition. Such Holders should consult their own tax advisors in this regard.

A *private corporation* or a *subject corporation* may be liable under Part IV of the Tax Act to pay a refundable tax on any dividend that it receives or is deemed to receive on its Company Shares or SpinCo Shares to the extent that the dividend is deductible in computing the corporation’s taxable income.

#### *Dispositions of Company Shares or SpinCo Shares*

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

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

A Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a taxable capital gain) realized in such taxation year. Subject to and in accordance with the provisions of the Tax Act, a Holder will generally be required to deduct one-half of the amount of any capital loss (an allowable capital loss) against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such taxation years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Company Share or SpinCo Share by a Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Company Share or SpinCo Share to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Company Shares or

SpinCo Shares, directly or indirectly, through a partnership or a trust. Holders to whom these rules may be relevant should consult their own tax advisors.

Pursuant to Tax Proposals that would amend certain parts of the capital gains regime (the “Capital Gains Proposals”), the capital gains inclusion rate generally applicable for the purposes of determining a taxpayer's taxable capital gains and allowable capital losses for a particular taxation year is proposed to be increased from one-half to two thirds. Where allowable capital losses in excess of taxable capital gains realized in a taxation year are applied against taxable capital gains realized in another taxation year for which a different inclusion rate applies, the amount of the net capital loss that can be applied against the taxable capital gains in that year will be adjusted to match the inclusion rate used to compute those taxable capital gains.

Pursuant to the Capital Gains Proposals, the income of a Holder that is an individual (other than certain trusts) for a particular taxation year in which the increased rate applies will be subject to certain adjustments which are intended to effectively reduce such a Holder's net inclusion rate to the original one-half for up to \$250,000 of net capital gains realized (or deemed to be realized) by such Holder in the year that are not offset by an amount in respect of capital losses carried back or forward from another taxation year.

On January 6, 2025, the Parliament of Canada was prorogued and the Tax Proposals that would have enacted the Capital Gains Proposals lapsed. On January 31, 2025, the Minister of Finance (Canada) announced that the date of the application of the Capital Gains Proposals will be deferred until January 1, 2026 and new Tax Proposals will be introduced in due course that would re-introduce the Capital Gains Proposals. In response, the CRA announced that it will administer the currently enacted capital gain inclusion rate of one-half as provided in the Tax Act until January 1, 2026. Holders should consult and rely on their own tax advisors in this regard.

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

A Holder that is throughout the relevant taxation year a *Canadian-controlled private corporation* (as defined in the Tax Act) or that is at any time in the relevant taxation year a *substantive CCPC* may be liable to pay a refundable tax on its *aggregate investment income* (as defined in the Tax Act) for the taxation year, including taxable capital gains realized on the disposition of Company Shares or SpinCo Shares and certain dividends.

#### *Dissenting Holders*

A Holder who validly exercises Dissent Rights and who receives a cash payment from the Company equal to the fair value of such Holder's Company Shares will be deemed to receive a taxable dividend equal to the amount, if any, by which the amount received (excluding interest) for the Dissenting Holder's Company Shares exceeds the paid-up capital of such the Company Shares determined immediately before the Arrangement. The general tax consequences to a Dissenting Holder of being deemed to have received a dividend are described above under the heading “Dividends on Company Shares and SpinCo Shares”. The Dissenting Holder will also be deemed to have received proceeds of disposition for the Company Shares equal to the amount (excluding interest) received by the Dissenting Holder from the Company less the amount of the deemed dividend referred to above. Consequently, the Dissenting Holder will recognize a capital gain (or sustain a capital loss) to the extent that such proceeds of disposition exceed (or are exceeded by) the adjusted cost base of such Dissenting Holder's Company Shares. The general tax consequences to a Dissenting Holder of realizing a capital gain or capital loss are described above under the heading, “Taxation of Capital Gains and Capital Losses”.

Any interest awarded to a Dissenting Holder will be included in such Holder's income for the purposes of and in accordance with the Tax Act. Further, additional income tax considerations may be relevant to

Holders who fail to perfect or withdraw their claims pursuant to the Dissent Rights. Holders should consult their own tax advisors with respect to the tax consequences to them of exercising Dissent Rights.

#### *Eligibility for Registered Plans*

Based on the provisions of the Tax Act and its regulations in force as of the date hereof, SpinCo Shares will be *qualified investments* for a Registered Plan at any particular time, provided that the SpinCo Shares are listed on a *designated stock exchange* at such time.

Notwithstanding that the SpinCo Shares may be a *qualified investment* for a Registered Plan, a Holder will be subject to a penalty tax as set out in the Tax Act if the SpinCo Shares constitute a *prohibited investment* of the particular Registered Plan. The SpinCo Shares generally will be a *prohibited investment* if the Holder of the SpinCo Shares: (i) does not deal at arm's length with SpinCo for purposes of the Tax Act; or (ii) has a *significant interest* (within the meaning of the Tax Act for purposes of the *prohibited investment* rules) in SpinCo. Notwithstanding the foregoing, the SpinCo Shares will not be a *prohibited investment*, if such securities are *excluded property*, as defined in the Tax Act for purposes of the *prohibited investment* rules.

There can be no assurance that SpinCo Shares will be a *qualified investment* for a Registered Plan. Prospective purchasers that intend to hold SpinCo Shares in a Registered Plan should consult their own tax advisors with respect to their individual circumstances.

#### **Canadian Securities Law Considerations**

The following summary is not a comprehensive list of Canadian securities law considerations applicable to the Arrangement. Each Shareholder is urged to consult professional advisers to determine the conditions and restrictions applicable to trades of SpinCo Shares under Canadian securities laws.

The issuance of the SpinCo Shares to Shareholders pursuant to the Arrangement will constitute a distribution of securities which is exempt from the registration and prospectus requirements of Canadian securities legislation. The SpinCo Shares received by Shareholders pursuant to the Arrangement may be resold in each of the provinces and territories of Canada provided that (i) the trade is not a "control distribution" as defined in NI 45-102 – Resale of Securities; (ii) no unusual effort is made to prepare the market or create a demand for those securities; (iii) no extraordinary commission or consideration is paid in respect of that sale; and (iv) if the selling securityholder is an insider or officer of SpinCo, the selling securityholder has no reasonable grounds to believe that SpinCo is in default of securities legislation.

#### **U.S. Securities Law Considerations**

The following discussion is a brief overview of U.S. Securities Laws applicable to the issuance of SpinCo Shares to Shareholders, assuming completion of the Arrangement. It is not a comprehensive list of U.S. Securities Law considerations applicable to the Arrangement. Any Shareholder subject to the securities laws of the United States ("American Shareholders") should consult their own qualified advisors to determine the conditions and restrictions applicable to trades of SpinCo Shares under U.S. securities laws. Further information applicable to American Shareholders is disclosed under the heading "Note to United States Shareholders" in this Circular.

The Company is currently not a reporting issuer with the SEC and the Company Shares currently are not traded on an exchange in the United States.

The SpinCo Shares to be issued to Shareholders pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or any applicable Securities Laws of any state of the United States. The SpinCo Shares will be issued in reliance upon Section 3(a)(10) of the U.S. Securities Act (and

similar exemptions under state securities laws) which provides an exemption from the registration requirements of the said Act for securities issued in exchange for other securities, claims or property interests, provided, amongst other things, (i) the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the proposed issuance and exchange, and (ii) all persons to whom the securities will be issued have the right to appear at such hearing and have received adequate notice thereof.

The U.S. Securities Act imposes restrictions on the resale of SpinCo Shares received pursuant to the Arrangement by persons who will be “affiliates” of the Company or SpinCo after the Effective Time or during the 90 days before the Effective Time. Persons who may be deemed to be “affiliates” of an issuer, under the U.S. Securities Act, include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Such “affiliates” of the Company or SpinCo should consult qualified advisors to see if their SpinCo Shares can be traded in the United States under Rule 144 or Regulation S.

The SpinCo Shares to be issued to Shareholders pursuant to the Arrangement have not been approved or disapproved by the SEC or securities regulatory authorities of any state of the United States. Nor has the SEC or securities authorities of any state in the United States passed on the adequacy or accuracy of this Circular.

### **Risk Factors**

The risk factors described below do not comprise an exhaustive list of all risks associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Company, may also adversely affect Company Shares, SpinCo Shares and/or the businesses of the Company and SpinCo following the Arrangement. In addition to the risk factors relating to the Arrangement set out below, Shareholders should also carefully consider the risk factors associated with the business of the Company set forth in the section entitled “Risks and Uncertainties” of the Company’s MD&A, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), as such risk factors will be associated with the business of SpinCo following completion of the Arrangement. Shareholders should also carefully consider the risk factors associated with the business of SpinCo set forth in the section entitled “Risk Factors” in Appendix D to this Circular as such risk factors will be associated with the business of SpinCo following completion of the Arrangement. If any of the risk factors materialize, the predictions based on them may need to be re-evaluated.

*The Arrangement Agreement may be terminated.*

The Company and SpinCo have the right to mutually terminate the Arrangement Agreement. Accordingly, there is no certainty, nor can the Company provide any assurance, that the Arrangement Agreement will not be terminated by the Company and SpinCo before the completion of the Arrangement.

*There can be no certainty that all conditions precedent to the Arrangement will be satisfied.*

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

*The Company will incur costs in connection with the Arrangement.*

The Company will incur significant direct transaction costs in connection with the Arrangement, and the actual direct transaction costs incurred in connection with the Arrangement may be higher than expected. In addition, certain of the Company's costs related to the Arrangement, including legal, financial advisory services, accounting, printing and mailing costs, must be paid even if the Arrangement is not completed.

*The market price for the Company Shares may decline if the Arrangement is not completed.*

If the Arrangement is not completed, the market price of Company Shares may decline to the extent that the current market price reflects a market assumption that the Arrangement will be completed.

*The anticipated benefits of the Arrangement may not be realized.*

The Arrangement is subject to normal commercial risks that such transaction may not be completed on the terms anticipated or at all. The Company is proposing to complete the Arrangement to create the opportunity to realize certain benefits described under the heading "The Arrangement – Reasons for the Arrangement". Achieving the benefits of the Arrangement depends in part on various factors, including the ability of SpinCo to successfully streamline its operations and procedures in a timely and efficient manner, and ultimately, there can be no assurance that the anticipated benefits of the Arrangement will materialize. It is possible that the risks and uncertainties described in this Information Circular will arise and become material to such an extent that some or all of the anticipated benefits of the Arrangement will never materialize or will be nullified.

*There is currently no market for the SpinCo Shares.*

There is currently no market through which the SpinCo Shares may be sold and Shareholders may not be able to resell the SpinCo Shares acquired under the Arrangement. This may affect the price of the SpinCo Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the SpinCo Shares. Although SpinCo intends to list its shares on a Canadian stock exchange, such an application will be subject to meeting all of the stock exchange's listing requirements. There can be no assurance as to if, or when, the SpinCo Shares will be listed or traded on any stock exchange. It is not a condition of the Arrangement that a stock exchange has conditionally approved the listing of the SpinCo Shares.

#### *Dissent Rights*

Registered Shareholders have been granted the right to exercise Dissent Rights in accordance with the provisions of the BCBCA (as may be modified by the Interim Order and the Plan of Arrangement) and demand payment equal to the fair value of their Company Shares in cash. If Dissent Rights are exercised in respect of a significant number of Company Shares, a substantial cash payment may be required to be made to such Shareholders, which could have an adverse effect on the Company's financial condition and cash resources. The Company may elect, in its sole discretion, not to complete the Arrangement if Shareholders holding more than 5% of the outstanding Company Shares exercise Dissent Rights.

#### *Tax Consequences*

The Arrangement may give rise to adverse tax consequences to Shareholders, and each Shareholder is urged to consult with his, her or its own tax advisor. See the heading "Certain Canadian Federal Income Tax Considerations". The disclosure included in this Information Circular regarding the tax consequences of the Arrangement is general in nature and the applicability of such disclosure may vary from one Shareholder to another Shareholder. In addition, this Circular does not contain disclosure regarding the

potential tax consequences on Shareholders which, or who, are subject to U.S. taxation or taxation in any other non-Canadian jurisdiction. As such, all Shareholders are urged to consult with their own tax advisors to obtain a better understanding on the tax consequences of the Arrangement. If, at the time of distribution, the SpinCo Shares are not listed on a “designated stock exchange”, within the meaning of the Tax Act (which currently includes the TSXV) or SpinCo is not otherwise a “public corporation” as defined in the Tax Act as a result of making a timely tax election to constitute a public corporation from all times from its incorporation to the time it becomes a public corporation as provided in the Arrangement Agreement, the SpinCo Shares will not constitute “qualified investments” under the Tax Act for a Registered Plan, which may give rise to certain adverse Canadian tax consequences to a Holder.

## GENERAL PROXY INFORMATION

### **Solicitation of Proxies**

All costs of solicitation by management will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers and employees may solicit proxies personally, by telephone or facsimile, but will not receive compensation for so doing.

### **Appointment of Proxyholder**

The individuals named in the accompanying form of Proxy are directors (“Directors”) or officers (“Officers”) of the Company and were designated by management of the Company (the “Management Proxyholder”). **A shareholder wishing to appoint some other person who need not be a shareholder to represent the shareholder at the Meeting has the right to do so, by striking out the names of those persons named in the accompanying form of Proxy and inserting such other person's name in the blank space provided in the form of Proxy or by completing another form of Proxy.**

Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Shareholders electing to submit a Proxy may do so by:

- a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. (“Computershare”) by fax within North America at 1-866-249-7775, outside North America at 1-416-263-9524, or by mail or hand delivery to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or
- b) using a touch-tone phone to transmit voting choices to a toll-free number. The toll-free number to call is 1-800-732-VOTE (8683) within North America and 1-312-588-4290 outside North America. Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy for the shareholder's account number and the Proxy access number.

A Proxy will not be valid unless the completed, dated and signed form of Proxy is received by Computershare not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof.

### **Revocation of Proxy**

A shareholder who has given a Proxy may revoke it by an instrument in writing:

- a) executed by the shareholder or by the shareholder's attorney authorized in writing or, where the shareholder is a company, by a duly authorized officer or attorney of the company; and
- b) delivered to either:

- i) Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last Business Day preceding the day of the Meeting or any adjournment thereof, or
- ii) the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Only registered shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries (as defined below) to revoke the Proxy on their behalf. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### **Exercise of Discretion by Proxyholders**

Shares represented by properly executed Proxies in favour of persons designated in the enclosed form of Proxy will, where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, be voted in accordance with the specification made. In the absence of any such specification, the Proxy will be voted as recommended by Management. Where directions are given by the shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

The enclosed form of proxy, when properly signed, confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters which may be properly brought before the Meeting. At the date of this Information Circular, the Company's management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters, which are not now known to Management, should properly come before the Meeting, then the Management designees intend to vote in accordance with the judgment of Management.

#### **Non-Registered Holders**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are "non-registered" shareholders ("Non-Registered Holders") because the shares they own are not registered in their names but are instead registered in the name of (a) a brokerage firm, bank, trust company, trustee or administrator of self-administered RRSPs, RRIFFs, RESPs and similar plans; or (b) a clearing agency such as CDS & Co. (any of the foregoing, an "Intermediary"). **If you are a Non-Registered Holder, your shares can only be voted by the Intermediary in accordance with instructions received from you.**

In accordance with securities regulatory policy, the Company has the Meeting Materials to the Intermediaries for distribution to Non-Registered Holders. Each Intermediary has its own form of proxy and mailing procedures. Therefore, **if you receive the Meeting Materials from an Intermediary, you should carefully review the voting instructions provided by your Intermediary to ensure that you direct the voting of your shares in accordance with those instructions.**

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("Broadridge"), who typically sends a voting instruction form ("VIF") to Non-Registered Shareholders requesting them to provide voting instructions. **Please note a Broadridge VIF cannot be used to vote directly at the Meeting. If you are a Non-Registered Shareholder with a Broadridge VIF, you must follow the procedures set out by Broadridge, well in advance of the Meeting, for voting directly at the Meeting.**

Non-Registered Shareholders who wish to attend the Meeting and indirectly vote as proxyholder for the registered shareholder should contact their Intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Shares as a proxyholder.



## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company's authorized capital consists of an unlimited number of common shares without par value ("Shares"). As at February 14, 2025 (the "Record Date"), there were 57,746,881 Shares issued and outstanding. Each share carries the right to one vote.

Any shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified herein, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the best of the knowledge of the Directors or executive Officers, only the following persons beneficially owns, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares:

Name	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised	Percentage of Issued and Outstanding Shares
Eric Sprott <sup>(1)</sup>	13,111,000	22.86%

Notes:

(1) The shares are registered in the name of 2176423 Ontario Ltd.

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

### Summary Compensation Table

The following table sets forth the particulars of compensation, excluding stock options and other compensation securities, paid to directors and NEOs for the Company's two most recently completed financial years. NEOs are comprised of:

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

Name and Position	Fiscal year ended Dec. 31,	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Dino Cremonese	2023	\$180,000	\$13,200	Nil	Nil	\$41,000	\$234,200
President, CEO and Director	2022	\$180,000	\$7,500	Nil	Nil	\$55,819	\$243,319

Name and Position	Fiscal year ended Dec. 31,	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Robert Smiley	2023	Nil	Nil	Nil	Nil	Nil	Nil
<i>CFO and Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
Robert Gardner <sup>(1)</sup>	2023	Nil	Nil	Nil	Nil	Nil	Nil
<i>Former Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
Ken Konkin <sup>(1)</sup>	2023	Nil	Nil	Nil	Nil	Nil	Nil
<i>Former Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
Jeff Kyba <sup>(1)</sup>	2023	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director</i>	2022	N/A	N/A	N/A	N/A	N/A	N/A
Jeremy Zall <sup>(2)</sup>	2023	N/A	N/A	N/A	N/A	N/A	N/A
<i>Director</i>	2022	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Ceased being a director as of Jan. 20, 2023.

(2) Became a director on Jan. 20, 2023.

(3) Became a director on Jan. 25, 2024.

(4) Comprised of engineering fees.

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

The following table provides details of the stock option grants made by the Company to its Directors and NEOs during the most recently completed financial year (ended December 31, 2023):

Compensation Securities						
Name and Position	Date of Issue/Grant, and Expiry Date	Type of Compensation Security	Number of Compensation Securities & Underlying Securities, and % of Class <sup>(1)</sup>	Issue, Conversion or Exercise Price (per share)	Closing Price of Security or Underlying Security	
					on Date of Grant	at Year End <sup>(2)</sup>
Dino Cremonese	26-Jan-2023	stock option	1,000,000	\$1.20	\$1.20	\$1.40
<i>President, CEO and Director</i>	26-Jan-2028		1.74%			
Jeff Kyba	26-Jan-2023	stock option	100,000	\$1.20	\$1.20	\$1.40
<i>Director</i>	26-Jan-2028		0.17%			

(1) Each stock option allows the holder to purchase one common share (the underlying security) at the exercise price shown in the table, and accordingly, the number of compensation securities is the same as the number of underlying securities. Percentage of class is derived by dividing the number of underlying securities by 57,346,881 Shares (the number of Shares issued and outstanding as at the end of most recently completed fiscal year).

(2) Closing price for December 29, 2023, as December 31, 2023 was not a trading day.

During the most recently completed financial year, no stock options were exercised by the Company's Directors and NEOs.

### **Stock Option Plan**

The Company has a 10% “fixed” stock option plan to attract and retain experienced and qualified directors, officers and employees. A copy of the Plan can be requested from the Company. The key terms of the Plan are provided below for reference only:

- The maximum number of common shares issuable under the Plan may not exceed 5,009,188 common shares.
- The options have a maximum term of ten years from the date of issue.
- Options vest as the board of directors of the Company may determine upon the award of the options.
- The exercise price of options granted under the Plan shall be determined by the board of directors but shall not be lower than the last closing price for common shares of the Company as quoted on the TSX Venture Exchange, less any discount permitted by the TSX Venture Exchange, on the date of grant of the option.
- The expiry date of an option shall be the earlier of the date fixed by the Company’s board of directors on the award date, and: (a) in the event of the death or disability of the option holder while he or she is a director, officer, employee or consultant, 12 months from the date of death or disability of the option holder; (b) in the event that the option holder ceases to be a director, employee or consultant other than by reason of death or disability, 90 days following the date the option holder ceases to be a director, employee or consultant; (c) the 30th day after the optionee who is engaged in investor relations activities for the Company ceases to be employed to provide investor relations activities; and (d) the date on which the optionee ceases to be a director, officer, consultant or employee by reason or termination of the optionee as an employee or consultant of the Company for cause (which, in the case of a consultant, includes any breach of an agreement between the Company and the consultant).

The Stock Option Plan may be terminated at any time by resolution of the Board, but any such termination will not affect or prejudice the rights of participants holding options at that time, nor will outstanding options (if any) cease to be governed by the provisions of the terminated Stock Option Plan.

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

Except as disclosed herein, the Company is not party to any employment, consulting or management agreements with any director or NEO.

The Company is party to an executive employment agreement effective January 1, 2021 (the “EEA”) with Dino Cremonese, the Company’s President and Chief Executive Officer. Under the EEA, Mr. Cremonese is engaged by the Company in the role of President and Chief Executive Officer of the Company. As compensation, Mr. Cremonese will receive: (a) a base salary of \$180,000 per year; (b) an additional amount of \$800 per day, for each day during which Mr. Cremonese performs engineering duties for the Company which would normally be performed by an independent geologist or engineer; and (c) an annual cash bonus equal to (i) 10% of the total cash payments made to the Company by any optionee company under any of the Company’s option agreements (as reflected in the EEA) during the fiscal year and (ii) 10% of the total revenue generated from the sale by the Company of any optionee company’s shares held by the Company, regardless of when the Company acquired such optionee company’s shares. The EEA also provides that the board of directors, in its sole and absolute discretion, may provide additional bonuses to Mr. Cremonese, with such additional bonuses potentially arising from factors such as future royalties received by the Company from net smelter royalties negotiated by the Company.

Mr. Cremonese may terminate the EEA and his employment thereunder at any time by providing at least three months written notice of such termination to the Company, which notice period may be waived

by the Company (provided that Mr. Cremonese's compensation under the EEA shall continue until the end of such notice period, notwithstanding any such waiver by the Company).

Subject to any minimum statutory requirements, the Company may terminate the EEA at any time without notice or compensation for "Just Cause". "Just Cause", as defined in the EEA, includes, but is not limited to, any one or more of the following: (i) theft, fraud or misappropriation of organizational assets; (ii) serious incident of workplace violence or breach of health and safety; (iii) charge or conviction of any criminal offence which gives rise to a fundamental breach of trust; (iv) material breach of trust, conflict of interest or breach of any governing code of conduct applicable to the organization of which Mr. Cremonese is or reasonably ought to be aware; (v) a material breach or non-observance of the EEA by Mr. Cremonese which is not rectified by Mr. Cremonese within 90 days of Mr. Cremonese being provided with written notice of such material breach or non-observance; or (vi) any act or omission by Mr. Cremonese which would in law permit an Company to, without notice or payment in lieu of notice, terminate the employment of an executive.

In the absence of Just Cause, the Company may terminate the EEA at any time without Just Cause by providing Mr. Cremonese with: (a) all earned entitlements up to the date of termination; (b) payment in lieu of notice of the base salary and bonus equivalent to a notice period of 24 months, payable as a lump sum within 30 days of termination; and (c) any other statutory minimum entitlements.

In addition, if a "Triggering Event" occurs (a) the EEA and Mr. Cremonese's employment will terminate immediately, and Mr. Cremonese shall be provided with the payments to which he would have been entitled under the EEA if the Company terminated the EEA without Just Cause, as described above; and (b) Mr. Cremonese shall be entitled to request to the board of directors that his separation from the Company be announced and described as a voluntary resignation. Under the EEA a "Triggering Event" means any of the following: (a) Mr. Cremonese resigns for any reason within 90 days of a "Change of Control"; (b) Mr. Cremonese resigns for "Good Reason" within 12 months of a Change of Control; or (c) the Company terminates the EEA without Just Cause within 12 months of a Change of Control. Under the EEA, "Change of Control" means: (i) a change in the composition of the Company's board of directors within any rolling six month period such that there is a change in the identities and/or voting control of a majority of the individuals who are members of the board of directors; and/or (ii) the passing of a motion or resolution by the board of directors which would permit the membership to exercise material influence over the board of directors, including but not limited to the composition of the board, in such a manner that would give the membership the ability to directly influence the employment status of Mr. Cremonese. Under the EEA, "Good Reason" means any of the following: (i) a reduction in excess of 10% of Mr. Cremonese's total annual salary as described in the EEA; (ii) a material breach or non-observance by the Company of any material provision of the EEA which is not rectified within 90 days of Mr. Cremonese providing written notice to the Company of such material breach or non-observance; and/or (iii) any other reason which would be considered to amount to constructive dismissal by a court of competent jurisdiction.

#### **Oversight and Determination of Compensation**

The Board as a whole has the responsibility of determining compensation for directors and senior management. However, to date, no cash compensation has been paid to officers or directors.

The Board has the responsibility for determining compensation for the directors and senior management (including NEOs). In general, compensation consists of three components: salary/fees, bonus and option grants. Salary/fees are determined by taking into account the executive's experience level and qualifications, as well as the scope and complexity of the position held. Bonuses may be paid based on performance or, if applicable, in accordance with the terms of the person's employment agreement. Stock options are granted pursuant to the Stock Option Plan, described above.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at December 31, 2023.

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 plan (excluding securities reflected in column (a)) (c)
Equity compensation plan approved by securityholders	5,352,500	\$1.13	382,188 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	5,352,500	N/A	382,188

Note:

(1) The maximum number of options available for grant under the Plan is 5,734,688, as at Dec. 31, 2023.

The Stock Option Plan is the Company's only equity compensation plan. For material features of the Plan, please see "Stock Option Plan" above.

## CORPORATE GOVERNANCE

### **Board of Directors**

The Board will consist of four Directors, three of whom are independent. Except for Dino Cremonese, who is the Company's President and CEO and Robert Smiley, the Company's CFO, none of the other Directors is: (i) an Officer or employee of the Company; (ii) a party to a material contract with the Company or has a material interest in a transaction involving the Company; or (iii) the recipient of remuneration from the Company other than incentive stock options disclosed herein.

### **Directorships**

As at the date hereof, the following Directors are also directors of other reporting issuers as set out below:

<u>Director</u>	<u>Name of Reporting Issuer</u>
Dino Cremonese	Silver Grail Resources Ltd.
Robert Smiley	Silver Grail Resources Ltd., Sterling Group Ventures Inc., Richco Investors Inc.

### **Orientation and Continuing Education**

The Company has not yet developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Company by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

### **Ethical Business Conduct**

The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges.

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

#### **Nomination of Directors**

Given the small size of the Company, the Board has not appointed a nomination committee or put in place formal procedures for the identification of potential Board candidates. Since the size of the Board is limited, the functions of such a committee can be served by the Board as a whole.

#### **Compensation**

The Company does not have a compensation committee as the Board is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the Chief Executive Officer, the Chief Financial Officer and the directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general.

#### **Other Board Committees**

The Company has no committee other than its audit committee at this point.

#### **Assessments**

The Board has not, as yet, adopted formal procedures for assessing the effectiveness of the Board, its Audit Committee or individual directors.

### **AUDIT COMMITTEE**

#### **The Audit Committee's Charter**

The Charter of the Audit Committee is attached as Appendix J to this Information Circular.

#### **Composition of the Audit Committee**

All three members of the Audit Committee — Robert Smiley, Jeff Kyba and Jeremy Zall — are financially literate, and except for Robert Smiley who is the Company's CFO, are independent members of the committee.

#### **Relevant Education and Experience**

All of SpinCo's audit committee members are "financially literate" as such term is defined under NI 52-110. Jeremy Zall is "financially literate" due to his experience in managing a helicopter company. Jeff Kyba is "financially literate" due to his experience in managing mineral exploration companies. Robert Smiley is "financially literate" due to his experience as a lawyer and a director of several public companies, including the Company.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110, or an exemption from the Instrument, in whole or in part, granted under Part 8 thereof.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services. Generally, management is responsible for ensuring that any required non-audit services are performed in a timely manner, subject to review by the Board or the Audit Committee.

### **External Auditor Service Fees**

The aggregates fees paid by the Company to its auditor in each of the last two fiscal years are as follows:

	<b>FY2023</b>	<b>FY2022</b>
Audit fees	\$27,000	\$41,625
Audit related fees	Nil	Nil
Tax fees	Nil	\$1,575
All other fees	Nil	Nil

### **Exemption**

The Company is relying on the exemption provided by Section 6.1 of the Instrument.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the Directors, executive Officers or proposed nominees for election as Directors, executive Officers or their respective associates or affiliates, or other management of the Company is or has been indebted to the Company as at the date hereof.

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

Except as disclosed herein, no person: (a) who has been a Director or executive Officer at any time since the commencement of the Company's last financial year; (b) who is a proposed nominee for election as a Director; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of Directors and the appointment of auditors and as set out herein.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of management of the Company, no informed person (a Director, Officer or holder of 10% or more of the Shares) or nominee for election as a Director or any associate or affiliate of any informed person or proposed Director has had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the most recently completed financial year, or has any interest in any material transaction in the current year, other than as set out herein.

### **MANAGEMENT CONTRACTS**

Management functions of the Company are not to any substantial degree performed by a person or company other than the Directors or executive Officers.

### **OTHER BUSINESS**

As of the date of this Information Circular, management is not aware of any other matters to come before the Meeting. The securities represented by the Proxy will be voted as directed by the holder, but if such direction is not made in respect of any matter, the Proxy will be voted as recommended by Management.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Company is provided in the Company's comparative financial statements and MD&A for the financial year ended December 31, 2023. Shareholders may contact the Company to request copies of the financial statements and the MD&A.

DATED at Victoria, British Columbia, this March 7, 2025

BY ORDER OF THE BOARD OF DIRECTORS

*"Dino Cremonese"*

Dino Cremonese  
Director, President and CEO



Appendix A  
**Arrangement Resolution**

BE IT RESOLVED as a special resolution that:

1. The arrangement, as it may be or has been amended (the “Arrangement”) under section 288 of the *Business Corporations Act* (British Columbia), involving Teuton Resources Corp. (“Teuton”), its securityholders and Luxor Metals Ltd. (“Luxor”) is hereby authorized, approved and adopted;
2. The arrangement agreement dated January 23, 2025 between Teuton and Luxor (the “Arrangement Agreement”) and all transactions contemplated therein, the actions of Teuton’s directors in approving the Arrangement, and the actions of Teuton’s directors and officers in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified, authorized, and approved;
3. The plan of arrangement, as it may be or has been amended (the “Plan of Arrangement”), involving Teuton, its securityholders and Luxor as set out in Schedule 1 of the Arrangement Agreement, is hereby authorized, approved and adopted;
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by Teuton’s securityholders or that the Arrangement has been approved by the Supreme Court of British Columbia, Teuton’s directors are hereby authorized and empowered, without further notice to or approval of Teuton’s securityholders to:
  - (a) amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, as applicable; or
  - (b) not proceed with the Arrangement, subject to the terms of the Arrangement Agreement;
5. Any one or more officer or director of Teuton is hereby authorized and directed, for and on behalf of Teuton, to execute and deliver all such deeds, instruments, assurances, agreements, forms, waivers, notices, certificates, confirmations and other documents, and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the performance of any such act or thing.

Appendix B  
**Plan of Arrangement**  
(attached)

## Schedule 1

### PLAN OF ARRANGEMENT

pursuant to the Arrangement Agreement dated January 23, 2025 between  
Teuton Resources Corp. and Luxor Metals Ltd.

#### Part 1 INTERPRETATION

1.1 **Definitions.** In this Plan of Arrangement, unless the context otherwise requires:

- (a) **“Arrangement”** means the arrangement as contemplated by the arrangement agreement to which this Schedule is attached hereto.
- (b) **“Arrangement Resolution”** means the special resolution to be considered by the Company Shareholders at the Meeting to approve the Arrangement.
- (c) **“BCBCA”** means the *Business Corporations Act* (British Columbia) and the regulations promulgated thereunder, all as amended from time to time.
- (d) **“Business Day”** means a day other than a Saturday, Sunday or a statutory holiday in Vancouver, British Columbia.
- (e) **“Company”** means Teuton Resources Corp.
- (f) **“Company Options”** means stock options of the Company.
- (g) **“Company Shareholder”** means a holder of Company Shares.
- (h) **“Company Shares”** means the common shares in the capital of the Company.
- (i) **“Court”** means the Supreme Court of British Columbia.
- (j) **“Dissent Procedures”** means the rules pertaining to the exercise of Dissent Rights as set forth in Division 2 of Part 8 of the BCBCA and Part 3 of this Plan of Arrangement, as modified and supplemented by the Interim Order.
- (k) **“Dissent Rights”** means the rights granted in favour of registered holders of Company Shares to dissent to the Arrangement in accordance with Dissent Procedures.
- (l) **“Dissent Share”** means a Company Share held by a Dissenting Shareholder.
- (m) **“Dissenting Shareholder”** means a registered Company Shareholder who has exercised Dissent Rights in strict compliance with the Dissent Procedures, and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights.
- (n) **“Effective Date”** means the date selected by the Company upon which the Arrangement becomes effective.
- (o) **“Effective Time”** means 12:01 a.m. (PST) on the Effective Date, or such other time on the Effective Date as determined by the Company.
- (p) **“Encumbrances”** means, with respect to a property or asset, any mortgage, pledge, assignment, hypothec, charge, lien, security interest, adverse right or claim, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing.
- (q) **“Final Order”** means the final order of the Court approving the Arrangement.

- (r) **“Interim Order”** means an interim order of the Court concerning the Arrangement in respect of the Company, containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction.
- (s) **“Meeting”** means the meeting of Company Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to vote on the Arrangement Resolution.
- (t) **“SpinCo”** means Luxor Metals Ltd.
- (u) **“SpinCo Shareholder”** means a holder of SpinCo Shares.
- (v) **“SpinCo Shares”** means the common shares in the capital of SpinCo.
- (w) **“Spinout Assets”** means the assets to be transferred from the Company to SpinCo pursuant to the terms herein, consisting of:
  - (i) \$300,000 cash;
  - (ii) approximately \$1,600,000 worth of marketable securities; and
  - (iii) the Spinout Properties.
- (x) **“Spinout Liabilities”** means the liabilities, if any, of the Company in connection with the Spinout Properties.
- (y) **“Spinout Properties”** means six mineral properties in the Province of British Columbia known as (1) the Big Gold Property, (2) the Eskay Rift Property, (3) the Four J’s Property, (4) the Pearson Property, (5) the Tennyson Property and (6) the Leduc Silver Property, all as more particularly described in Exhibit 1 attached hereto.
- (z) **“Tax Act”** means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, all as amended from time to time.

- 1.2 **Context.** This Agreement is to be read with all changes in gender or number as required by the context. The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.

## **Part 2 THE ARRANGEMENT**

- 2.1 **Arrangement Agreement.** This Plan of Arrangement is made pursuant to, and forms part of, the Arrangement Agreement. If there is any conflict or inconsistency between the provisions of this Plan of Arrangement and the Arrangement Agreement, the provisions of this Plan of Arrangement will govern.
- 2.2 **Binding Effect.** At the Effective Time, this Plan of Arrangement will be binding on the Company, the Company Shareholders (including Dissenting Shareholders), the holders of Company Options, SpinCo and holders of SpinCo Shares.
- 2.3 **Steps of the Arrangement.** On the Effective Date, each of the events set out below will occur and shall be deemed to occur in the following sequence or as otherwise provided below or herein, without any further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of the Company or SpinCo:

- (a) Each Dissent Share shall be deemed to have been transferred to and acquired by the Company free and clear of any Encumbrances, and thereupon:
    - (i) the Dissenting Shareholder will be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign the Dissent Shares to The Company;
    - (ii) the Dissent Shares so transferred to the Company by the Dissenting Shareholder shall be cancelled; and
    - (iii) the Dissenting Shareholder's name will be removed as the holder of the Dissent Shares from the Company's central securities register, and the Dissenting Shareholder will cease to have any rights as an Company Shareholder other than the right to be paid by the Company the fair value of such Dissent Shares in accordance with Part 3 of this Plan of Arrangement, net of any applicable withholding tax.
  - (b) The Company shall transfer, convey and sell the Spinout Assets to SpinCo, free and clear of any Encumbrances, for a purchase price equal to the fair market value of the Spinout Assets at the time of the transfer.
  - (c) In consideration of the Spinout Assets, SpinCo shall assume the Spinout Liabilities, if any, and issue to the Company that number of SpinCo Shares which equal to one-third of the Company Shares issued and outstanding as of the close of business on the Record Date.
  - (d) An amount shall be added to the capital in respect of the SpinCo Shares issued as consideration on the transfer of the Spinout Assets will equal the amount the Company and SpinCo agree to in their election referred to above, less an amount equal to the fair market value of any non-share consideration paid by SpinCo for the Spinout Assets and the Spinout Liabilities (if any).
  - (e) The Company shall distribute the SpinCo Shares to all Company Shareholders, excepting Dissenting Shareholders if any, on the basis of one SpinCo Share for every three Company Shares held on the Record Date, as a return of capital.
  - (f) The SpinCo Share issued to the Company on SpinCo's date of incorporation shall be cancelled for no consideration.
- 2.4 **No Fractional Securities.** No fractional SpinCo Shares will be distributed to Company Shareholders. All fractional amounts arising under this Plan of Arrangement will be rounded down to the next whole number without any compensation therefor. Any SpinCo Shares not distributed as a result of so rounding down will be cancelled by SpinCo.
- 2.5 **Deemed Fully Paid and Non-Assessable Shares.** All SpinCo Shares issued pursuant hereto shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCBCA.
- 2.6 **Supplementary Actions.** Notwithstanding that the transactions and events set out in section 2.3 above will occur and will be deemed to occur in the chronological order therein set out without any act or formality, each of the Company and SpinCo will be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in section 2.3 above, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer

powers evidencing the transfer of shares and any receipt therefor, any necessary additions to or deletions from share registers, warrant certificates and agreements for stock options.

- 2.7 **Withholding.** The Company, SpinCo and the Depositary will each be entitled to deduct and withhold from any amount payable by it under this Plan of Arrangement the amount, if any, that it is required to deduct and withhold under the Tax Act or any applicable federal, provincial, territorial, state, local, or foreign tax law. To the extent that an amount is so withheld, the amount will be treated for all purposes as having been paid to the recipient of the payment in respect of which the deduction and withholding is made, provided that the amount is actually remitted in accordance with applicable law to the appropriate taxing authority.
- 2.8 **No Encumbrances.** Any exchange or transfer of securities pursuant to this Plan of Arrangement will be free and clear of any Encumbrances of any kind.
- 2.9 **U.S. Securities Law Matters.** The Court will be advised that the Arrangement will be carried out with the intention that all securities issued and exchanged on completion of the Arrangement will be issued and exchanged in reliance on the Section 3(a)(10) Exemption.
- 2.10 **Paramountcy.** From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Company Shares and Company Options issued before the Effective Time, (b) the rights and obligations of the registered Company Shareholders, Company Option holders, SpinCo and any transfer agent or other depositary therefor, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Company Share or Company Options outstanding as at the Effective Time will be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

### **Part 3 DISSENT RIGHTS**

- 3.1 **Exercising Dissent Rights.** Registered Company Shareholders may exercise Dissent Rights in accordance with the Dissent Procedures and any order of the Court, provided:
- (a) The Company receives a written notice of dissent from any such Dissenting Shareholder by no later than 4:00 pm (Vancouver time) on March 18, 2025, or in the case of any adjournment or postponement of the Meeting, the date which is two Business Days before the date of the Meeting; and
  - (b) Such shareholder has not voted in favour of the Arrangement Resolution.
- 3.2 **Deemed Participation or Non-Participation.** Any registered Company Shareholder who duly exercises Dissent Rights in accordance with the Dissent Procedures:
- (a) will be deemed to have transferred their Dissent Shares to the Company for cancellation as of the Effective Time pursuant to section 2.3(a) above, if such Dissenting Shareholder is determined to be ultimately entitled to be paid fair value for their Dissent Shares by the Company; or
  - (b) will be deemed to have participated in the Arrangement on the same basis as a non-Dissenting Shareholder and will receive SpinCo Shares on the same basis as every other non-Dissenting

Shareholder, if for any reason such Dissenting Shareholder is determined to be ultimately not entitled to be paid for their Dissent Shares by the Company.

- 3.3 **Dealing with Undistributed SpinCo Shares.** The Company's board of directors shall have sole discretion to deal, as it sees fit, with those SpinCo Shares reserved for distribution to Dissenting Shareholders but ultimately not distributed to such shareholders as a result of the exercise of their Dissent Rights.

#### **Part 4 AMENDMENTS AND WITHDRAWAL**

- 4.1 **Amendment.** The Company, in its sole discretion, reserves the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time before the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is filed with the Court and, if made following the Meeting, approved by the Court.
- 4.2 **Amendments Made Before or At the Meeting.** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company at any time before or at the Meeting, with or without any prior notice or communication, and if so proposed and accepted by the Shareholders voting at the Meeting, will become part of this Plan of Arrangement for all purposes.
- 4.3 **Amendments Made After the Meeting.** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company after the Meeting but before the Effective Time and any such amendment, modification or supplement which is approved by the Court following the Meeting will be effective and will become part of the Plan of Arrangement for all purposes. Notwithstanding the foregoing, any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by the Company, provided that it concerns a matter which, in the reasonable opinion of the Company, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of Company Shares or SpinCo Shares.
- 4.4 **Withdrawal.** Notwithstanding any prior approvals by the Court or by Shareholders, the Company's board of directors may decide not to proceed with the Arrangement and to revoke the resolution approving the Arrangement at any time before the Effective Time without further approval of the Court or Company Shareholders.

Appendix C  
**Court Materials**  
(attached)



In the Supreme Court of British Columbia

IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING TEUTON  
RESOURCES CORP. AND LUXOR METALS LTD. PURSUANT TO SECTION 288 OF THE  
*BUSINESS CORPORATIONS ACT*, S.B.C. 2002, C. 57, AS AMENDED

**Teuton Resources Corp.**

Petitioner

**ORDER MADE AFTER APPLICATION  
(INTERIM ORDER)**

BEFORE

*ASSOCIATE JUDGE MUIR.*

March 06, 2025

ON THE APPLICATION of the Petitioner, Teuton Resources Corp. ("**Teuton**") without notice coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on March 06, 2025 and on hearing Melody Yiu, counsel for the Petitioner;

**THIS COURT ORDERS THAT:**

The Meeting

1. The Petitioner is permitted and directed to call, hold and conduct a meeting (the "**Meeting**") of the shareholders of Teuton (the "**Shareholders**") to be held at Suite 506, 889 West Pender Street, Vancouver, British Columbia on April 4, 2025 at 10:00 a.m. (Pacific Time) or at such other time and location in Vancouver, British Columbia to be determined by Teuton provided that the Shareholders have due notice of same.
2. At the Meeting, the Shareholders will, *inter alia*, consider, and if deemed advisable, approve the special resolution set out in Appendix "A" (the "**Arrangement Resolution**") of the information circular (the "**Circular**") attached as Exhibit "B" to the Affidavit #1 of Robert Smiley and filed herein, such Arrangement Resolution adopting, with or without amendment, the arrangement (the "**Arrangement**") involving Teuton and Luxor Metals Ltd. ("**SpinCo**") as set forth in the plan of arrangement (the "**Plan of Arrangement**") attached as Appendix "B" of the Circular.
3. At the Meeting, Teuton may also transact such further and other business as is contemplated by the Circular or as otherwise may be properly brought before the Meeting.
4. The Meeting will be called, held and conducted in accordance with the Notice of Annual and Special Meeting of Shareholders (the "**Notice**") to be delivered in substantially the form attached to and forming part of the Circular, and in accordance with the applicable provisions of the *Business*

*Corporations Act*, S.B.C. 2002, c. 57, as amended (the “**Act**”), applicable securities laws, the terms of this Interim Order (the “**Interim Order**”) and any further Order of this Court, the rulings and directions of the chairperson of the Meeting, and, in accordance with the terms, restriction and conditions of the articles of Teuton, including quorum requirements and all other matters. To the extent of any inconsistency or discrepancy between this Interim Order and the terms of any of the foregoing, this Interim Order will govern.

#### Adjournment of Meeting

5. Teuton shall be entitled to adjourn or postpone the Meeting on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement and without the need for approval of the Court, provided that the Shareholders are given notice of such adjournment or postponement by one of the methods specified in paragraph 9 of this Interim Order.
6. The Record Date will not change in respect of any adjournment or postponement of the Meeting.

#### Amendments

7. Prior to the Meeting, Teuton is authorized to make such amendments, revisions or supplements to the proposed Arrangement and the Plan of Arrangement without any additional notice to the Shareholders or further order of this Court so long as the changes are made in accordance with the terms of the Arrangement Agreement, and the Arrangement and Plan of Arrangement as so amended, revised or supplemented will be the Arrangement and Plan of Arrangement which is submitted to the Meeting, and the subject of the Arrangement Resolution.

#### Record Date

8. The record date for determining the Shareholders entitled to receive the Notice, the Circular with the proposed Interim Order and petition to the court attached, and a form of proxy or voting instruction form (together, the “**Meeting Materials**”) is the close of business on February 14, 2025 (the “**Record Date**”), or such other date as the directors of Teuton may determine in accordance with the articles of Teuton and the Act and disclosed in the Meeting Materials.

#### Notice of Meeting

9. The Meeting Materials, with such amendments or additional documents as counsel for Teuton may advise are necessary or desirable, and that are not inconsistent with the terms of this Interim Order, will be sent to:
  - (a) registered Shareholders on the Record Date, at least 21 days before the date of the Meeting, by:
    - (i) prepaid ordinary mail addressed to such Shareholder’s address appearing in the records of Teuton; (ii) delivery in person or courier service to the same aforementioned address; or (iii) email or facsimile transmission to any Shareholder who identifies himself or herself to the satisfaction of Teuton acting through its representatives and who requests such email or facsimile transmission;

- (b) directors and auditors of Teuton, at least 21 days before the date of the Meeting, by prepaid ordinary mail, email or facsimile transmission;
  - (c) beneficial Shareholders as of the Record Date, where applicable, by providing the requisite number of copies of the Meeting Materials to intermediaries and registered nominees in accordance with National Instrument 54-101.
10. Substantial compliance with paragraphs 6 to 8 will constitute good and sufficient notice of the Meeting and delivery of the Meeting Materials.
  11. The accidental failure or omission by Teuton to give notice of the Meeting or nonreceipt of such notice shall not constitute a breach of this Interim Order. A defect in the calling of the Meeting shall not invalidate any resolution passed or taken at the Meeting provided that quorum requirements are met.
  12. The Meeting Materials are hereby deemed to represent sufficient and adequate disclosure including for the purposes of section 290 of the Act, and Teuton shall not be required to send to the Shareholders any other or additional information pursuant to section 290 of the Act or otherwise.

#### Deemed Receipt of Meeting Materials

13. The Meeting Materials and any amendments, modifications, updates or supplements thereto will be deemed, for the purposes of this Interim Order, to have been received:
  - (a) in the case of mailing, the day following the date of mailing, excepting Saturdays, Sundays and statutory holidays;
  - (b) in the case of delivery in person or by courier, the day of actual receipt;
  - (c) in the case of delivery by email or facsimile transmission, when dispatched or delivered for dispatch.

#### Updating Meeting Materials

14. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Meeting Materials may be communicated to the Shareholders by press release, news release, or newspaper advertisement, in which case such notice will be deemed to have been received at the time of publication, or by notice sent by any of the means set forth in paragraph 9, as determined to be the most appropriate method of communication by the Petitioner.

#### Quorum and Voting

15. The quorum required at the Meeting will be one Shareholder present in person or represented by proxy.
16. In accordance with Teuton's articles, at least two-thirds (2/3) of the votes cast by Shareholders with respect to the Arrangement Resolution must be in favour of the said resolution, in order for the Arrangement Resolution to pass.

17. In all other respects, the terms, restrictions and conditions set out in the articles of Teuton will apply in respect of the Meeting.

#### Permitted Attendees

18. The only persons entitled to attend the Meeting will be (i) the Shareholders or their respective proxyholders as of the Record Date, (ii) Teuton's directors, officers, auditors and advisors, (iii) representatives of SpinCo, and (iv) any other person admitted on the invitation of the chairperson of the Meeting or with the consent of the chairperson of the Meeting.

#### Scrutineer

19. A representative of Teuton's registrar and transfer agent (or any agent thereof) is authorized to act as scrutineer for the Meeting.

#### Proxy Solicitation

20. Teuton is authorized, at its own expense, to solicit proxies, directly and through its directors, officers and employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as either of them may determine.
21. Teuton is authorized to permit the Shareholders to vote by proxy using a form or forms of proxy that comply with the Act and Teuton's articles with respect to the form and content of proxies. The procedures for the use of proxies at the Meeting shall be as set out in the Meeting Materials.
22. Teuton may in its discretion waive generally the time limits for deposit of proxies by the Shareholders if Teuton deems it advisable to do so, such waiver to be endorsed on the proxy by the initials of the chairperson of the Meeting.

#### Dissent Rights

23. Registered Shareholders will have the right to dissent to the Arrangement Resolution and to be paid the fair value of their Teuton Shares (the "Dissent Right"), provided that any such registered Shareholder complies with the dissent procedures set out in sections 237 to 247 of the Act, as modified by the terms of this Interim Order, the Plan of Arrangement and the Final Order (collectively the "Dissent Procedures").
24. In order for a registered Shareholder to exercise the Dissent Right:
  - (a) a dissenting Shareholder must deliver a written notice of dissent which must be received by Teuton at 2130 Crescent Road, Victoria, British Columbia, V8S 2H3, by 4:00 p.m. (Pacific Time) on April 2, 2025, or, in the case of any adjournment or postponement of the Meeting, the date which is two business days before the date of the Meeting; a vote against the Arrangement Resolution or an abstention will not constitute written notice of dissent;
  - (b) a dissenting Shareholder must not have voted his, her or its Teuton Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;

- (c) a dissenting Shareholder must dissent with respect to all of the Teuton Shares held by such person; and
  - (d) the exercise of such Dissent Right must otherwise comply with the Dissent Procedures.
25. Notice to the Shareholders of their Dissent Right with respect to the Arrangement Resolution will be given by including information with respect to the Dissent Right in the Circular to be sent to Shareholders in accordance with this Interim Order.

Application for the Final Order

26. Upon the approval by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, Teuton may apply to this Court for an order (the “**Final Order**”):
- (a) approving the Plan of Arrangement, pursuant to section 291(4)(a) of the Act, and
  - (b) determining that the Arrangement is fair and reasonable to the Shareholders, pursuant to section 291(4)(c) of the Act,
- and that the application for the Final Order be set down for hearing on April 9, 2025 at 9:45 a.m., or such later date as counsel for Teuton may determine or be heard.
27. The form of Notice of Hearing of Petition attached as Appendix “C” to the Circular is hereby approved as the form of Notice of Proceedings for such approval. Any Shareholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order, subject to the terms of this Interim Order.
28. Any Shareholder seeking to appear at the hearing for the application for the Final Order must file and deliver a Response to Petition (a “**Response**”), in the form prescribed by the *Supreme Court Civil Rules*, together with a copy of all materials on which such Shareholder intends to rely on, including an outline of such person's or entity's proposed submissions, to the Petitioner’s solicitors at:

Connect Law Corporation,  
#506 – 889 West Pender Street,  
Vancouver, BC, V6C 3B2  
Attention: Melody Yiu

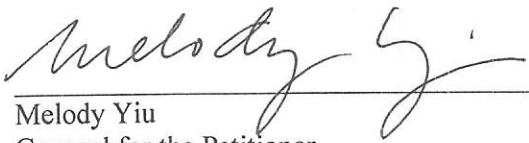
by or before 4:00 p.m. (Vancouver time) on April 4, 2025.

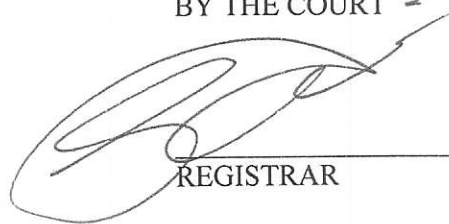
29. Sending the Notice of Hearing of Petition and this Interim Order as herein set out shall constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings. In particular, service of the Petition herein and the accompanying Affidavit and additional Affidavits as may be filed, is dispensed with.
30. If the application for the Final Order is adjourned, only those persons who have filed and delivered a Response, in accordance with the preceding paragraph of this Interim Order, need to be served with notice of the adjourned date.

Variance

31. Teuton shall be entitled, at any time, to apply to vary this Interim Order or for such further order or orders as may be appropriate.
32. Rules 8-1 and 16-1 of the *Supreme Court Civil Rules* will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

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

  
\_\_\_\_\_  
Melody Yiu  
Counsel for the Petitioner

BY THE COURT -  
  
\_\_\_\_\_  
REGISTRAR





No. S-251603  
Vancouver Registry

In the Supreme Court of British Columbia

IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING TEUTON  
RESOURCES CORP. AND LUXOR METALS LTD. PURSUANT TO SECTION 288 OF THE  
*BUSINESS CORPORATIONS ACT*, S.B.C. 2002, C. 57, AS AMENDED

**Teuton Resources Corp.**

Petitioner

**NOTICE OF HEARING**

To: the holders of Teuton Resources Corp. ("Teuton") shares, warrants and stock options (the  
"Securityholders")

TAKE NOTICE that a Petition has been filed by the Petitioner for approval of a plan of arrangement (the "Arrangement"), pursuant to the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended.

AND TAKE FURTHER NOTICE that by an interim order of the Supreme Court of British Columbia, pronounced on March 6, 2025, the Court has given directions as to the calling of a meeting of the Securityholders for the purpose of, *inter alia*, considering and voting upon a special resolution to approve the Arrangement.

AND TAKE FURTHER NOTICE that an application for a final order approving the Arrangement and for a determination that the terms and conditions of the Arrangement are fair to the Securityholders shall be heard at the courthouse at 800 Smithe Street, Vancouver, British Columbia on April 9, 2025 at 9:45 a.m. or as soon thereafter as the Court may direct or counsel for Teuton may be heard.

IF YOU WISH TO BE HEARD AT THE HEARING, you must give notice of your intention by filing a form entitled "Response to Petition" together with any evidence or materials which you intend to present to the Court at the Vancouver Registry of the Supreme Court of British Columbia and YOU MUST ALSO DELIVER a copy of the Response to Petition and any other evidence or materials to the Petitioner's address for delivery, which is set out below, on or before 4:00 p.m. (Pacific time) on April 4, 2025.

A copy of the Petition and the other documents in the proceeding will be furnished to any Securityholder upon request in writing addressed to counsel of the Petitioner at the address for delivery set out below.

The Petitioner's address for delivery is:  
Connect Law Corporation  
#506 - 889 West Pender Street  
Vancouver, B.C., V6C 3B2  
Attention: Melody Yiu

**1. Date of Hearing**

The petition is unopposed, by consent or without notice.

**2. Duration of Hearing**

The hearing will take 15 minutes.

**3. Jurisdiction**

This matter is not within the jurisdiction of an Associate Judge.

Date: March 6, 2025

/s/ Melody Yiu

Signature of lawyer for Petitioner  
Melody Yiu



Appendix D  
**Information About Luxor, Post Arrangement**  
(attached)

## **INFORMATION CONCERNING LUXOR AFTER THE ARRANGEMENT**

### **CORPORATE STRUCTURE**

#### **Name, Address and Incorporation**

SpinCo was incorporated under the BCBCA on January 17, 2024, as a wholly-owned subsidiary of Teuton. After completion of the Arrangement, its registered and head office will continue to be located at 2130 Crescent Road, Victoria, British Columbia, V8S 2H3. SpinCo will be a reporting issuer in British Columbia and Alberta post-Arrangement.

#### **Intercorporate Relationships**

SpinCo currently has no subsidiaries and is not expected to have any subsidiaries following completion of the Arrangement.

### **DESCRIPTION OF THE BUSINESS**

#### **Overview**

SpinCo is engaged in the business of acquiring, exploring and developing mineral properties.

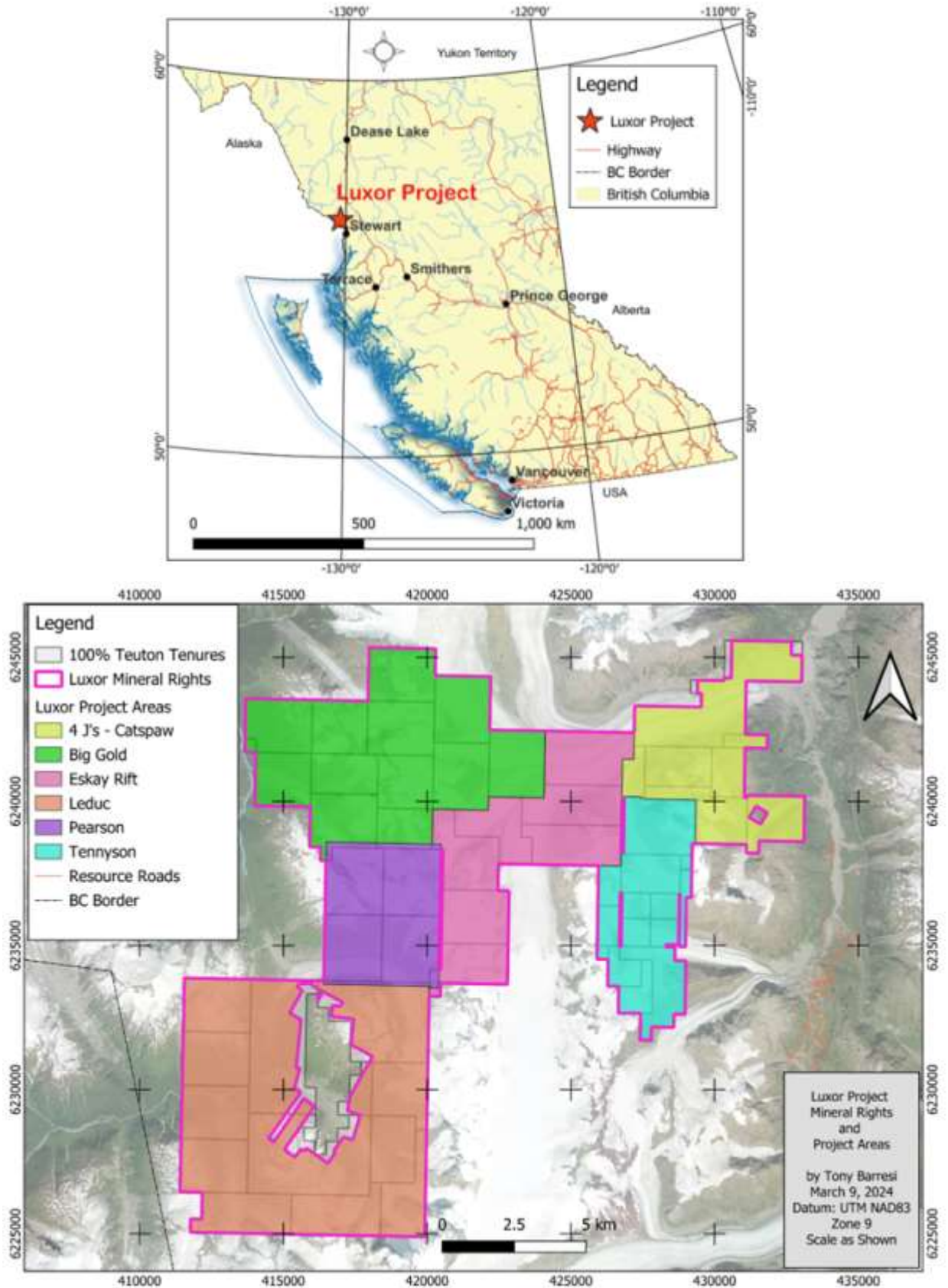
#### **History**

Since incorporation, SpinCo has no assets and no business operations to date. After completion of the Arrangement, SpinCo will hold six mineral properties, collectively known as the Luxor Project, located in an area of northwestern British Columbia often referred to as the “Golden Triangle”.

The mining industry is cyclical in nature and highly dependent on financial markets to raise the necessary capital for exploration and development activities. Any company operating in this industry will be affected by changes in the broader economy, as well as changes in social, political and legal spheres, whether locally or globally. Apart from the impact caused by such changes, and the risk factors noted under the heading “Risk Factors”, SpinCo is not aware of any specific trend or event that will likely cause a material change to its business in the current financial year.

#### **The Luxor Project**

The location and constituent properties comprising the Luxor Project are shown on the maps below.



The following disclosure regarding the Luxor Project is derived from the Technical Report (a NI 43-101 technical report prepared by Tony Barresi, Ph.D., P.Geo., Barresi Geoscience, entitled “NI 43-101 Technical Report on the Luxor Project” with an effective date of August 21, 2024). Tony Barresi, Ph.D., P.Geo., author of the Technical Report, is the qualified person for the purposes of NI 43-101, and has reviewed and approved the scientific and technical information contained in this Circular with respect to the Luxor Project.

The information below regarding the Luxor Project is extracted from the Technical Report’s Summary. All defined terms used in this section have the meaning ascribed to them in the Technical Report. A copy of the Technical Report is available under Teuton’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Technical Report is incorporated by reference into this Circular. Readers are encouraged to review the Technical Report in its entirety.

## 1. EXECUTIVE SUMMARY

Luxor Metals Ltd. (“Luxor Metals”, “Luxor”, or “the Company”) retained Dr. Tony Barresi, Ph.D., P.Geo., to prepare an independent Technical Report on the Luxor Project (the “Project”), located 42 km northwest of the community of Stewart in northwest British Columbia, Canada. The purpose of this report is to provide a comprehensive review of exploration carried out to date on the Project and to provide recommendations for future work. The author carried out an independent study and evaluation of available exploration data and conducted a site examination between September 7 and September 14, 2023, comprising check sample collection and geological characterization during multiple traverses across the Big Gold and 4 J’s areas, and a helicopter fly-over of the Tennyson, Pearson and Eskay Rift areas. The author had previously visited the Eskay Rift area in 2022. This Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects.

It is anticipated that Teuton Resources Corp. (“Teuton”) and Luxor will enter an arrangement pursuant to which, among other things, the parties will complete a proposed spin-off transaction of Teuton’s Luxor Project, comprised of 59 mineral claims, by way of a plan of arrangement (the “Arrangement”) under the Business Corporations Act (British Columbia). The Arrangement will involve, among other things, Teuton transferring the Luxor Project to Luxor Metals Ltd., in consideration for Luxor issuing a number of common shares, yet to be determined, in the capital of Luxor. The Arrangement will result in such shareholders of Teuton receiving their pro rata portion of the Luxor shares that Teuton will hold upon completion of the transaction.

The Luxor Project covers a large area (approximately 20,481 ha) and has been explored piecemeal since before 1900. Most exploration has been early-stage prospecting and sampling; however, the Tennyson and 4 J’s areas have seen more advanced exploration with multiple geophysical surveys and drill campaigns. The Tennyson area in particular has seen significant work, with 64 historical drill holes. The Big Gold, Pearson, and Leduc areas have been explored with a total of 20 drill holes from 5 pad locations, mostly testing early stage geochemical and geophysical anomalies.

The Luxor Project is accessible mainly by helicopter from Stewart. Historical cat tracks reach the eastern boundary of the Project area in a few locations, but these have not been used by Teuton or Luxor to access the Project and the condition of the trails are not known. The Granduc/Tide Tunnel, which runs beneath a portion of the Project, is no longer in use.

The Luxor Project is situated within a geological belt that is host to numerous precious and base metal deposits including past producers Anyox, Eskay Creek, Snip, Scotty Gold, Granduc and Premier-Big Missouri mines. Resources and/or ore reserves have been reported from many properties in the same belt, including Eskay Creek (redevelopment), Treaty Creek, Silver Coin-Premier-Big Missouri, Red Mountain, Kerr, Sulphurets, Mitchell, Iron Cap, Snowfields, and Homestake Ridge. Within the belt, porphyry and

epithermal mineralization is mainly associated with the 193 – 198 Ma Texas Creek suite of intrusive rocks. Massive sulfide deposits include the Besshi type Granduc and Anyox Cu-rich VMS deposits, which are hosted in Stuhini Group, and upper Hazelton Group rocks respectively, and the precious metal rich Eskay Creek deposit which is roughly the same age as Anyox (174 Ma) and is also hosted in upper Hazelton Group volcanic and sedimentary rocks. Both Anyox and Eskay Creek were deposited in a Middle Jurassic rift called the “Eskay Rift” which according to government maps, limited geochronology, and company mapping, appears to bisect the Luxor Project in a N-S direction.

There are four prospects that immediately adjoin the Luxor Project to the east, south, and north and encircled in the Leduc area. These include the Scottie Property to the south, the Tide Property to the east, the Crown Property to the north, and the Granduc VMS deposit, which is encircled by the Luxor Project in the Leduc area. To the north of the Luxor Project, along the same belt of rocks, the Kerr, Sulphurets, Mitchel, and Iron Cap porphyry deposits are found, as are the Brucejack epithermal Au, and Eskay Creek Ag-Au VMS deposits.

### 1.1.1 Conclusions

The Luxor Project encompasses a large land package within British Columbia’s Golden Triangle, one of the most metal-rich mining and exploration areas in the world. The Project area is interpreted to be bisected by two of the most important geological features within the Golden Triangle, which are controls for mineralization at some of the largest and richest deposits in the district:

1. The Sulphurets thrust fault system, which is genetically related to Seabridge Gold’s Kerr-Sulphurets-Mitchell, and Iron Cap deposits, one of the largest unmined endowments of Cu and Au in North America, and
2. The Eskay Rift, which is genetically related to the Eskay Creek Ag-Au VMS deposit to the north, and Anyox, a large Cu VMS deposit to the south (Barresi et al., 2014).

Given the Luxor Project’s prospective geology, and relative ease of access, compared to many other Golden Triangle properties, it has seen only modest amounts of mineral exploration.

The Luxor Project has base and precious metal exploration opportunities that are easily identified but have not been adequately investigated. Opportunities identified by the author are noted below.

#### *Besshi Type VMS Deposit Opportunities*

The western side of the Luxor Project has potential to contain a Granduc-style VMS deposit. VMS deposits often occur in clusters within the same stratigraphic packages, and the package of Stuhini Group rocks that hosts the Granduc deposit strikes northward directly onto and through the western side of the Luxor Project.

#### *Eskay Creek Type VMS Deposit Opportunities*

The central portion of the Luxor Project, including parts of the Big Gold, Eskay Rift, and Leduc areas are underlain by sedimentary and volcanic rock of the Iskut River Formation, which were deposited within the “Eskay Rift”. According to government mapping, the Luxor Project encompasses a part of one of the largest packages of preserved Eskay-Creek-equivalent stratigraphy along the length of the rift. Recent exploration in these areas has yielded encouraging results, with discovery of abundant narrow pyrite beds and laminations in sedimentary rock in the Eskay Rift area, and massive sulfide discoveries in the Big Gold area. A large airborne ZTEM survey flown in 2018 identified at least two large and strong conductors at depth beneath the Eskay Rift area.

### *Porphyry Cu-Au Deposit Opportunities*

Within the Luxor Project area, the Tennyson area has seen the most, and most advanced stages of exploration. The last major work conducted at Tennyson was in 2013 by Brigade Holdings. At Tennyson there are numerous drill intersections of porphyry style mineralization that have grades similar to the average resource grades of prominent porphyry systems in the region. The author believes that significant opportunities for exploration remain in the Tennyson area for the following reasons:

1. Glacial abatement is occurring rapidly in the district and there are large areas of new glacially scoured outcrop that have been exposed since 2013.
2. Mineralization confined to a thrust panel could be a fragment of a larger body of mineralization that is now dismembered.
3. The Tennyson area is along the inferred trace of the Sulphurets (thrust) fault, which is genetically linked to the KSM porphyry deposits.
4. To date, only small bodies of syn-mineral intrusive rock have been associated with Tennyson mineralization, indicating that there may be a larger, potentially mineralized, intrusive body that has not yet been discovered.

### *Opportunities at 4 J's*

The 4 J's area has a long history of exploration mainly focused on VMS potential. However, sampling in 2023 identified a domain of Cu-Au dominant mineralization directly adjacent to the eastern edge of the rapidly retreating Smalls Glacier, in an area that was not exposed until very recently. The Cu-Au mineralization at 4 J's falls almost exactly within a magnetic low that encircles a magnetic high and domain of low resistivity, which is largely beneath the Smalles Glacier. This porphyry-like geophysical signature indicates that rocks to the west of the main 4 J's area might be prospective for porphyry Cu-Au mineralization in addition to VMS style mineralization.

### *Summary*

The Luxor Project is a large and prospective mineral exploration project with significant potential to host one or more VMS, porphyry Cu-Au, or epithermal Au-Ag deposit(s). The project has seen limited exploration outside of the Tennyson and 4 J's areas. Most drilling has been conducted testing for porphyry Cu-Au mineralization at Tennyson, and there is limited additional drilling in the 4 J's, Big Gold, Pearson, and Leduc areas and none in the Eskay Rift area. Compiling, digitizing, and interpreting historical data on a property scale is critical to understanding the context of known mineral occurrences and how to explore for them, as well as to identify information gaps in prospective areas. There are numerous specific exploration opportunities that could be undertaken at any time.

#### 1.1.2 Recommendations

- Database: All topographic, geological, and historical exploration data should be digitized and reviewed.
- Geophysical Review: Compilation of recent and historical geophysical surveys should be undertaken.
- Ground Truthing: evaluating pertinent geology, mineral occurrences, and geochemical and geophysical anomalies.
- Tennyson area: Phase 1 exploration should include investigating areas with glacial abatement, developing a larger scale structural model for the area surrounding the main gossan, a hyperspectral survey, and mapping and prospecting over the P2 ZTEM anomaly.

- Leduc area: Phase 1 exploration should include ground truthing the mineralization encountered in DDH06-9 and DDH06-11 at the JK zone.
- Eskay Rift area: Phase 1 should include a geophysical review of the 2018 ZTEM survey to evaluate the potential for buried massive sulfide deposits.
- Pearson area: Phase 1 includes prospecting and mapping targeting the strong Granduc-like 2.5 km long EM anomaly identified during the 2005 AeroTEM survey.
- Big Gold area: Phase 1 includes extensive and systematic prospecting and mapping with a focus on tracing the newly discovered massive sulfide zones.
- 4 J's area: This area will require extensive ground-truthing of mineral occurrences and geochemical and geophysical anomalies. In addition, Phase 1 exploration should focus on areas of new exposure along the margins, and nunataks, of the Smalles Glacier.

The Luxor Project covers approximately 20,481 ha of underexplored prospective ground with multiple known mineral occurrences. Based on the possibility of expanding the size and/or grade of known areas of mineralization, and of the possibility of making new discoveries, a Phase 1 exploration budget of \$545,100 is warranted. Dependant on positive results from Phase 1 exploration, a Phase 2 program ranging from \$4.25M - \$17M may be warranted. The nature of work in the proposed Phase 1 exploration program does not require a Notice of Work approval/permit. Teuton Resources currently holds permits that expire during 2026 for the Pearson, Big Gold, and Tennyson areas; these will be transferred to Luxor Metals Ltd. and will allow for proposed geophysical and drilling programs as part of Phase 2 exploration.

## 1.2 TECHNICAL SUMMARY

### 1.2.1 Property Description and Location

The Luxor Project is centred approximately 42 km northwest of the town of Stewart, British Columbia, Canada at approximately 56°, 15' north latitude and -130°, 16' west longitude. Claims are in map sheets NTS: 104B/01 and 104B/08. The Project encompass nunataks and uplands on the south, east and west sides of the Frank Mackie glacier as far south as the Berendon glacier in the east and the upper reaches of the Leduc Glacier in the west. The eastern portion of the Project is located approximately 5 km west of the previous Granduc mill site portal located at the headwaters of the Bowser River. It is also 6 km northwest of the former Scottie gold mine located at the headwaters of the Salmon Glacier. The western portion of the project surrounds the property that contains the past producing Granduc mine.

The larger towns of Smithers and Terrace are an approximately 3.5-hour drive from Stewart along a paved highway (Highway 37 and 37A), and both communities have daily flights to and from Vancouver, B.C. The Project can be accessed by helicopter, either from the Stewart Airport, where there is typically at least one helicopter service company stationed, or from locations along the Granduc road.

The Luxor Project is located within the Boundary Range of the Coast Mountains of British Columbia. This is a region of sharp craggy ridges and broad U-shaped glacially carved valleys with glaciers at higher elevations. The property is located over the Frank Mackie icefield and several other valley glaciers including the Berendon and Leduc glaciers. Vegetation is sparse, with much of the area containing only barren rock, active glaciers, or glacial debris. Tree line in the area is at approximately 1,350 m with tag spruce and willow below this level. Grasses, heather, and shrubs are located above the tree line. The terrain in the Project area is mountainous and varies in elevation from 520 m along the South Unuk river on the western property boundary, and 2,500 m at the highest peak.

The climate in the area can be severe. Heavy snowfalls in the winter and rain and fog in the summer are typical of the Project area. Snowfall up to 30 m has been experienced at higher elevations within the

general area and the snow can remain unmelted in some areas until July. Extreme -20° Celsius or colder weather only occurs in a 6-week period from mid-January to late-February.

In general, fieldwork is feasible from late-June/early-July and may remain possible until between early-September and mid-October.

### 1.2.2 Land Tenure and Mineral Rights

At the effective date of this report the Luxor Project includes 59 contiguous mineral claims. The Mineral Titles Online website (<https://www.mtonline.gov.bc.ca/mtov/home.do>) confirms that all claims of the Luxor Project were in good standing at the date of this report and that no legal encumbrances were registered with the Mineral Titles Branch against the titles at that date. There are no other royalties, back-in rights, environmental liabilities, or other known risks to undertake exploration. The author makes no further assertion regarding the legal status of the property. The mineral tenures cover a total surface area of 21,557.8 ha and measure approximately 19 by 20 km in maximum east-west and north-south dimensions respectively. Due to overlapping grid-staked claims with non-conforming legacy claims and Crown grants, the total area of mineral rights associated with the Luxor Project is estimated to be 20,481 ha.

### 1.2.3 Local Resources and Infrastructure

Stewart was once a major mining centre that serviced exploration, mine development and mining in the surrounding area, including for the Granduc, Premier, Scotty Gold, and Porter-Idaho mines. It has numerous services relevant to mining including various types of accommodations, grocery and hardware stores and a gas station. The towns of Terrace and Smithers, located 3.5 hours drive to the south, are local hubs of industry where goods and services of most kinds can be obtained. Northwestern British Columbia and the Stewart area are supported by significant infrastructure relevant to mining and mine development. An all season paved highway (Highway 37) extends from Kitimat in the south to the Yukon border in the north. Stewart is accessed via highway 37A, a spur highway from a junction with Highway 37 at Meziadin. Highway 37A is also an all season paved road. Stewart is the most northerly ice-free shipping port in North America and is accessible to store and ship mining concentrates. In 2014, BC Hydro completed the 287-kilovolt Northwest Transmission line, a 344 km-long line that extends from Terrace in the south to Bob Quinn Lake Airstrip in the north. The transmission line has offered connection points for local clean power projects like AltaGas's Forrest Kerr hydroelectric project. A BC Hydro high-voltage 138 Kv transmission line services Stewart and the Long Lake transmission line extends north from Stewart for 57 km to the Brucejack mine. This transmission line is located along the east side of the Granduc road and airstrip; it is 2 km east of the Luxor Project.

### 1.2.4 History

The history of exploration work and mining activities were compiled from assessment reports filed with the British Columbia Government, Minfile descriptions and internal Teuton company reports.

Table 1-1 Summary of Luxor Property exploration history

Area	Year	Operator	Work
Tennyson	1984	Teuton Resources	Airborne EM and magnetic survey & rock sampling
Tennyson	1985	Teuton Resources	Trenching (14 blasted), two reconnaissance soil lines
Tennyson	1986	Consolidated BRX Mining and Petroleum Ltd.	10 drill holes (1,428.60 m) and rock sampling



Area	Year	Operator	Work
Tennyson	1988	Keylock Resources Ltd. & Catear Resources Ltd.	7 drill holes (414.60 m) and rock sampling
Tennyson	1990	Keylock Resources Ltd. & Catear Resources Ltd.	Rock sampling, trenching, geological mapping
Tennyson	1991	Teuton Resources	Trenching (17 blasted – 68 m) and rock sampling
Tennyson	1992	Teuton Resources	5 drill holes (414.82 m)
Tennyson	2004	Teuton Resources	Rock sampling
Tennyson	2006	Teuton Resources	Airborne EM and magnetic survey
Tennyson	2009	Teuton Resources	2 drill holes (610.50 m) and rock sampling
Tennyson	2010	Teuton Resources	10 drill holes (2,308.86 m)
Tennyson	2011	Teuton Resources	16 drill holes (3,122.98 m)
Tennyson	2012	Brigade Holdings Ltd.	Geological mapping, extensive soil rock chip and grab sampling, petrography, IP and ground magnetic surveys
Tennyson	2013	Brigade Holdings Ltd.	16 drill holes (6,770 m)
4J's/Catspaw	1929	Alphonse Thomas	Stripping and developing 50 m adit
4J's/Catspaw	1983	Bilikin Resources	Prospecting, rock sampling
4J's/Catspaw	1984	Canadian United Ltd.	Airborne EM and magnetic survey
4J's/Catspaw	1985	Noranda Exploration Company	Mapping, rock sampling, ground-based EM survey
4J's/Catspaw	1986	Teuton Resources	Rock sampling
Area	Year	Operator	Work
4J's/Catspaw	1987	Wedgewood Resources	Prospecting, rock sampling, trenching
4J's/Catspaw	1988	Wedgewood Resources	Rock sampling
4J's/Catspaw	1989	Maple Resources	Mapping, rock sampling, VLF-EM survey
4J's/Catspaw	1990	Maple Resources	5 drill holes (334.06 m), mapping, soil and stream sampling
4J's/Catspaw	1992 - 1998	Teuton Resources	Small rock sampling programs in 1992, 1993, and 1998
4J's/Catspaw	2006	Teuton Resources	Airborne EM and magnetic survey
4J's/Catspaw	2011	Rotation Minerals	Rock sampling
4J's/Catspaw	2012	Rotation Minerals	25 drill holes (1,345 m)
4J's/Catspaw	2016	Rotation Minerals	Rock sampling
4J's/Catspaw	2022	Teuton Resources	Rock sampling
4J's/Catspaw	2023	Teuton Resources	Rock sampling
Luxor West <sup>1</sup>	1953-1959	Individuals (Crowhurst, Norman)	Mapping
Luxor West	1971	El Paso Company	Channel samples
Luxor West	1987	Magna Venture	Rock sampling
Luxor West	2004	Teuton Resources	Rock sampling
Luxor West	2005	Bell Copper Corp.	Airborne EM and magnetic survey

<sup>1</sup> Luxor West refers to the western most portions of the property, namely Leduc, Pearson, Eskay Rift, and Big Gold.

Area	Year	Operator	Work
Luxor West	2015	Teuton Resources	Rock sampling
Luxor West	2016	Teuton Resources	9 drill holes (876.89 m)
Luxor West	2018	Teuton Resources	5 drill holes (1,115.76 m)
Luxor West	2022	Teuton Resources	Rock sampling
Luxor West	2023	Teuton Resources	Rock sampling
Property Wide	2018	Teuton Resources	Airborne ZTEM survey

### 1.2.5 Geological Setting

The Luxor Project lies within the Coastal Mountains along the western margin of the Intermontane superterrane and is underlain by Triassic through Middle Jurassic rocks of the western Stikine terrane (Stikinia). Stikinia is an island arc terrane that defines the westernmost boundary of a geomorphic belt (Intermontane belt) of the Canadian Cordillera, which accreted onto the western margin of ancestral North America in the Middle Jurassic (Nelson et al., 2022). It is composed of accreted island arc and pericratonic terranes structurally imbricated with oceanic rocks. In the Stewart area, the Stikine terrane comprises Devonian to Permian sedimentary successions with interbedded volcanic strata of the Stikine assemblage, which is overlain by volcano-sedimentary successions of the mainly upper Triassic Stuhini Group and Early to Middle Jurassic Hazelton Group.

The Luxor Project falls within Stewart-McTagg section of the regional geology map. Within the area, the Stuhini Group comprise dark gray, laminated to thickly bedded silty mudstone, and fine to medium grained and locally coarse-grained sandstone, and mafic to intermediate volcanic rocks, often with clinopyroxene and/or plagioclase phenocrysts.

The Stuhini-Hazelton Group contact is an angular unconformity. Local stratigraphy within the Hazelton Group includes:

1. Jack Formation basal conglomerate unit
2. Betty Creek Formation, a thick volcano-sedimentary package
3. Iskut River Formation, a bimodal volcanic succession found along a narrow, elongate north-trending belt (Eskay Rift) that bisects the Luxor Project
4. Mount Dillworth Formation, a mostly felsic volcanic and epiclastic unit that forms laterally continuous exposures above the Betty Creek Formation
5. Quock Formation 50 – 100 m sequence of thinly bedded, dark gray silicious argillite with laminae of felsic tuff and chert.

To the west of the Luxor Project the mainly volcanic rocks of the Stuhini and Hazelton groups give way to granitoids of the Coast Plutonic Complex. To the east of the Project sedimentary rocks of the Bowser Lake Group onlap and cover rocks of the Stuhini and Hazelton groups.

Intrusive rocks in the area are dominated by:

1. Outliers of the Coast Plutonic Complex, including the Eocene age Hyder Pluton,
2. Middle Jurassic Texas Creek Plutonic suite which is closely related to numerous mineral deposits and showings throughout the northern Stikine Terrane, and
3. Mafic intrusions of the late Triassic Stikine Plutonic Suite.

Doubly plunging, northwesterly trending synclinal folds of the Hazelton and underlying Stuhini Groups dominate the structural setting of the area. These folds are locally disrupted by small east verging thrusts that strike parallel to the major fold axes.

#### 1.2.6 Mineralization

The Luxor Project is located along a prospective belt of Triassic and Jurassic volcanic and sedimentary rocks that have inferred strike extents northwards to the KSM Cu-Au porphyries, Brucejack Lake Au, and Eskay Creek Au-Ag VMS deposits, and southwards to the former producing Premier and Granduc mines. In addition, in the Project area stocks of the Texas Creek Plutonic suite are present, and it is genetically associated with numerous mineral occurrences across the Stikine Terrane, including the KSM porphyry Cu-Au deposits.

Most of the Luxor Project has only seen reconnaissance style exploration that has been successful in defining mineralized domains. Notable exceptions include more advanced exploration, including significant drilling, at the Tennyson gossan, and in the 4 J's area. Due to the severity of the topography, short exploration season, and extensive glacial cover, much of the Project area has not been explored sufficiently to adequately define broad domains of mineralization or mineral potential, however, within particular areas, there are notable styles of mineralization.

At the Tennyson area, exploration has delineated a high-temperature porphyry-style hydrothermal system with associated Cu-Au mineralization approximately 900 by 700 m in dimension. Sulphide mineralization on the Tennyson gossan is associated with strong zoned alteration and veining. At the 4J's area, the main styles of mineralization include: 1) brecciated volcanic rocks with strong pyrite-arsenopyrite  $\pm$  chalcopyrite mineralization; 2) northwest trending zones of stratiform Cu-Pb-Zn-Ag-Au mineralization; and 3) quartz-carbonate breccia veins focused along E-W trending structures. At Big Gold prospecting and sampling in 2023 identified significant mineralization: three new showings, two of massive sulphides (Roman and Zall occurrences), and a quartz vein with sphalerite and galena that graded 27.7 g/t Au, 6,240 g/t Ag, 1.455% Cu, 6.4% Pb and 3.11% Zn. In the Eskay Rift, area little work has been conducted however, sampling in 2022 identified occurrences of pyrite  $\pm$  chalcopyrite layers within argillite successions. At the Leduc area, mineralization at the JK zone comprises both mineralized magnetite breccias and stratiform magnetite-chalcopyrite bearing assemblages including massive sulphide.

#### **AVAILABLE FUNDS AND PRINCIPAL PURPOSES**

As of the date hereof, SpinCo does not have any working capital. Upon completion of the Arrangement, SpinCo will have approximately \$1,900,000 of estimated funds available. The table below summarizes expenditures anticipated to be spent over the 12 months following the completion of the Arrangement:

<u>Principal Purpose</u>	<u>Amount</u>
Phase 1 exploration program, as outlined in the Technical Report	\$545,100
Expenses related to listing on a stock exchange	\$30,000
Operating expenses for 12 months	\$300,000
Unallocated working capital	\$1,024,900
Total	<u>\$1,900,000</u>

SpinCo intends to spend the funds available to it as stated above but there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. Moreover, the actual amount that SpinCo spends for each principal purpose may vary significantly from the amounts specified above, and

will depend on a number of factors, including those listed under the heading “Risk Factors” and “Business Objectives and Milestones”.

### **Business Objectives and Milestones**

SpinCo’s business objective and milestones following the Listing is to complete the exploration program for the Property as recommended in the Technical Report. It intends to begin the program shortly after the Listing and expects completion in twelve months. The exact timeline for the Phase 1 program is subject to change, due to a number of factors such as weather and economic changes. SpinCo may decide to add or eliminate certain exploration activities, based on preliminary results.

### **DIVIDENDS OR DISTRIBUTIONS**

SpinCo has neither declared nor paid any dividends on its shares. SpinCo intends to retain its cash to finance its exploration activities and growth, and accordingly, it does not anticipate paying any dividends on its shares for the foreseeable future.

### **SELECTED FINANCIAL INFORMATION AND MD&A**

#### **Annual Information**

The audited financial statements for SpinCo, from its inception to September 30, 2024, are attached as Appendix E to the Circular.

The following table sets out selected pro forma financial information for SpinCo as at November 30, 2024, as if the Arrangement had been completed as of that date, and should be read in conjunction with the more complete information provided in the Pro Forma Financial Statements attached as Appendix I to this Circular.

	<b>As November 30, 2024 (unaudited)</b>
Current assets	\$1,900,000
Exploration and evaluation assets	\$2,269,890
Total Assets	\$4,316,756
Total Liabilities	Nil
Exploration costs	Nil
Other expenses	(\$85,091)
Net loss and comprehensive loss	(\$85,091)

#### **Management’s Discussion and Analysis**

The management’s discussion and analysis in respect of the Carve-Out Financial Statements for the years ended December 31, 2023, 2022 and 2021 and the period ended September 30, 2024 are attached to the Circular as Appendix H. The management’s discussion and analysis should be read in conjunction with the Carve-Out Financial Statements and the notes thereto attached to the Circular as Appendix G.

## DESCRIPTION OF SECURITIES

### Shares

SpinCo's authorized capital consists of an unlimited number of common shares without par value. Upon completion of the Arrangement, it is expected that there will be approximately 19,248,960 SpinCo Shares issued and outstanding. Each SpinCo Share carries the right to one vote at all shareholder meetings, and its holder is entitled to receive dividends on such share as and when declared by the board of directors, and to receive a pro rata share of SpinCo's assets available for distribution on wind-up. All SpinCo Shares rank equally as to all benefits which might accrue to SpinCo shareholders.

### CONSOLIDATED CAPITALIZATION

SpinCo issued 100 common shares to Teuton on January 17, 2024, for consideration of \$1.00. There have not been any material changes in the share and loan capital of SpinCo since then.

### OPTIONS TO PURCHASE SECURITIES

SpinCo proposes to adopt a 20% "fixed" stock option plan; see the section in the Circular entitled "Approval of the SpinCo Stock Option Plan" under *Particulars of Matters to be Acted Upon* for more details. SpinCo has not granted any stock options to date.

### PRIOR SALES

SpinCo issued 100 common shares to Teuton on January 17, 2024, for consideration of \$1.00 and has not sold any securities since then.

### ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As of the date hereof, no SpinCo share is currently under escrow or is subject to a contractual restriction on transfer. To the best of their knowledge, the management of SpinCo does not expect any securities of SpinCo to be escrowed or subject to a contractual restriction on transfer upon the completion of the Arrangement. However, SpinCo intends to apply to a Canadian stock exchange to list its shares on such stock exchange, and if successful, SpinCo securities held by directors, officers and/or insiders of SpinCo may be subject to escrow or other restrictions imposed by the stock exchange.

### PRINCIPAL SECURITYHOLDERS

To the best of management's knowledge, upon completion of the Arrangement, the following person is expected to beneficially own, directly or indirectly, or exercised control or direction over, SpinCo Shares carrying more than 10% of the voting rights attached to all outstanding SpinCo Shares:

Name	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised	Percentage of Issued and Outstanding Shares
Eric Sprott <sup>(1)</sup>	4,370,333	22.86%

Notes:

(1) Mr. Sprott's shares are held in the name of 2176423 Ontario Ltd..

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

### Name, Occupation and Security Holdings

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of SpinCo that each of the directors and officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name, Province and Country of Residence and Current Position with the Company	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised	Principal Occupation for the Past Five Years
<b>Dino Cremonese</b> <sup>(1)</sup> British Columbia, Canada <i>Director, President, CEO</i>	2024	Nil	Self-employed mineral property consultant; President & CEO of Company; Director of Silver Grail Resources Ltd.
<b>Robert Smiley</b> <sup>(1)</sup> British Columbia, Canada <i>Director</i>	2024	Nil	Retired lawyer; Director of Silver Grail Resources Ltd. and Sterling Group Ventures Inc.
<b>Jeremy Zall</b> <sup>(1)</sup> British Columbia, Canada <i>Director</i>	2024	Nil	Owner and operator of Bajo Reef Helicopters
<b>Bond Skillings</b> British Columbia, Canada <i>CFO</i>	2024	Nil	Insurance Advisor at Cooper Financial Group from 2014 to 2022; Business Development Manager at Mackenzie Investments, since 2022

Notes:

(1) Members of the Audit Committee. Mr. Cremonese is the Chair of the Audit Committee.

Upon completion of the Arrangement, it is expected that the directors and officers of SpinCo as a group will beneficially own, directly or indirectly or exercise control or discretion over an aggregate of 988,635 SpinCo Shares, which will be equal to approximately 5% of the issued and outstanding shares.

### Background

The following is a brief description of each of SpinCo's directors and officers, including their names, ages, positions and responsibilities with the company, relevant educational background, principal occupations or employment during the five years preceding the date hereof, experience in the mining industry and the amount of time intended to be devoted to SpinCo's affairs:

**Dino Cremonese** is the founder, President and CEO of Teuton Resources Corp. He graduated from the University of British Columbia with a Bachelor of Applied Science degree in 1972 and a Bachelor of Laws degree in 1979. He has devoted 40 years of his life to exploration of the Eskay–Sulphurets-Stewart region of northwestern British Columbia.

**Robert Smiley** is a self-employed business consultant. He is a former lawyer who specialized in securities law for twenty-five years, and has served on the boards of a number of junior and intermediate companies in the past.

**Jeremy Zall** is a helicopter pilot, and the owner-operator of Bajo Reef Helicopters. He has extensive experience serving exploration crews in the Stewart region.

**Bond Skillings** is a financial services professional with over nine years of industry experience. From 2014 to 2022, he was an advisor at Cooper Financial Group, specializing in insurance and investment

solutions. He then joined Mackenzie Investments' institutional team in Vancouver, where he currently develops investment strategies for institutional clients.

### **Cease Trade Orders and Bankruptcies**

Except as disclosed below, none of the nominees proposed to be Director is or has been, within the ten years prior to the date hereof, a director or chief executive officer or chief financial officer of any company (including SpinCo) that: (i) was subject to an order that was issued while the proposed director was acting as a 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. For the purposes hereof, "order" means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) 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.

No proposed director of SpinCo is, at the date hereof, or has been within ten years before the date hereof, a director or executive officer of any company (including SpinCo) 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.

Robert Smiley was a director of Sterling Group Ventures, Inc. which became subject to a cease trade order issued by the British Columbia Securities Commission on August 23, 2017 for failure to file certain financial statements and management's discussion and analysis as well as failure to file annual financial statements for Euroclub Holdings Ltd., a reverse takeover acquirer. The order remains outstanding.

### **Penalties and Sanctions**

No proposed director of SpinCo 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 has 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 in deciding whether to vote for a proposed director.

### **Individual Bankruptcies**

No proposed director of SpinCo has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Conflicts of Interest**

The directors of SpinCo are required by law to act honestly and in good faith with a view to the company's best interests, and to disclose any interests which they may have in any of its projects or opportunities. If a conflict of interest arises at a meeting of directors, any director in a conflict must disclose his interest and abstain from voting on such matter.

To the best of management's knowledge, there are no known existing or potential conflicts of interest among SpinCo, its promoters, directors and officers or other members of its management, or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies,

and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies.

SpinCo's directors and officers will not be devoting all of their time to its affairs. Such directors and officers may be directors and officers of other companies, and accordingly, discharge by the directors and officers of their obligations to the other companies may result in a conflict of interest. Any conflicts will be subject to the procedures and remedies under applicable corporate law.

## EXECUTIVE COMPENSATION

SpinCo is not, and has not been, a reporting issuer in any jurisdiction. Therefore, certain information required by Form 51-102F6 Statement of Executive Compensation has been omitted in accordance with section 1.3(8) of the same.

### Compensation Discussion and Analysis

SpinCo's directors and officers will be compensated with a mixture of management fees or salaries, stock options and bonuses. Such compensation will be determined and reviewed by the board of directors on an annual basis. SpinCo has not established any formal objectives or performance criteria for setting or assessing executive compensation, but its board of directors will regularly assess NEOs' performance in terms of achieving the company's overall business goals. SpinCo anticipates that it will rely primarily on stock options and bonuses to motivate its directors and officers and in order to minimize cash outlays.

### Director & NEO Compensation, Excluding Securities

The following table sets forth the particulars of compensation, excluding stock options and other compensation securities, paid to NEOs for the most recently completed financial year, which is the period from incorporation to September 30, 2024. In addition, the anticipated compensation for the next twelve-month period, to the extent known or determined, are also shown below.

Name and Position	Fiscal year ended September 30,	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Dino Cremonese <i>President, CEO and Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
Robert Smiley <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
Jeremy Zall <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil

### Stock Options and Other Compensation Securities

To date, SpinCo has not granted any stock options or other compensation securities.

### Management Contracts

SpinCo has not entered into management contracts with any party.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Directors, executive Officers or proposed nominees for election as Directors, executive Officers or their respective associates or affiliates, or other management of SpinCo is or has been indebted to SpinCo as at the date hereof.



## **AUDIT COMMITTEE**

### **The Audit Committee's Charter**

Upon completion of the Arrangement, SpinCo's audit committee intends to adopt a charter similar to the one attached to this Circular as Appendix J.

### **Composition of the Audit Committee**

All three members of the Audit Committee — Dino Cremonese, Robert Smiley and Jeremy Zall — are financially literate, and except for Dino Cremonese who is SpinCo's President and CEO, are independent members of the committee.

### **Relevant Education and Experience**

All of SpinCo's audit committee members are "financially literate" as such term is defined under NI 52-110. Jeremy Zall is "financially literate" due to his experience in managing a helicopter company. Dino Cremonese is "financially literate" due to his experience in managing mineral exploration companies, including Teuton, for over 30 years. Robert Smiley is "financially literate" due to his experience as a lawyer and a director of several public companies, including Teuton.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of SpinCo's most recently completed financial year has it relied on any exemption contained in NI 52-110.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services. Generally, management is responsible for ensuring that any required non-audit services are performed in a timely manner, subject to review by the Board or the Audit Committee.

### **Exemption**

SpinCo is relying on the exemption provided by Section 6.1 of NI 52-110.

## **RISK FACTORS**

AN INVESTMENT IN THE SECURITIES OF SPINCO IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Prospective investors should carefully consider all information contained in this Circular, including all documents incorporated by reference, as well as the risk factors set forth below. The risks and uncertainties described or incorporated by reference in this Circular are not the only ones SpinCo may face. Additional risks and uncertainties that SpinCo is unaware of, or that it currently deems not to be material, may also become important factors that affect the company. If any such risks actually occur, SpinCo's business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of its shares could decline and investors could lose all or part of their investment.

#### *Current Negative Cash Flow*

SpinCo has negative cash flow from operations in its most recently completed financial year, and will require additional financing. There can be no assurance that SpinCo will be able to secure financing on acceptable terms, or raise any funds at all. Any failure to obtain required financing may jeopardize the ability of SpinCo to remain as a “going concern”, or lead to a material adverse effect on its operations, liquidity and financial condition.

#### *Limited Operating History*

SpinCo has a limited operating history, and no revenues. As such, it is subject to the many risks common to early-stage enterprises such as limited access to capital, personnel, and other resources, as well as a lack of track record to base future performance. There is no assurance that SpinCo’s business will be successful or profitable.

#### *Speculative Nature of Mineral Exploration and Development*

The exploration and development of mineral properties are highly speculative activities and are subject to significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. Very few mineral exploration projects actually become producing mines. Substantial expenditures are needed to establish a viable mine, as it requires a lengthy process to explore the property to determine its geological features; ascertain the potential mineral deposits; investigate the economic feasibility of extracting the minerals; and to develop the facilities and infrastructure necessary for production. No assurance can be given that SpinCo’s mineral properties will ultimately have a body of commercial ore, either in sufficient quantities or with grades and appropriate geological structures to justify development. Moreover, until SpinCo’s mineral properties enter into commercial production, no revenues will be generated from them.

During the lengthy process of exploration and development, the availability of capital will be affected by a wide range of factors, many beyond SpinCo’s control. Funding will be affected by mineral prices, socio-economic and geopolitical changes, financial market conditions, government regulation, technological developments which may affect demand for a particular mineral, amongst other things. Any inability to obtain the necessary capital to explore or develop a project may result in delays or even a complete cessation of operations. Finally, notwithstanding the availability of capital, a mineral project may ultimately prove unprofitable due to timing, as mineral prices may be too low at the point of development or production.

#### *Inability to Raise Capital*

SpinCo will require significant capital to achieve its business objectives, and there is no assurance that it will be able to raise the necessary funds to do so, or be able to secure financing on favourable terms. Its ability to raise money depends on the state of capital markets, its attractiveness as a business compared to competitors, the amount of funding that it will be seeking, whether its shares are listed on a stock exchange at the time and its ability to find financiers willing and able to provide such financing. Some of these variables are beyond SpinCo’s control. If it fails to raise the required amount of capital at a given time, it may be forced to discontinue certain products or operations, reduce or forego sales and marketing activities, and/or cut back on staff. Furthermore, not procuring sufficient capital may place SpinCo’s business as a going concern into jeopardy.

Even if SpinCo were able to raise the requisite amount of money when needed, such financings may have undesirable effects. If SpinCo were to raise money through equity financings, its shareholders’ ownership interest will be diluted, and the terms of the equity securities may include liquidation or other preferences that may adversely affect shareholders’ rights. Debt financing, if available, may involve agreements that include covenants limiting or restricting SpinCo’s ability to take specific actions, such as

incurring additional debt, making capital expenditures or declaring dividends. If SpinCo raises additional capital through government or other third-party funding, marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, it may have to relinquish valuable rights to its products, future revenue streams, research programs or to grant licenses on terms that may not be favourable.

#### *Title Risk and First Nation Claims for Mineral Properties*

Although SpinCo will make every effort to ensure that legal title to its mineral properties is secure, it is possible that title may be subject to prior unregistered agreements of transfer and other undetected defects. Any impairment or defect in SpinCo's title to its mineral properties may adversely affect its business and financial condition, as SpinCo would not be able to enforce certain rights over its mineral claims or be constrained in its ability to conduct work on its properties.

Moreover, because First Nations rights may be claimed on Crown land and other types of tenure, our mineral properties in Canada may be subject to aboriginal claims of title or use. The nature and extent of First Nation rights is complex and evolving. In *Tsilhqot'in Nation v. British Columbia* (2014 SCC 44), the Supreme Court of Canada recognized the Tsilhqot'in Nation as holding aboriginal title over certain territory in the interior of British Columbia. There is a possibility that First Nations groups may claim aboriginal title over our mineral properties, especially since they are located in the interior of British Columbia. A successful assertion of aboriginal title over lands on which our mineral claims are located may have a material adverse effect on our operations and profitability, as we may be hindered in exploration and development efforts if we cannot secure the approval and cooperation of the First Nations group in question. Notwithstanding the success or failure of a claim of aboriginal, we may be required in any event to consult and negotiate with First Nations to facilitate exploration and development activities, but there is no assurance we will be able to establish a practical working relationship with any First Nations in those areas where our mineral claims are situated.

#### *No Mineral Resources or Reserves*

The Luxor Project is in the exploration stage and sufficient work has not been done to define a mineral resource or mineral reserve. There is no assurance that continuing work on the Luxor Project will lead to defining the mineralization with enough confidence and in sufficient quantities to report it as a mineral resource or a mineral reserve.

#### *Mineral Exploration Risks*

Mineral exploration is inherently dangerous. Exploration activities are often carried out in areas with poor infrastructure, environmental hazards, and/or treacherous ground conditions including landslides, cave-ins, flooding, fire and rock bursts. Exploration activities may also be hindered by inclement weather conditions, power outages, industrial accidents, or an inability to obtain suitable or adequate machinery, equipment or labour. If any of these risks were to materialize, it could cause injury or loss of life, environmental damage, operational delays, loss of insurance, monetary losses and/or severe damage to or destruction of mineral properties, production facilities or other assets, which in turn may lead to legal and/or regulatory liability, as well as suspension or cessation of operations.

#### *Competition*

Mining is a competitive industry, and the Canadian junior mining sector in particular is very active with numerous companies all competing for the same investment capital, business opportunities, personnel and other resources necessary to conduct exploration and development. Some of SpinCo's competitors have far greater assets, which puts it at a disadvantage in terms of being able to attract investors, skilled labour, and other resources and not being able to acquire them may mean that SpinCo may not be able to command the kind of operating margins or market share that it would be able to in the absence of competitors.

Moreover, SpinCo will have to expend considerable efforts to compete with other mining companies; such competitive pressures may have a material adverse effect on the company.

#### *Permits and Licenses*

SpinCo's operations will require licenses and permits from various governmental authorities, which have been applied for and/or will be applied for at the proper time. There can, however, be no assurance that we will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations of its projects.

#### *Changes in Law*

As laws and regulations in Canada evolve, SpinCo may be negatively affected by certain changes in legislation. The scope of laws applicable to SpinCo is extensive and include but is not limited to laws regarding mining, environmental protection, securities, employment standards and taxation. Any amendments or enactments of laws and regulations relating to the development, production, marketing and distribution of its products and services will have a significant impact on its finances. SpinCo may be required to modify its product or service specifications; implement measures to enhance safety, efficacy, or transparency; comply with increased documentation or governance procedures; or pay additional tariffs or taxes. SpinCo would be facing similar risks with respect to changes in securities laws if its Shares are listed on a stock exchange. The cost of compliance with laws and regulations includes not just the actions necessary to comply with the legislation, but also the expense of understanding and interpreting the legislation.

#### *Loss of Key Personnel*

SpinCo may not be able to attract or retain employees necessary to carry out certain key functions. Although SpinCo will strive to provide competitive compensation packages to prospective employees, it may not be enough to recruit the right candidates or keep employees from terminating their employment at any time. It takes time to find and train replacements for vacated positions, and consultants are not necessarily affordable or available to fill the gap. Any loss of key personnel may force SpinCo to reallocate resources in order to recruit and train replacements for the departed employees, and this may cause SpinCo to suffer financial losses or impede its growth. If SpinCo is unable to find suitable candidates for key personnel, the unfilled positions could seriously affect its ability to produce and market its products and services effectively.

#### *Environmental Regulation*

Our operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions or various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. SpinCo may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to its perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

#### *Inaccurate Forecasts*

SpinCo cannot forecast its revenues and expenses with accuracy, due to the fact that predictions are inherently difficult to make. Many factors may affect the actual revenues to be earned, including but not limited to the terms of the agreement that SpinCo enters into with a potential partner, economic conditions, actual demand for minerals and metals, the effectiveness of SpinCo's marketing and actions taken by its competitors. Many other factors also affect the actual expenses SpinCo will incur, including but not limited to a sharp increase in inflation or raw material prices, changes in interest rates, unexpected breakdown of equipment, unanticipated delays in its supply chain or any other unforeseen expenditures. If SpinCo's actual revenues or expenses differ significantly from its forecasts, it may experience a cash shortage or be forced to reallocate resources to remedy any problems arising from the variance, either of which may have a material adverse effect on its financial condition and profitability.

#### *Force Majeure Events*

SpinCo may be negatively affected by force majeure events, which are incidents that are beyond its control or reasonable foresight. Examples of force majeure events include, but not limited to, an act of God or natural disasters, acts of terrorism, voluntary or involuntary compliance with any regulation, law or order of any government, acts of war (whether war be declared or not), labour strike or lock-out, civil commotion, epidemic, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, storm or like catastrophe. These events may prevent SpinCo from carrying on business, restrict its access to supplies or customers, or inflict damage on its assets.

#### *Litigation Risk*

From time to time in the ordinary course of business, SpinCo may be sued or be involved in various legal proceedings, be it commercial, securities, employment, class action and other claims, or be subject to governmental or regulatory investigations and proceedings. Such matters can be expensive, difficult, time-consuming and unpredictable. Moreover, should SpinCo be unsuccessful in such legal proceedings, it may be compelled to pay monetary damages. Any of the foregoing events may have a material adverse effect on SpinCo's financial condition and profitability.

#### *No Current Market for Shares*

There is currently no market through which the SpinCo Shares may be sold. Although SpinCo intends to list its shares on a Canadian stock exchange, SpinCo may not be successful in such an application and accordingly, any holder of SpinCo Shares may not be able to resell them. Moreover, there can be no assurance that an active trading market will develop for the SpinCo Shares or, if developed, that such market will be sustained. This may affect the liquidity of the SpinCo Shares and its pricing in secondary markets.

#### *Uninsurable Risks*

SpinCo may be subject to risks which are uninsurable or against which it may opt out of insuring due to the high cost of insurance premiums or other factors. If such risks result in a liability for SpinCo, payment of the liability will reduce its cash flow and may have a material adverse effect on its financial condition and profitability.

### **PROMOTERS**

Teuton took the initiative in SpinCo's organization and, accordingly, may be considered to be the promoter of SpinCo, as such term is defined in applicable securities laws. Upon completion of the Arrangement, Teuton will not beneficially own, control or direct any SpinCo Shares.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

### **Legal Proceedings**

SpinCo is neither a party to nor contemplating any legal proceedings which are material to its business. Management of SpinCo is not currently aware of any legal proceedings contemplated against SpinCo.

### **Regulatory Actions**

From incorporation to the date hereof, management knows of no:

- (i) penalties or sanctions imposed against SpinCo by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;
- (ii) other penalties or sanctions imposed by a court or regulatory body against SpinCo necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and
- (iii) settlement agreements SpinCo entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of SpinCo's management, no informed person (a director, officer or holder of 10% or more of SpinCo Shares), or any associate or affiliate of any informed person, has had any interest in any transaction which has materially affected or would materially affect SpinCo during the most recently completed financial year, or has any interest in any material transaction in the current year, other than as set out herein.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

SpinCo's auditors are Charlton and Company, Chartered Professional Accountants, located in Vancouver, British Columbia.

SpinCo's registrar and transfer Agent will be Endeavor Trust Corporation, located in Vancouver, British Columbia.

## **MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business, the only material contract entered into by SpinCo from incorporation to the date hereof which are currently in effect and considered to be currently material is the Arrangement Agreement, a copy of which is filed on SEDAR under the profile of Teuton Resources Corp.

## **EXPERTS**

### **Names of Experts**

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this prospectus as having prepared or certified a report, valuation, statement or opinion in this Circular:

- The Technical Report was prepared by Tony Barresi, P.Geo., of Barresi Geoscience. Mr. Barresi has informed us that he does not have any interest in SpinCo, its securities or the Luxor Project.
- Charlton and Company, Chartered Professional Accountants, who prepared the independent auditor's report on SpinCo's audited financial statements included in and forming part of this

Circular, has informed us that it is independent of SpinCo within the meaning of the code of professional conduct of the Chartered Professional Accountants of British Columbia.

**Interests of Experts**

None of the persons set out under the heading “Names of Experts” have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of SpinCo or of its associates or affiliates when such person prepared the report, valuation, statement or opinion aforementioned or thereafter.

Appendix E  
**Luxor Audited Financial Statements**  
(attached)



# **LUXOR METALS LTD.**

Financial Statements

Period From January 17, 2024 (date of incorporation)

to November 30, 2024

(Expressed in Canadian dollars)

## INDEPENDENT AUDITOR'S REPORT

To the Directors of:  
Luxor Metals Ltd.

### Opinion

We have audited the financial statements of Luxor Metals Ltd. (the "Company"), which comprise the statement of financial position as at November 30, 2024 and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the period from January 17, 2024 (date of incorporation) to November 30, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2024, and its financial performance and its cash flows for the period from January 17, 2024 (date of incorporation) to November 30, 2024 in accordance with IFRS Accounting 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 of the financial statements, which indicates that the Company had net working capital of \$1. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists which 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 comprises the 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. 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.



**CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, BC  
March 7, 2025

**LUXOR METALS LTD.**  
Statement of Financial Position  
(Expressed in Canadian dollars)

	November 30, 2024 \$
<b>Assets</b>	
Current assets	
Cash	1
<b>Total assets</b>	<b>1</b>
<b>Shareholders' equity</b>	
Share capital (Note 4)	1
Total shareholders' equity	1
<b>Total liabilities and shareholders' equity</b>	<b>1</b>

Nature and continuance of operations (Note 1)  
Plan of Arrangement (Note 9)

Approved and authorized for issuance on behalf of the Board of Directors on March 7, 2025:

/s/ "Dino Cremonese"  
Dino Cremonese, Director

/s/ "Robert Smiley"  
Robert Smiley, Director

(The accompanying notes are an integral part of these financial statements)

**LUXOR METALS LTD.**

Statement of Loss and Comprehensive Loss  
(Expressed in Canadian dollars)

	Period from incorporation on January 17, 2024 to November 30, 2024 \$
<b>Expenses</b>	—
Net and comprehensive loss for the period	—

(The accompanying notes are an integral part of these financial statements)

**LUXOR METALS LTD.**

Statement of Changes in Shareholders' Equity  
(Expressed in Canadian dollars)

	Share capital		Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$		
Balance, January 17, 2024 (date of incorporation)	100	1	—	1
Net loss for the period	—	—	—	—
<b>Balance, November 30, 2024</b>	<b>100</b>	<b>1</b>	<b>—</b>	<b>1</b>

(The accompanying notes are an integral part of these financial statements)

**LUXOR METALS LTD.**  
Statement of Cash Flows  
(Expressed in Canadian dollars)

	Period from incorporation on January 17, 2024 to November 30, 2024 \$
<b>Operating activities</b>	
Net loss for the period	—
<b>Net cash used in operating activities</b>	—
<b>Financing activities</b>	
Proceeds from shares issued	1
<b>Net cash provided by financing activities</b>	1
Change in cash	1
Cash, beginning of period	—
<b>Cash, end of period</b>	<b>1</b>

(The accompanying notes are an integral part of these financial statements)

# **LUXOR METALS LTD.**

Notes to the Financial Statements

Period From Incorporation on January 17, 2024 to November 30, 2024

(Expressed in Canadian dollars)

## **1. Nature and Continuance of Operations**

Luxor Metals Ltd. (the "Company") was incorporated on January 17, 2024 under the Business Corporations Act of British Columbia. The Company is an exploration stage company and is in the business of acquiring and exploring mineral properties in the province of British Columbia, Canada. The Company's head office and principal place of business is 2130 Crescent Road, Victoria, BC, Canada.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended November 30, 2024, the Company has no source of recurring revenue and does not generate positive cash flows from operating activities. As at November 30, 2024, the Company had working capital of \$1. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due over the next 12 months, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern, in which case such adjustments could be material.

## **2. Basis of presentation**

### **(a) Basis of Preparation**

#### Statement of Compliance

The accompanying financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

#### Basis of Measurement

These financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

### **(b) Use of Estimates and Judgments**

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, contingent assets, contingent liabilities, revenues, and expenses. Actual results may differ from these estimates.

Critical judgments exercised by management in applying accounting policy information that have the most significant effect on the amounts presented in these financial statements are as follows:

- The application of the going concern assumption which requires management to take into account all available information about the future, which is at least but not limited to, twelve months from the year end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

There were no estimates made by management in the preparation of these financial statements.



## **LUXOR METALS LTD.**

Notes to the Financial Statements

Period From Incorporation on January 17, 2024 to November 30, 2024

(Expressed in Canadian dollars)

### **3. Material Accounting Policy Information**

#### **(a) Cash and Cash Equivalents**

Cash includes deposits held with banks that are available on demand. The Company considers all highly liquid instruments which are subject to insignificant risk of changes in value and which have a short term maturity, to be cash equivalents. As at November 30, 2024, the Company held \$nil in cash equivalents.

#### **(b) Exploration and Evaluation Expenditures**

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Costs incurred before the Company has obtained the legal rights to explore an area are charged to operations. Exploration and evaluation expenditures incurred after the legal rights to the property have been obtained are capitalized.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability is unlikely, (ii) the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed, (iii) substantive expenditures on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned, and (iv) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Some of the Company's exploration activities are conducted jointly with others and, accordingly, the financial statements reflect only the Company's proportionate interest in such activities.

#### *Mineral Property Options*

The Company does not record any expenditures made by the optionee in its accounts. The Company re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the optionee is credited against costs previously capitalized. Any consideration received in excess of costs previously capitalized is recognized in the statement of loss and comprehensive loss.

#### *Joint Arrangements*

From time-to-time, the Company's exploration activities are conducted under joint operation arrangements with others. These financial statements reflect only the Company's proportionate interest in such activities.

## LUXOR METALS LTD.

Notes to the Financial Statements

Period From Incorporation on January 17, 2024 to November 30, 2024

(Expressed in Canadian dollars)

### 3. Material Accounting Policy Information (continued)

#### (c) Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of loss and comprehensive loss.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of loss and comprehensive loss.

#### (d) Reclamation and Remediation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties and equipment. These costs are depreciated using either the unit of production or straight-line method depending on the asset to which the obligation relates.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

## LUXOR METALS LTD.

Notes to the Financial Statements

Period From Incorporation on January 17, 2024 to November 30, 2024

(Expressed in Canadian dollars)

### 3. Material Accounting Policy Information (continued)

#### (e) Financial Instruments

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes a party to the contractual provisions of the financial instrument.

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 financial asset debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

##### *Financial assets at FVTOCI*

Investments in equity instruments designated at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with both realized and unrealized gains and losses recognized in other comprehensive income (loss) in the period in which they arise. During the period ended November 30, 2024, there were no financial assets elected to be carried at FVTOCI.

##### *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. Interest income from these financial assets is included as finance income using the effective interest rate method. As at November 30, 2024, the Company classified its cash at amortized cost.

##### *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 profit or loss as incurred. 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 profit or loss in the period in which they arise.

##### *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 profit or 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.

##### *Derecognition of financial assets and liabilities*

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. Gains and losses on derecognition are generally recognized in profit or loss in the period in which they arise.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

## LUXOR METALS LTD.

Notes to the Financial Statements

Period From Incorporation on January 17, 2024 to November 30, 2024

(Expressed in Canadian dollars)

### 3. Material Accounting Policy Information (continued)

#### (e) 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. 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 the statement of loss and comprehensive 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 using the statement of financial position method 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 income 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.

#### (f) Loss Per Share

Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted loss 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 years presented.

#### (g) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended November 30, 2024, and have not been early adopted in preparing these financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and are not expected to have a significant impact on the Company's financial statements. These include the amendments to *IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current* and *IFRS 18 – Presentation and Disclosure in Financial Statements*.

### 4. Share Capital

Authorized: Unlimited common shares without par value.

On January 17, 2024, the Company issued 100 common shares for proceeds of \$1.

## **LUXOR METALS LTD.**

Notes to the Financial Statements

Period From Incorporation on January 17, 2024 to November 30, 2024

(Expressed in Canadian dollars)

### **5. Financial Instruments and Risk Management**

#### *Financial Instruments*

The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Significant unobservable (no market data available) inputs which are supported by little or no market activity.

The fair value of financial instruments, which includes cash, approximate its carrying value due to the relatively short-term maturity of this instrument.

#### *Risk Management*

##### **(a) Credit Risk**

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash. The carrying amount of financial assets represents the maximum credit exposure.

##### **(b) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company will settle its future financial obligations in cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

##### **(c) Market Risk**

#### *Foreign Exchange Rate*

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange risk.

#### *Interest Rate Risk*

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 significant interest rate risk as it does not have any liabilities with variable rates.

#### *Price Risk*

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

## **LUXOR METALS LTD.**

Notes to the Financial Statements

Period From Incorporation on January 17, 2024 to November 30, 2024

(Expressed in Canadian dollars)

### **6. Capital Management**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

### **7. Related Party Transactions**

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the period ended November 30, 2024, there were no transactions with related parties.

### **8. Income Tax**

During the period ended November 30, 2024, the Company incurred a taxable loss of \$nil. As a result, the Company does not have any deferred tax asset or liabilities that would be included on the statements of financial position.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

### **9. Plan of Arrangement**

Pursuant to a Plan of Arrangement dated January 23, 2025 (the "Arrangement"), Teuton and Luxor, will complete a spinout transaction (the "Transaction"). Under the Arrangement, Teuton will transfer the following assets to Luxor in consideration for the issuance of an aggregate of Luxor's shares to Teuton's shareholders equal to one-third of the number of common shares in the capital of Teuton: (i) \$300,000; (ii) securities with a collective value of \$1,600,000; and (iii) the 100% right, title, and interest in the mineral claims of the following properties: the Tennyson Property, the Leduc Silver Property, the Four J's Property, the Big Gold Property, the Pearson Property, and the Eskay Rift Property.

The completion of the Transaction is subject to the satisfaction of various conditions including, but not limited to the receipt of all requisite regulatory, TSX-V, court or governmental authorizations, and third-party approvals or consents.

Appendix F  
**Luxor Management's Discussion and Analysis**  
(attached)

# **Luxor Metals Ltd.**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period from January 17, 2024 (date of incorporation) to November 30, 2024



## **LUXOR METALS LTD.**

### **Management Discussion and Analysis**

November 30, 2024

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This Management's Discussion and Analysis ("MD&A") of Luxor Metals Ltd. (the "Company") is dated March 7, 2025, and should be read in conjunction with the audited financial statements (the "Financial Statements") and the related notes thereto for the period from January 17, 2024 (date of incorporation) to November 30, 2024. The Financial Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are expressed in Canadian dollars unless otherwise indicated.

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management and operations, are intended to identify forward-looking statements. Such statements reflect the Company's current views and beliefs with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or development except as may be required by law or regulation.

## **INTRODUCTION**

The Company was incorporated on January 17, 2024 under the laws of British Columbia as a wholly owned subsidiary of Teuton Resources Corp. ("Teuton"). The directors of the Company are Dino Cremonese, Robert Smiley and Jeremy Zall. Mr. Cremonese also serves as the Company's chief executive officer. Bond Skillings is the Company's chief financial officer.

On January 23, 2025, the Company entered into an arrangement agreement (the "Arrangement") with Teuton wherein the parties intend for six mineral properties to be spun out from Teuton to Luxor, by way of a plan of arrangement. These six mineral properties comprise the Luxor Project and as consideration for the transfer of these assets, Teuton shareholders will receive one Luxor share for every three Teuton shares that they hold as of the Arrangement's effective date.

The Arrangement is subject to approval by Teuton's shareholders and the Supreme Court of British Columbia. If the Arrangement completes, the Company intends to list its shares on the Canadian Securities Exchange. No assurance, however, can be given that such listing will be attained.

**LUXOR METALS LTD.**

Management Discussion and Analysis  
November 30, 2024

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**SELECTED ANNUAL INFORMATION**

	Year Ended November 30,		
	2024	2023	2022
Total revenues	–	n/a	n/a
Loss	–	n/a	n/a
Total assets	1	n/a	n/a
Total liabilities	–	n/a	n/a

**SUMMARY OF QUARTERLY RESULTS**

	Nov. 30, 2024	Aug. 31, 2024	May. 31, 2024	Feb. 29, 2024
Total revenues	–	–	–	–
Net income (loss)	–	–	–	–
Net earnings (loss) per share – basic and diluted	–	–	–	–

**ADDITIONAL DISCLOSURE FOR ISSUERS WITHOUT SIGNIFICANT REVENUES**

Additional financial information is available in the Company's audited financial statements for the period from incorporation on January 17, 2024 to November 30, 2024.

The following addresses the specific disclosure requirements for venture issues without significant revenues:

- Capitalized or expensed exploration and development costs – Not applicable
- Expensed research and development costs – Not applicable
- Deferred development costs – Not applicable
- General administrative expenses – the financial information is presented in the Statement of Loss and Comprehensive Loss in the financial statements.
- Any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d) – None.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company has no operations that generate cashflows, and accordingly, its financial viability will depend on its ability to raise money through equity financings. There is no assurance that the Company will be able to secure financings at the times and in the amounts required, or to obtain them on favorable terms. These uncertainties cast doubt on the Company's ability to continue as a going concern.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## **LUXOR METALS LTD.**

Management Discussion and Analysis  
November 30, 2024

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### **TRANSACTIONS WITH RELATED PARTIES**

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

Some of the Company's directors and officers also serve as Teuton's directors and officers and are thus related parties. During the period ended November 30, 2024, the Company paid \$nil compensation to those directors and officers who are also either a director and/or officer of Teuton.

During the period ended November 30, 2024, there were no transactions with related parties.

### **FINANCIAL INSTRUMENTS**

#### *Financial Instruments*

The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Significant unobservable (no market data available) inputs which are supported by little or no market activity.

The fair value of financial instruments, which includes cash, approximate its carrying value due to the relatively short-term maturity of this instrument.

#### *Risk Management*

##### **(a) Credit Risk**

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash. The carrying amount of financial assets represents the maximum credit exposure.

##### **(b) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company will settle its future financial obligations in cash. The ability to do

## **LUXOR METALS LTD.**

### **Management Discussion and Analysis**

November 30, 2024

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this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

#### **(c) Market Risk**

*Foreign Exchange Rate* – Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange risk.

*Interest Rate Risk* – 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 significant interest rate risk as it does not have any liabilities with variable rates.

*Price Risk* – The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

## **DISCLOSURE OF OUTSTANDING SHARE DATA**

As at the date of this MD&A, there are 100 common shares issued and outstanding.

## **PROPOSED TRANSACTIONS**

As at the date of this MD&A, the Company has no proposed transactions except for the Arrangement as described.

## **SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND NEW POLICIES**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended November 30, 2024, and have not been early adopted in preparing the Financial Statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and are not expected to have a significant impact on the Company's financial statements. These include the amendments to *IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current* and *IFRS 18 – Presentation and Disclosure in Financial Statements*.

In applying the Company's accounting policies, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, contingent assets, contingent liabilities, income and expenses. Actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results. Refer to Note 2 of the Financial Statements for the significant estimates and judgements.

## **LUXOR METALS LTD.**

Management Discussion and Analysis  
November 30, 2024

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### **RISK FACTORS AND UNCERTAINTIES**

The Company has numerous risks and uncertainties. Prospective investors should carefully consider all information, including the non-exhaustive list of risk factors set forth below. Additional risks and uncertainties that management is unaware of, or is deemed not to be material currently, may become important factors that affect the Company. If any such risks actually occur, the Company's business, financial condition or results of operations could be materially adversely affected.

#### *Current Negative Cash Flow*

The Company has negative cash flow from operations in its most recently completed financial year, and will require additional financing. There can be no assurance that the Company will be able to secure financing on acceptable terms, or raise any funds at all. Any failure to obtain required financing may jeopardize the ability of the Company to remain as a "going concern", or lead to a material adverse effect on its operations, liquidity and financial condition.

#### *Limited Operating History*

The Company has a limited operating history, and no revenues. As such, it is subject to the many risks common to early-stage enterprises such as limited access to capital, personnel, and other resources, as well as a lack of track record to base future performance. There is no assurance that the Company's business will be successful or profitable.

#### *Inability to Raise Capital*

The Company will require significant capital to achieve its business objectives, and there is no assurance that it will be able to raise the necessary funds to do so, or be able to secure financing on favourable terms. Its ability to raise money depends on the state of capital markets, its attractiveness as a business compared to competitors, the amount of funding that it will be seeking, whether its shares are listed on a stock exchange at the time and its ability to find financiers willing and able to provide such financing. Some of these variables are beyond the Company's control. If it fails to raise the required amount of capital at a given time, it may be forced to discontinue certain products or operations, reduce or forego sales and marketing activities, and/or cut back on staff. Furthermore, not procuring sufficient capital may place the Company's business as a going concern into jeopardy.

#### *Uninsurable Risks*

The Company may be subject to risks which are uninsurable or against which it may opt out of insuring due to the high cost of insurance premiums or other factors. If such risks result in a liability for the Company, payment of the liability will reduce its cash flow and may have a material adverse effect on its financial condition and profitability.

### **EFFECTIVENESS OF DISCLOSURE CONTROLS**

The Company has internal controls over financial reporting to provide reasonable assurance as to the reliability of financial reporting and that preparation of financial statements for external purposes are in accordance with IFRS. There is an inability to totally segregate duties due to the small size of the Project, but management believes these weaknesses have been mitigated through management's and directors' involvement.

**LUXOR METALS LTD.**

Management Discussion and Analysis

November 30, 2024

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**APPROVAL**

The Audit Committee of the Project has approved the disclosure contained in this MD&A.

Appendix G  
**Teuton Carve-Out Financial Statements**  
(attached)

Carve-Out Financial Statements of

# **Teuton Resources Corp.**

Years Ended December 31, 2023, 2022, and 2021

(Expressed in Canadian Dollars)



## INDEPENDENT AUDITOR'S REPORT

**To the Directors of:  
Teuton Resources Corp.**

### **Opinion**

We have audited the accompanying carve-out financial statements of the spinout exploration project of Teuton Resources Corp. (the "Project"), which comprise the carve-out statements of financial position as at December 31, 2023, 2022, and 2021, and the carve-out statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the carve-out financial statements, including material accounting policy information.

In our opinion, these carve-out financial statements present fairly, in all material respects, the financial position of the Project as at December 31, 2023, 2022, and 2021, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

### **Basis for Opinion**

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Carve-Out Financial Statements section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the carve-out 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 of the carve-out financial statements, which indicates that these carve-out financial statements have been prepared on a going concern basis which assumes that the Project will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Project are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Project's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Emphasis of Matter – Basis of Preparation**

We draw attention to the fact that as described in Note 1 in the carve-out financial statements, the Project did not operate as a separate legal entity during the years ended December 31, 2023, 2022 and 2021. The carve-out financial statement for the above years are, therefore, not necessarily indicative of the results that would have occurred if the Project had been a separate stand-alone entity during the periods presented or of future results of the Project. 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 the Management's Discussion and Analysis.

Our opinion on the carve-out 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 carve-out financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the carve-out 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 Carve-Out Financial Statements**

Management is responsible for the preparation and fair presentation of the carve-out financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, management is responsible for assessing the Project'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 Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Carve-Out Financial Statements**

Our objectives are to obtain reasonable assurance about whether the carve-out 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 carve-out 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 carve-out 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 Project'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 Project'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 carve-out 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 Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the carve-out financial statements, including the disclosures, and whether the carve-out 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.



**CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, BC

March 7, 2025

# Teuton Resources Corp.

Carve-Out Statements of Financial Position  
(Expressed in Canadian dollars)

	December 31, 2023 \$	December 31, 2022 \$	December 31, 2021 \$
<b>Assets</b>			
Non-current assets			
Reclamation deposits	127,466	127,466	127,466
Exploration and evaluation assets (Note 4)	2,218,833	2,044,055	1,892,091
<b>Total assets</b>	<b>2,346,299</b>	<b>2,171,521</b>	<b>2,019,557</b>
<b>Equity</b>			
Contributions from Teuton Resources Corp. (Note 7)	3,075,250	2,622,051	2,043,046
Reserves	2,097,987	1,622,569	35,042
Deficit	(2,826,938)	(2,073,099)	(58,531)
Total equity	2,346,299	2,171,521	2,019,557
<b>Total equity</b>	<b>2,346,299</b>	<b>2,171,521</b>	<b>2,019,557</b>

Nature and continuance of operations (Note 1)  
Plan of Arrangement (Note 11)

Approved and authorized for issuance on behalf of the Board of Directors on March 7, 2025 by

/s/ "Dino Cremonese"

Dino Cremonese, Director

/s/ "Robert Smiley"

Robert Smiley, Director

(The accompanying notes are an integral part of these carve-out financial statements)

## Teuton Resources Corp.

Carve-Out Statements of Loss and Comprehensive Loss  
(Expressed in Canadian dollars)

Year ended	December 31, 2023 \$	December 31, 2022 \$	December 31, 2021 \$
Expenses			
Consulting	56,715	86,989	3,153
Depreciation	14,683	16,783	483
Investor relations	8,661	33,907	739
Office, rent, and telephone (Note 8)	19,585	22,074	1,109
Professional fees	33,049	83,639	2,479
Salaries and benefits (Note 8)	101,210	150,753	14,130
Share-based payments (Note 8)	475,418	1,587,527	35,042
Transfer agent and regulatory fees	42,405	30,194	1,273
Travel	2,113	2,702	123
Total expenses	753,839	2,014,568	58,531
<b>Net loss and comprehensive loss for the year</b>	<b>(753,839)</b>	<b>(2,014,568)</b>	<b>(58,531)</b>

(The accompanying notes are an integral part of these carve-out financial statements)

## Teuton Resources Corp.

Carve-Out Statements of Changes in Equity  
(Expressed in Canadian dollars)

	Contributions from Teuton Resources Corp. \$	Reserves \$	Deficit \$	Total equity \$
Balance, December 31, 2020	1,893,996	-	-	1,893,996
Contributions from Teuton Resources Corp.	149,050	-	-	149,050
Share-based payments	-	35,042	-	35,042
Loss for the year	-	-	(58,531)	(58,531)
<b>Balance, December 31, 2021</b>	<b>2,043,046</b>	<b>35,042</b>	<b>(58,531)</b>	<b>2,019,557</b>
Contributions from Teuton Resources Corp.	579,005	-	-	579,005
Share-based payments	-	1,587,527	-	1,587,527
Loss for the year	-	-	(2,014,568)	(2,014,568)
<b>Balance, December 31, 2022</b>	<b>2,622,051</b>	<b>1,622,569</b>	<b>(2,073,099)</b>	<b>2,171,521</b>
Contributions from Teuton Resources Corp.	453,199	-	-	453,199
Share-based payments	-	475,418	-	475,418
Loss for the year	-	-	(753,839)	(753,839)
<b>Balance, December 31, 2023</b>	<b>3,075,250</b>	<b>2,097,987</b>	<b>(2,826,938)</b>	<b>2,346,299</b>

(The accompanying notes are an integral part of these carve-out financial statements)

# Teuton Resources Corp.

Carve-Out Statements of Cash Flows  
(Expressed in Canadian dollars)

Year ended	December 31, 2023 \$	December 31, 2022 \$	December 31, 2021 \$
<b>Operating activities</b>			
Loss for the year	(753,839)	(2,014,568)	(58,531)
Items not involving cash:			
Depreciation	14,683	16,783	483
Share-based compensation	475,418	1,587,527	35,042
Net cash used in operating activities	(263,738)	(410,258)	(23,006)
<b>Investing activities</b>			
Reclamation deposits	—	—	(108,466)
Exploration and evaluation assets	(174,778)	(151,964)	(17,095)
Net cash used in investing activities	(174,778)	(151,964)	(125,561)
<b>Financing activities</b>			
Contributions from Teuton Resources Corp.	438,516	562,222	148,567
Net cash provided by financing activities	438,516	562,222	148,567
<b>Change in cash</b>	—	—	—
<b>Cash, beginning of year</b>	—	—	—
<b>Cash, end of year</b>	—	—	—

(The accompanying notes are an integral part of these carve-out financial statements)

# Teuton Resources Corp.

Notes to the Carve-Out Financial Statements  
Years Ended December 31, 2023, 2022 and 2021  
(Expressed in Canadian dollars)

## 1. NATURE AND CONTINUANCE OF OPERATIONS

On January 17, 2024, Teuton Resources Corp. ("Teuton") incorporated Luxor Metals Ltd. ("Luxor") under the *Business Corporations Act* (British Columbia). Teuton plans, through an internal reorganization, to transfer \$300,000, securities with a collective value of \$1,600,000, and 100% of the right, title, and interest in certain mineral claims (the "Project") to Luxor pursuant to a Plan of Arrangement (Note 11).

The Project's principal business activity is the exploration of mineral properties in Canada. The Project's head office is located at 2130 Crescent Road, Victoria, BC, V8S 2H3.

These carve-out financial statements have been prepared on a going concern basis which assumes that the Project will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. The Project is in the process of exploring its mineral properties in Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts spent for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Project to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from disposition of the properties.

The continuing operations of the Project are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. These circumstances comprise a material uncertainty which may cast significant doubt about the Project's ability to continue as a going concern. If the Project is unable to secure financing, repay liabilities as they come due, and/or continue as a going concern, then material adjustments would be required to the carrying value of assets and liabilities and the carve-out statement of financial position classifications used. These carve-out financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Project be unable to continue as a going concern.

## 2. BASIS OF PRESENTATION

### Statement of compliance

These carve-out financial statements of the Project have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These carve-out financial statements of the Project for the years ended December 31, 2023, 2022 and 2021, were reviewed, approved and authorized for issuance by the Board of Directors on March 7, 2025.

### Basis of preparation

These carve-out financial statements reflect the assets, liabilities, comprehensive loss and cash flows of the Project undertaken by Teuton for the years ended December 31, 2023, 2022, and 2021.

The purpose of these carve-out financial statements is to provide general purpose historical financial information of the Project in connection with the plan of arrangement to carve out the Tennyson Property, the Leduc Silver Property, the Four J's Property, the Big Gold Property, the Pearson Property and the Eskay Rift Property (the "Properties") from Teuton. These carve-out financial statements reflect the historical financial information and expenditures of the Project, as if the Project had been operating separately.

The carve-out financial statements have been prepared on an accrual basis and are based on historical costs modified where applicable. The carve-out financial statements are presented in Canadian dollars unless otherwise noted. The carve-out financial statements have been extracted and carved out from the historical accounting records of Teuton. The basis of preparation for the carve-out statements of

# Teuton Resources Corp.

Notes to the Carve-Out Financial Statements  
Years Ended December 31, 2023, 2022 and 2021  
(Expressed in Canadian dollars)

financial position, loss and comprehensive loss, cash flows and changes in equity of the Project is described below:

- The carve-out statements of financial position reflect the assets and liabilities recorded by Teuton on the basis that they are specifically identifiable and attributable to the Project; and
- The historical costs and expenses reflected in these financial statements include an allocation for certain corporate and shared service functions historically provided by Teuton, including, but not limited to, consulting fees, professional fees, salaries and benefits, share-based compensation and other shared services. The carve-out statements of loss and comprehensive loss included a pro-rata allocation of Teuton's expenses incurred in each of the periods presented based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets, compared to the expenditures incurred on all of Teuton's exploration and evaluation assets, and based on specifically identifiable activities attributable to the Project. The allocation of income and expense for each period presented is as follows: 2023 – 51.56%, 2022 – 79.08%, and 2021 – 3.61%. The percentages are considered reasonable under the circumstances.

These carve-out financial statements may not include all the actual expenses that would have been incurred had it operated as a standalone company during the periods presented and may not reflect the results of operations, financial position and cash flows had it operated as a standalone company during the periods presented.

Management believes the assumptions underlying these carve-out financial statements, including the assumptions regarding the allocation of general corporate expenses from Teuton, are reasonable. Nevertheless, management cautions readers of these carve-out financial statements, that the Project's results do not necessarily reflect what the financial position, loss and comprehensive loss or cash flows would have been had the Project been a separate entity. Further, the allocation of income and expenses in these carve-out statements of loss and comprehensive loss do not necessarily reflect the nature and level of the Project's future income and operating expenses.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these carve-out financial statements, except as discussed below.

#### **Use of Estimates and Judgments**

The preparation of the carve-out financial statements in accordance with IFRS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, contingent assets, contingent liabilities, revenue, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### *Accounting Estimates*

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include:



# Teuton Resources Corp.

Notes to the Carve-Out Financial Statements  
Years Ended December 31, 2023, 2022 and 2021  
(Expressed in Canadian dollars)

## Share-based payments

The Project uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rates. Changes in the input assumptions can materially affect fair value estimates and the Project's net loss and its share-based payment reserve.

## Pro-rata allocation of Teuton's income and expenses

The preparation of carve-out financial statements requires estimates in determining a pro-rata allocation of expenses incurred. The Project determined the allocation should be based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets, compared to the expenditures incurred on all of Teuton's exploration and evaluation assets, as the purpose of the arrangement is to carve out the Properties.

## *Critical Accounting Judgments*

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include:

## Impairment of exploration and evaluation assets

The application of the Project's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of loss and comprehensive loss in the period when the new information becomes available.

## Title to exploration and evaluation assets

Although the Project has taken steps to verify title to the Properties on which it is conducting its exploration activities, these procedures do not guarantee the title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements. The Project's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

## Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Project is aware that material uncertainties related to events or conditions may cast significant doubt upon the Project's ability to continue as a going concern.

## **Exploration and Evaluation Expenditures**

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Costs incurred before the Project has obtained the legal rights to explore an area are charged to operations. Exploration and evaluation expenditures incurred after the legal rights to the property have been obtained are capitalized.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability is unlikely, (ii) the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed, (iii) substantive expenditures on further exploration for and evaluation of mineral resources in a specific

# **Teuton Resources Corp.**

Notes to the Carve-Out Financial Statements  
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area is neither budgeted nor planned, and (iv) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Some of the Project's exploration activities are conducted jointly with others and, accordingly, the financial statements reflect only the Project's proportionate interest in such activities.

## ***Mineral Property Options***

The Project does not record any expenditures made by the optionee in its accounts. The Project re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the optionee is credited against costs previously capitalized. Any consideration received in excess of costs previously capitalized is recognized in the statement of loss and comprehensive loss.

## ***Joint Arrangements***

From time-to-time, the Project's exploration activities are conducted under joint operation arrangements with others. These financial statements reflect only the Project's proportionate interest in such activities.

## **Impairment of Non-Financial Assets**

At each reporting date, the Project reviews the carrying amounts of its non-financial assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Project estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of loss and comprehensive loss.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of loss and comprehensive loss

## **Reclamation and Remediation Provisions**

The Project recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties and

# **Teuton Resources Corp.**

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equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties and equipment. These costs are depreciated using either the unit of production or straight-line method depending on the asset to which the obligation relates.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Project of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Project's closure and reclamation obligations becomes available.

## **Share-Based Compensation**

The grant date fair value of share-based payment awards granted by Teuton to employees of the Project is recognized as share-based payments expense, with a corresponding increase in contributed surplus, over the period that the employees unconditionally become entitled to the awards. The option awards granted by Teuton to the employees of the Project are equity-settled awards as the Project has no obligation to satisfy the obligation to the employees and the awards are only settleable in common shares of Teuton. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Project measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

## **Contributions**

Contributions from Teuton to the Project are presented as part of equity.

## **Financial Instruments**

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes a party to the contractual provisions of the financial instrument.

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 financial asset debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

### **Financial assets at FVTOCI**

Investments in equity instruments designated at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with both realized and unrealized gains and losses recognized in other comprehensive income (loss) in the period in which they arise. During the years ended December 31, 2023, 2022, and 2021, there were no financial assets elected to be carried at FVTOCI.

# Teuton Resources Corp.

Notes to the Carve-Out Financial Statements  
Years Ended December 31, 2023, 2022 and 2021  
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## 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. Interest income from these financial assets is included as finance income using the effective interest rate method. As at December 31, 2023, 2022, and 2021, the Company classified its cash at amortized cost.

## 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 profit or loss as incurred. 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 profit or loss in the period in which they arise.

## 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 profit or 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.

## Derecognition of financial assets and liabilities

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. Gains and losses on derecognition are generally recognized in profit or loss in the period in which they arise.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

## Accounting Standards Issued But Not Yet Effective

There are no IFRS interpretations that are not yet effective that would be expected to have a material impact on the Project's carve-out financial statements.

## 4. Exploration and Evaluation Assets

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. As described in Notes 1 and 8, Teuton will transfer its 100% interest in the following mineral properties to the Project, all located in British Columbia's Skeena Mining Division:

- Tennyson Property, comprised of 14 mineral claims
- Leduc Silver Property, comprised of 13 mineral claims
- Four J's Property, comprised of 8 mineral claims
- Big Gold Property, comprised of 13 mineral claims

# Teuton Resources Corp.

Notes to the Carve-Out Financial Statements  
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- Pearson Property, comprised of 4 mineral claims
- Eskay Rift Property, comprised of 7 mineral claims

	Tennyson \$	Leduc Silver \$	Four J's \$	Big Gold \$	Pearson \$	Eskay Rift \$	Total \$
December 31, 2020	1,031,966	26,776	10,653	233,436	572,165	–	1,874,996
Additions	–	–	–	–	–	17,095	17,095
December 31, 2021	1,031,966	26,776	10,653	233,436	572,165	17,095	1,892,091
Additions	18,500	–	27,199	50,802	5,534	49,929	151,964
December 31, 2022	1,050,466	26,776	37,852	284,238	577,699	67,024	2,044,055
Additions	13,386	–	29,292	59,973	6,554	65,573	174,778
December 31, 2023	1,063,852	26,776	67,144	344,211	584,253	132,597	2,218,833

## 5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### *Financial Instruments*

The Project utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Significant unobservable (no market data available) inputs which are supported by little or no market activity.

The Project does not have any financial instruments.

### *Risk Management*

#### (a) Credit Risk

Credit risk is the risk of potential loss to the Project if the counterparty to a financial instrument fails to meet its contractual obligations. The Project is not exposed to any significant credit risk.

#### (b) Liquidity Risk

Liquidity risk is the risk that the Project will not be able to meet its financial obligations as they fall due. The Project's liquidity and operating results may be adversely affected if its access to capital markets is hindered. The Project has no source of revenue and has obligations to meet its administrative overhead costs and to settle amounts payable to its creditors. There is no assurance the Project will be able to raise equity financing. The Project assesses its liquidity risk as high.

#### (c) Market Risk

##### *Foreign Exchange Rate*

Foreign exchange risk is the risk that the Project's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Project is not exposed to any significant foreign exchange risk.

# Teuton Resources Corp.

Notes to the Carve-Out Financial Statements  
Years Ended December 31, 2023, 2022 and 2021  
(Expressed in Canadian dollars)

## *Interest Rate Risk*

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 Project is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

## *Price Risk*

The Project is exposed to price risk with respect to commodity prices. The Project's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

## **6. CAPITAL MANAGEMENT**

The Project manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The Project defines its capital as equity.

The Project is dependent upon external financing. In order to carry future activities and pay for administrative costs, the Project will raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Project, is reasonable. The Project is not subject to externally imposed capital requirements.

## **7. CONTRIBUTIONS FROM TEUTON RESOURCES CORP.**

Teuton's investment in the Project is presented as contributions from Teuton in the carve-out financial statements. Equity represents the accumulated net contributions from Teuton.

Net financing transactions with Teuton as presented in the carve-out statements of cash flows represents the net contributions related to the funding of the Project.

## **8. RELATED PARTY TRANSACTIONS**

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Project, directly or indirectly. Key management personnel consists of members of Teuton's Board of Directors and corporate officers and related companies.

To determine related party transactions for the Project, the allocation methodology outlines in Note 2 has been consistently applied.

- (a) For the year ended December 31, 2023, the Project incurred salary expense of \$99,612 (2022 – \$148,277, 2021 - \$13,678) and paid rent of \$2,475 (2022 – \$3,796, 2021 - \$173) to the President of the Project. For the year ended December 31, 2023, the Project also incurred engineering fees of \$21,139 (2022 – \$44,142, 2021 - \$2,153) which were capitalized to exploration and evaluation assets to the President of the Project.
- (b) During the year ended December 31, 2023, the Project incurred share-based compensation of \$475,418 (2022 - \$1,485,196, 2021 - \$35,042) to officers and directors of the Project.

## **9. INCOME TAXES**

Deferred income tax assets and liabilities are calculated using the difference between the carrying amount of the mineral property and its corresponding tax value. As these financial statements represent carve-out statements of the Project there is no entity that has a legal form and therefore the criteria to recognize any deferred tax assets have not been met. Therefore, no deferred tax assets have been recorded. Expenses presented on the carve-out statements of loss and comprehensive loss represent

## **Teuton Resources Corp.**

Notes to the Carve-Out Financial Statements  
Years Ended December 31, 2023, 2022 and 2021  
(Expressed in Canadian dollars)

an allocation of Teuton's expenses and do not represent tax deductible expenses to a separate legal entity of these carve-out financial statements.

### **10. SEGMENTED INFORMATION**

The Project operates in one industry and geographic segment, the mineral resource industry with all exploration activities conducted in Canada.

### **11. PLAN OF ARRANGEMENT**

Pursuant to a Plan of Arrangement dated January 23, 2025 (the "Arrangement"), Teuton and Luxor, will complete a spinout transaction (the "Transaction"). Under the Arrangement, Teuton will transfer the following assets to Luxor in consideration for the issuance of an aggregate of Luxor's shares to Teuton's shareholders equal to one-third of the number of common shares in the capital of Teuton: (i) \$300,000; (ii) securities with a collective value of \$1,600,000; and (iii) the 100% right, title, and interest in the mineral claims of the Properties.

The completion of the Transaction is subject to the satisfaction of various conditions including, but not limited to the receipt of all requisite regulatory, TSX-V, court or governmental authorizations, and third-party approvals or consents.

Carve-Out Interim Financial Statements of

# **Teuton Resources Corp.**

Nine Months Ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(unaudited)



# Teuton Resources Corp.

Condensed Interim Carve-Out Statements of Financial Position  
(Expressed in Canadian dollars)

	September 30, 2024 \$	December 31, 2023 \$
	(unaudited)	
Assets		
Non-current assets		
Reclamation deposits	146,866	127,466
Exploration and evaluation assets (Note 4)	2,269,890	2,218,833
<b>Total assets</b>	<b>2,416,756</b>	<b>2,346,299</b>
Equity		
Contributions from Teuton Resources Corp. (Note 7)	3,230,798	3,075,250
Reserves	2,097,987	2,097,987
Deficit	(2,912,029)	(2,826,938)
<b>Total equity</b>	<b>2,416,756</b>	<b>2,346,299</b>
<b>Total equity</b>	<b>2,416,756</b>	<b>2,346,299</b>
Nature and continuance of operations (Note 1)		
Plan of Arrangement (Note 10)		

Approved and authorized for issuance on behalf of the Board of Directors on March 7, 2025:

/s/ "Dino Cremonese"  
Dino Cremonese, Director

/s/ "Robert Smiley"  
Robert Smiley, Director

(The accompanying notes are an integral part of these condensed interim carve-out financial statements)

## Teuton Resources Corp.

Condensed Interim Carve-Out Statements of Loss and Comprehensive Loss  
(Expressed in Canadian dollars)  
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Expenses				
Consulting	7,346	13,996	24,234	48,692
Depreciation	1,531	4,998	3,873	11,886
Investor relations	219	376	1,054	1,891
Office, rent, and telephone (Note 8)	1,448	4,661	3,110	17,662
Professional fees	1,349	6,704	10,327	17,210
Salaries and benefits (Note 8)	5,395	27,992	31,180	79,632
Share-based payments (Note 8)	—	—	—	513,123
Transfer agent and regulatory fees	2,401	7,256	9,682	40,608
Travel	(28)	617	1,631	1,667
Total expenses	19,661	66,600	85,091	732,371
<b>Net loss and comprehensive loss for the period</b>	<b>(19,661)</b>	<b>(66,600)</b>	<b>(85,091)</b>	<b>(732,371)</b>

(The accompanying notes are an integral part of these condensed interim carve-out financial statements)

## Teuton Resources Corp.

Condensed Interim Carve-Out Statements of Changes in Equity  
(Expressed in Canadian dollars)  
(unaudited)

	Contributions from Teuton Resources Corp. \$	Reserves \$	Deficit \$	Total equity \$
Balance, December 31, 2022	2,622,051	1,622,569	(2,073,099)	2,171,521
Contributions from Teuton Resources Corp.	375,663	—	—	375,663
Share-based payments	—	513,123	—	513,123
Loss for the period	—	—	(732,371)	(732,371)
<b>Balance, September 30, 2023</b>	<b>2,997,714</b>	<b>2,135,692</b>	<b>(2,805,470)</b>	<b>2,327,936</b>
Balance, December 31, 2023	3,075,250	2,097,987	(2,826,938)	2,346,299
Contributions from Teuton Resources Corp.	155,548	—	—	155,548
Loss for the period	—	—	(85,091)	(85,091)
<b>Balance, September 30, 2024</b>	<b>3,230,798</b>	<b>2,097,987</b>	<b>(2,912,029)</b>	<b>2,416,756</b>

(The accompanying notes are an integral part of these condensed interim carve-out financial statements)

## Teuton Resources Project

Condensed Interim Carve-Out Statements of Cash Flows  
(Expressed in Canadian dollars)  
(unaudited)

	Nine months ended September 30,	
	2024	2023
	\$	\$
<b>Operating activities</b>		
Loss for the period	(85,091)	(732,371)
Items not involving cash:		
Depreciation	3,873	11,886
Share-based compensation	—	513,123
Net cash used in operating activities	(81,218)	(207,362)
<b>Investing activities</b>		
Reclamation deposits	(19,400)	—
Exploration and evaluation assets	(51,057)	(156,415)
Net cash used in investing activities	(70,457)	(156,415)
<b>Financing activities</b>		
Contributions from Teuton Resources Cop.	151,675	363,777
Net cash provided by financing activities	151,675	363,777
<b>Change in cash</b>	—	—
<b>Cash, beginning of period</b>	—	—
<b>Cash, end of period</b>	—	—

(The accompanying notes are an integral part of these condensed interim carve-out financial statements)

# Teuton Resources Corp.

Notes to the Condensed Interim Carve-Out Financial Statements  
Nine Months Ended September 30, 2024  
(Expressed in Canadian dollars)  
(unaudited)

## 1. NATURE AND CONTINUANCE OF OPERATIONS

On January 17, 2024, Teuton Resources Corp. ("Teuton") incorporated Luxor Metals Ltd. ("Luxor") under the Business Corporations Act (British Columbia). Teuton plans, through an internal reorganization, to transfer \$300,000, securities with a collective value of \$1,600,000, and 100% of the right, title, and interest in certain mineral claims (the "Project") to Luxor pursuant to a Plan of Arrangement (Note 10).

The Project's principal business activity is the exploration of mineral properties in Canada. The Project's head office is located at 2130 Crescent Road, Victoria, BC, V8S 2H3.

These condensed interim carve-out financial statements (the "carve-out financial statements") have been prepared on a going concern basis which assumes that the Project will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. The Project is in the process of exploring its mineral properties in Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts spent for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Project to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from disposition of the properties.

The continuing operations of the Project are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. These circumstances comprise a material uncertainty which may cast significant doubt upon the Project's ability to continue as a going concern. If the Project is unable to secure additional financing, repay liabilities as they come due, and/or continue as a going concern, then material adjustments would be required to the carrying value of assets and liabilities and the carve-out statement of financial position classifications used. These carve-out financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Project be unable to continue as a going concern.

## 2. BASIS OF PRESENTATION

These unaudited carve-out financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with IFRS Accounting Standards ("IFRS"). Certain disclosures required by IFRS have been condensed or omitted in the following note disclosures as they are disclosed or have been disclosed on an annual basis only. Accordingly, these carve-out financial statements should be read in conjunction with the annual audited carve-out financial statements for the years ended December 31, 2023, 2022, and 2021, which have been prepared in accordance with IFRS.

### Basis of preparation

These carve-out financial statements reflect the assets, liabilities, comprehensive loss and cash flows of the Project undertaken by Teuton for the three and nine month periods ended September 30, 2024 and 2023.

The purpose of these carve-out financial statements is to provide general purpose historical financial information of the Project in connection with the Plan of Arrangement to carve out the Tennyson Property, the Leduc Silver Property, the Four J's Property, the Big Gold Property, the Pearson Property and the Eskay Rift Property (the "Properties") from Teuton. These carve-out financial statements reflect the historical financial information and expenditures of the Project, as if the Project had been operating separately.

# Teuton Resources Corp.

Notes to the Condensed Interim Carve-Out Financial Statements  
Nine Months Ended September 30, 2024  
(Expressed in Canadian dollars)  
(unaudited)

The carve-out financial statements have been prepared on an accrual basis and are based on historical costs modified where applicable. The carve-out financial statements are presented in Canadian dollars unless otherwise noted. The carve-out financial statements have been extracted and carved out from the historical accounting records of Teuton. The basis of preparation for the carve-out statements of financial position, loss and comprehensive loss, cash flows and changes in equity of the Project is described below.

- The carve-out statements of financial position reflect the assets and liabilities recorded by Teuton on the basis that they are specifically identifiable and attributable to the Project; and
- The historical costs and expenses reflected in these financial statements include an allocation for certain corporate and shared service functions historically provided by Teuton, including, but not limited to, consulting fees, professional fees, salaries and benefits, share-based compensation and other shared services. The carve-out statements of loss and comprehensive loss included a pro-rata allocation of Teuton's expenses incurred in each of the periods presented based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets, compared to the expenditures incurred on all of Teuton's exploration and evaluation assets, and based on specifically identifiable activities attributable to the Project. The allocation of income and expense for each period presented is as follows: for the three months ended September 30, 2024 – 25.77% (three months ended September 30, 2023 – 62.20%) and for the nine months ended September 30, 2024 – 21.73% (nine months ended September 30, 2023 – 55.65%). The percentages are considered reasonable under the circumstances.

These carve-out financial statements may not include all the actual expenses that would have been incurred had it operated as a standalone company during the periods presented and may not reflect the results of operations, financial position and cash flows had it operated as a standalone company during the periods presented.

Management believes the assumptions underlying these carve-out financial statements, including the assumptions regarding the allocation of general corporate expenses from Teuton, are reasonable. Nevertheless, management cautions readers of these carve-out financial statements, that the Project's results do not necessarily reflect what the financial position, loss and comprehensive loss or cash flows would have been had the Project been a separate entity. Further, the allocation of income and expenses in these carve-out statements of loss and comprehensive loss do not necessarily reflect the nature and level of the Project's future income and operating expenses.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in these carve-out financial statements are the same as those applied in the Project's audited carve-out financial statements as at and for the years ended December 31, 2023, 2022 and 2021.

#### Estimates and Judgments

The preparation of the carve-out financial statements in accordance with IFRS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, contingent assets, contingent liabilities, revenue, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

# Teuton Resources Corp.

Notes to the Condensed Interim Carve-Out Financial Statements  
Nine Months Ended September 30, 2024  
(Expressed in Canadian dollars)  
(unaudited)

## *Accounting Estimates*

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include:

### Share-based payments

The Project uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rates. Changes in the input assumptions can materially affect fair value estimates and the Project's net loss and its share-based payment reserve.

### Pro-rata allocation of Teuton's income and expenses

The preparation of carve-out financial statements requires estimates in determining a pro-rata allocation of expenses incurred. The Project determined the allocation should be based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets, compared to the expenditures incurred on all of Teuton's exploration and evaluation assets, as the purpose of the arrangement is to carve out the Properties.

## *Critical Accounting Judgments*

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include:

### Impairment of exploration and evaluation assets

The application of the Project's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of loss and comprehensive loss in the period when the new information becomes available.

### Title to exploration and evaluation assets

Although the Project has taken steps to verify title to the Properties on which it is conducting its exploration activities, these procedures do not guarantee the title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements. The Project's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

### Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Project is aware that material uncertainties related to events or conditions may cast significant doubt upon the Project's ability to continue as a going concern.

## **Accounting Standards Issued But Not Yet Effective**

There are no IFRS interpretations that are not yet effective that would be expected to have a material impact on the Project's carve-out financial statements.

# Teuton Resources Corp.

Notes to the Condensed Interim Carve-Out Financial Statements  
Nine Months Ended September 30, 2024  
(Expressed in Canadian dollars)  
(unaudited)

## 4. EXPLORATION AND EVALUATION ASSETS

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. As described in Notes 1 and 10, Teuton will transfer its 100% interest in the following mineral properties to the Project, all located in British Columbia's Skeena Mining Division:

- Tennyson Property, comprised of 14 mineral claims
- Leduc Silver Property, comprised of 13 mineral claims
- Four J's Property, comprised of 8 mineral claims
- Big Gold Property, comprised of 13 mineral claims
- Pearson Property, comprised of 4 mineral claims
- Eskay Rift Property, comprised of 7 mineral claims

	Tennyson \$	Leduc Silver \$	Four J's \$	Big Gold \$	Pearson \$	Eskay Rift \$	Total \$
December 31, 2022	1,050,466	26,776	37,852	284,238	577,699	67,024	2,044,055
Additions	13,386	–	29,292	59,973	6,554	65,573	174,778
December 31, 2023	1,063,852	26,776	67,144	344,211	584,253	132,597	2,218,833
Additions	8,463	–	32,375	8,853	1,166	200	51,057
September 30, 2024	1,072,315	26,776	99,519	353,064	585,419	132,797	2,269,890

## 5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### *Financial Instruments*

The Project utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Significant unobservable (no market data available) inputs which are supported by little or no market activity.

The Project does not have any financial instruments.

### *Risk Management*

#### (a) Credit Risk

Credit risk is the risk of potential loss to the Project if the counterparty to a financial instrument fails to meet its contractual obligations. The Project is not exposed to any significant credit risk.

#### (b) Liquidity Risk

Liquidity risk is the risk that the Project will not be able to meet its financial obligations as they fall due. The Project's liquidity and operating results may be adversely affected if its access to capital markets is hindered. The Project has no source of revenue and has obligations to meet its administrative overhead costs and to settle amounts payable to its creditors. There is no assurance the Project will be able to raise equity financing. The Project assesses its liquidity risk as high.



# Teuton Resources Corp.

Notes to the Condensed Interim Carve-Out Financial Statements  
Nine Months Ended September 30, 2024  
(Expressed in Canadian dollars)  
(unaudited)

## (c) Market Risk

### *Foreign Exchange Rate*

Foreign exchange risk is the risk that the Project's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Project is not exposed to any significant foreign exchange risk.

### *Interest Rate Risk*

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 Project is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

### *Price Risk*

The Project is exposed to price risk with respect to commodity prices. The Project's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

## 6. CAPITAL MANAGEMENT

The Project manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The Project defines its capital as working capital and equity.

The Project is dependent upon external financing. In order to carry out future activities and pay for administrative costs, the Project will raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Project, is reasonable. The Project is not subject to externally imposed capital requirements.

## 7. CONTRIBUTIONS FROM TEUTON RESOURCES CORP.

Teuton's investment in the Project is presented as contributions from Teuton in the carve-out financial statements. Equity represents the accumulated net contributions from Teuton.

Net financing transactions with Teuton as presented in the carve-out statements of cash flows represents the net contributions related to the funding of the Project.

## 8. RELATED PARTY TRANSACTIONS

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Project, directly or indirectly. Key management personnel consists of members of Teuton's Board of Directors and corporate officers and related companies.

To determine related party transactions for the Project, the allocation methodology outlined in Note 2 has been consistently applied.

- (a) For the nine months ended September 30, 2024, the Project incurred salary expense of \$29,342 (2023 – \$77,907) and rent of \$782 (2023 – \$2,003) to the President of the Project. For the nine months ended September 30, 2024, the Project also incurred engineering fees of \$6,955 (2023 – \$22,370) which were capitalized to exploration and evaluation assets to the President of the Project.
- (b) For the nine months ended September 30, 2024, the Project incurred share-based compensation of \$nil (2023 - \$513,123) to officers and directors of the Project.

## **Teuton Resources Corp.**

Notes to the Condensed Interim Carve-Out Financial Statements  
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(Expressed in Canadian dollars)  
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### **9. SEGMENTED INFORMATION**

The Project operates in one industry and geographic segment, the mineral resource industry with all exploration activities conducted in Canada.

### **10. PLAN OF ARRANGEMENT**

Pursuant to a Plan of Arrangement dated January 23, 2025 (the “Arrangement”), Teuton and Luxor will complete a spinout transaction (the “Transaction”). Under the Arrangement, Teuton will transfer the following assets to Luxor in consideration for the issuance of an aggregate of Luxor’s shares to Teuton’s shareholders equal to one-third of the number of common shares in the capital of Teuton: (i) \$300,000; (ii) securities with a collective value of \$1,600,000; and (iii) the 100% right, title, and interest in the mineral claims of the Properties.

The completion of the Transaction is subject to the satisfaction of various conditions including, but not limited to the receipt of all requisite regulatory, TSX-V, court or governmental authorizations, and third-party approvals or consents.

Appendix H  
**Teuton Carve-Out Management's Discussion & Analysis**  
(attached)

**Teuton Resources Corp.  
Carve-Out**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the years ended December 31, 2023, 2022, and 2021**

**Carve-out Management Discussion and Analysis**  
**Teuton Resources Corp.**  
**For the years ended December 31, 2023, 2022, and 2021**

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This Management's Discussion and Analysis ("MD&A") of Teuton Resources Corp. Carve-Out (the "Project") provides a review of the carved-out activities related to Teuton Resource Corp.'s ("Teuton") 100% interest in the Tennyson Property, the Leduc Silver Property, the Four J's Property, the Big Gold Property, the Pearson Property and the Eskay Rift Property (the "Properties") and related exploration activities for the years ended December 31, 2023, 2022 and 2021.

This MD&A is dated March 7, 2025, and should be read in conjunction with the audited carve-out financial statements for the years ended December 31, 2023, 2022 and 2021 (the "Carve-Out Statements") and the related notes thereto. The Carve-Out Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are expressed in Canadian dollars unless otherwise indicated.

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Project or its management and operations, are intended to identify forward-looking statements. Such statements reflect the Project's current views and beliefs with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Project's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Project does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or development except as may be required by law or regulation.

## **INTRODUCTION**

On January 23, 2025, Teuton entered into an agreement with Luxor Metals Ltd. ("Luxor") whereby the Properties will be spun out from Teuton, through a plan of arrangement (the "Arrangement"), to Luxor. As consideration for the transfer of these assets, Teuton shareholders will receive one Luxor common share for every three Teuton common shares that they hold as of the Arrangement's effective date. In addition, Teuton will transfer \$300,000 in cash and \$1,600,000 worth of marketable securities.

The purpose of the Carve-Out Statements is to provide general purpose historical financial information of the Project in connection with proposed spin-out. The Carve-Out Statements have been extracted and carved out from the historical accounting records of Teuton, and provides a pro-rata allocation of Teuton's income and expenses incurred in each of the periods to the Project, based on activities attributable thereto. The Carve-Out Statements may not include all the actual expenses that would have been incurred had the Project operated on a stand-alone basis during the periods presented, but nonetheless management believes the allocations of amounts in the Carve-Out Statements are based on reasonable assumptions.

## **EXPLORATION ASSETS**

The Project's properties are more particularly described below.

### Big Gold Property

The Big Gold property is situated 12km southwest of Pretium Resource's Brucejack property. Eight grab samples taken along a 150m traverse of the sub-zone averaged 0.81g/t gold equiv. (0.66 g/t gold and 10.7 g/t silver at a 70:1 ratio; gold ranged from 0.04 to 1.82 g/t and silver from 4.0 to 23.5 g/t).

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**Teuton Resources Corp.**  
**For the years ended December 31, 2023, 2022, and 2021**

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Drilling of the Big Gold commenced in August 2016 and 8 holes were completed before the end of the program. Many intercepts were obtained containing anomalous levels of gold, silver and zinc. A ZTEM survey completed in 2018 suggested that the northeastern portion of the property is prospective. A permit for drilling the Big Gold was granted in 2021 and is valid for five years. Prospecting in 2022 on the Big Gold to the south of the previous work area has been confined to snow-free areas underlain by altered rocks. In these areas, phyllites containing pyrite with occasional grains of chalcopyrite have been discovered. Further prospecting in 2023 in the southern portion of the Big Gold, next to an ablating glacier, led to the discovery of two massive sulfide occurrences. In another part of the Big Gold a narrow vein was discovered which carried high values in silver.

Eskay Rift Property

The Eskay Rift property adjoins to the south of the Big Gold property. In 2018, Teuton commissioned an airborne ZTEM survey undertaken by Geotech over the neighbouring Pearson-Mach properties which was extended to include the Eskay Rift and Big Gold properties. Three Priority 1 target zones were identified on the Eskay Rift claims, the third of which called “Z-3” extends for over 3km and consists of a conductive mag high which “could represent massive sulphide or BIF [banded iron formation] mineralization”. Subsequent to the survey, a drone video reconnaissance identified a series of pyritic beds, only recently emerged from ice cover, lying along a minimum 500m length in the northern portion of the Z3 target area. The beds appear to be stratigraphically controlled and are from 1-5m thick.

Prospecting of the area overlying the Z3 anomaly in 2022 concentrated on a sequence of parallel, bench-like zones of mudstone intruded by much thicker sections of phaneritic but fine-grained diorite.

Tennyson Property

This property was first staked in 1985 and is centered on a large gossan situated at the upper end of the North Berendon Glacier, near the formerly producing Scottie Gold Mines. Teuton carried out a major drilling program on the property in 2011, completing 3,123 metres over 16 holes. Minor prospecting and sampling occurred in 2023. During an aerial reconnaissance, a new, intensely altered zone was seen emerging out of an ice-covered area located south of the Tennyson porphyry copper-gold zone, on the southern side of the North Berendon Glacier. Attempts to land within this area were precluded by high winds.

Four J's Property

This property is located east of the Tennyson property, north of Brigade Resources' Tide property and west of Goldstorm Metals' Electrum claims. Past exploration has exposed several zones, including the Main zone which hosts stratiform lead-zinc-antimony-silver mineralization. In 2022, Teuton prospected two new areas overlooking the Frank Mackie property to the south, with several samples showing anomalous copper content. In 2023, follow-up rock geochemical sampling located highly anomalous gold values in massive pyrite and pyrrhotite west of the Main zone.

Leduc Silver-Pearson Properties

The Leduc Silver property surrounds the formerly producing Granduc copper property 40 km northwest of Stewart, British Columbia; the Pearson property lies immediately north of the Leduc Silver property. In 2017, Teuton prospected the Pearson claims and also the Mach 3 claim adjoining to the north. This work concentrated on two areas. The first was an area where extensive green copper stains were apparent in cliff faces, close to a large geophysical anomaly discovered in 2010 during an airborne survey. Malachite and magnetite bearing samples taken from float found directly below the cliff faces averaged 1.63% copper and >15% iron. The character of the rock and the grades suggest that Granduc- type Besshi mineralization occurs in the cliff faces. Various grab samples taken from other structures identified on the Pearson claims,

**Carve-out Management Discussion and Analysis**  
**Teuton Resources Corp.**  
**For the years ended December 31, 2023, 2022, and 2021**

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mostly either quartz veins or diorite, ranged from trace to 8.57% copper, trace to 0.07% cobalt, trace to 16.7% zinc, trace to 29.2% lead, trace to 451 g/t silver, and trace to 12.7 g/t gold.

A diamond drilling program on the Pearson and adjoining Mach claims was carried out by Teuton in 2018: the holes on the Pearson did not penetrate deeply enough to hit target areas, and the holes on the Mach did not intersect economic mineralization. A ZTEM Geotech survey was also flown in 2018 and a 3D inversion was performed on the geophysical data. This disclosed a number of target areas for gold mineralization as well as one area for porphyry-type mineralization.

## **RESULTS OF OPERATIONS**

The historical costs and expenses reflected in the Carve-Out Statements include an allocation for certain corporate and shared service functions historically provided by Teuton, including, but not limited to, consulting fees, professional fees, salaries and benefits, share-based compensation and other shared services. The carve-out statements of loss and comprehensive loss included a pro-rata allocation of Teuton's expenses incurred in each of the periods presented based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets, compared to the expenditures incurred on all of Teuton's exploration and evaluation assets, and based on specifically identifiable activities attributable to the Project. The allocation of income and expense for each period presented is as follows: 2023 – 51.56%, 2022 – 79.08%, and 2021 – 3.61%. The percentages are considered reasonable under the circumstances.

### *Year ended December 31, 2023*

During the year ended December 31, 2023, the Project incurred a loss of \$753,839 (2022 - \$2,014,568) from operations which includes share-based payments of \$475,418 (2022 - \$1,587,527). The expenses decreased overall due to the allocation percentage declining to 51.56% (2022 - 79.08%).

As the Project does not yet generate revenue from its operations, changes in the financial performance and financial condition of the Project are driven solely by changes in the Project's expenses.

## **SELECTED ANNUAL INFORMATION**

	Year Ended December 31,		
	2023	2022	2021
Total revenues	–	–	–
Loss	(753,839)	(2,014,568)	(58,531)
Total assets	2,346,299	2,171,521	2,019,557
Total liabilities	–	–	–

**Carve-out Management Discussion and Analysis**  
**Teuton Resources Corp.**  
**For the years ended December 31, 2023, 2022, and 2021**

**SUMMARY OF QUARTERLY RESULTS**

	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023
Total revenues	–	–	–	–
Net loss	(79,056)	(66,600)	(22,726)	–
Net loss per share – basic and diluted	n/a	n/a	n/a	n/a

	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022
Total revenues	–	–	–	–
Net loss	(232,880)	(69,533)	(116,041)	(309,936)
Net loss per share – basic and diluted	n/a	n/a	n/a	n/a

**LIQUIDITY AND CAPITAL RESOURCES**

As at December 31, 2023, the Project had cash of \$nil and a working capital of \$nil. The Project does not have sufficient working capital to continue operations in the normal course of business for the foreseeable future and it will require additional financing to remain financially solvent.

There is no assurance that the Project will be able to secure financings at the times and in the amounts required, or to obtain them on favorable terms. These uncertainties cast doubt on the Project's ability to continue as a going concern.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Project has no off-balance sheet arrangements.

**TRANSACTIONS WITH RELATED PARTIES**

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Project, directly or indirectly. Key management personnel consists of members of Teuton's Board of Directors and corporate officers and related companies.

To determine related party transactions for the Project, the allocation methodology outlines in Note 2 has been consistently applied.

- (a) For the year ended December 31, 2023, the Project incurred salary expense of \$99,612 (2022 – \$148,277, 2021 - \$13,678) and paid rent of \$2,475 (2022 – \$3,796, 2021 - \$173) to the President of the Project. For the year ended December 31, 2023, the Project also incurred engineering fees of \$21,139 (2022 – \$44,142, 2021 - \$2,153) which were capitalized to exploration and evaluation assets to the President of the Project.
- (b) During the year ended December 31, 2023, the Project incurred share-based compensation of \$475,418 (2022 - \$1,485,196, 2021 - \$35,042) to officers and directors of the Project.



## **FINANCIAL INSTRUMENTS**

### *Financial Instruments*

The Project utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Significant unobservable (no market data available) inputs which are supported by little or no market activity.

The Project does not have any financial instruments.

### *Risk Management*

#### a) Credit Risk

Credit risk is the risk of potential loss to the Project if the counterparty to a financial instrument fails to meet its contractual obligations. The Project is not exposed to any significant credit risk.

#### b) Liquidity Risk

Liquidity risk is the risk that the Project will not be able to meet its financial obligations as they fall due. The Project's liquidity and operating results may be adversely affected if its access to capital markets are hindered. The Project has no source of revenue and has obligations to meet its administrative overhead costs and to settle amounts payable to its creditors. There is no assurance the Project will be able to raise equity financing. The Project assesses its liquidity risk as high.

#### c) Market Risk

##### *Foreign Exchange Rate*

Foreign exchange risk is the risk that the Project's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Project is not exposed to any significant foreign exchange risk.

##### *Interest Rate Risk*

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 Project is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

##### *Price Risk*

The Project is exposed to price risk with respect to commodity prices. The Project's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

## **PROPOSED TRANSACTIONS**

As at the date of this MD&A, the Project has no proposed transactions except for the Arrangement as described.

## **SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND NEW POLICIES**

There are no IFRS interpretations that are not yet effective that would be expected to have a material impact on the Project's carve-out financial statements.

In applying the Project's accounting policies, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results. Refer to Note 3 of the Carve-Out Financial Statements for the significant estimates and judgements.

## **RISK FACTORS AND UNCERTAINTIES**

The Project has numerous risks and uncertainties. Prospective investors should carefully consider all information, including the non-exhaustive list of risk factors set forth below. Additional risks and uncertainties that management is unaware of, or is deemed not to be material currently, may become important factors that affect the Project. If any such risks actually occur, the Project's business, financial condition or results of operations could be materially adversely affected.

### *Current Negative Cash Flow*

The Project has negative cash flow from operations in its most recently completed financial year, and will require additional financing. There can be no assurance that the Project will be able to secure financing on acceptable terms, or raise any funds at all. Any failure to obtain required financing may jeopardize the ability of the Project to remain as a "going concern", or lead to a material adverse effect on its operations, liquidity and financial condition.

### *Limited Operating History*

The Project has a limited operating history, and no revenues. As such, it is subject to the many risks common to early-stage enterprises such as limited access to capital, personnel, and other resources, as well as a lack of track record to base future performance. There is no assurance that the Project's business will be successful or profitable.

### *Speculative Nature of Mineral Exploration and Development*

The exploration and development of mineral properties are highly speculative activities and are subject to significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. Very few mineral exploration projects actually become producing mines. Substantial expenditures are needed to establish a viable mine, as it requires a lengthy process to explore the property to determine its geological features; ascertain the potential mineral deposits; investigate the economic feasibility of extracting the minerals; and to develop the facilities and infrastructure necessary for production. No assurance can be given that the Project's mineral properties will ultimately have a body of commercial ore, either in sufficient quantities or with grades and appropriate geological structures to justify development. Moreover, until the Project's mineral properties enter into commercial production, no revenues will be generated from them.

During the lengthy process of exploration and development, the availability of capital will be affected by a wide range of factors, many beyond the Project's control. Funding will be affected by mineral prices, socio-economic and geopolitical changes, financial market conditions, government regulation, technological developments which may affect demand for a particular mineral, amongst other things. Any inability to obtain the necessary capital to explore or develop a project may result in delays or even a complete

cessation of operations. Finally, notwithstanding the availability of capital, a mineral project may ultimately prove unprofitable due to timing, as mineral prices may be too low at the point of development or production.

#### *Inability to Raise Capital*

The Project will require significant capital to achieve its business objectives, and there is no assurance that it will be able to raise the necessary funds to do so, or be able to secure financing on favourable terms. Its ability to raise money depends on the state of capital markets, its attractiveness as a business compared to competitors, the amount of funding that it will be seeking, whether its shares are listed on a stock exchange at the time and its ability to find financiers willing and able to provide such financing. Some of these variables are beyond the Project's control. If it fails to raise the required amount of capital at a given time, it may be forced to discontinue certain products or operations, reduce or forego sales and marketing activities, and/or cut back on staff. Furthermore, not procuring sufficient capital may place the Project's business as a going concern into jeopardy.

Even if the Project were able to raise the requisite amount of money when needed, such financings may have undesirable effects. If the Project were to raise money through equity financings, its shareholders' ownership interest will be diluted, and the terms of the equity securities may include liquidation or other preferences that may adversely affect shareholders' rights. Debt financing, if available, may involve agreements that include covenants limiting or restricting the Project's ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If the Project raises additional capital through government or other third-party funding, marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, it may have to relinquish valuable rights to its products, future revenue streams, research programs or to grant licenses on terms that may not be favourable.

#### *Title Risk and First Nation Claims for Mineral Properties*

Although the Project will make every effort to ensure that legal title to its mineral properties is secure, it is possible that title may be subject to prior unregistered agreements of transfer and other undetected defects. Any impairment or defect in the Project's title to its mineral properties may adversely affect its business and financial condition, as the Project would not be able to enforce certain rights over its mineral claims or be constrained in its ability to conduct work on its properties.

Moreover, because First Nations rights may be claimed on Crown land and other types of tenure, our mineral properties in Canada may be subject to aboriginal claims of title or use. The nature and extent of First Nation rights is complex and evolving. In *Tsilhqot'in Nation v. British Columbia* (2014 SCC 44), the Supreme Court of Canada recognized the Tsilhqot'in Nation as holding aboriginal title over certain territory in the interior of British Columbia. There is a possibility that First Nations groups may claim aboriginal title over our mineral properties, especially since they are located in the interior of British Columbia. A successful assertion of aboriginal title over lands on which our mineral claims are located may have a material adverse effect on our operations and profitability, as we may be hindered in exploration and development efforts if we cannot secure the approval and cooperation of the First Nations group in question. Notwithstanding the success or failure of a claim of aboriginal, we may be required in any event to consult and negotiate with First Nations to facilitate exploration and development activities, but there is no assurance we will be able to establish a practical working relationship with any First Nations in those areas where our mineral claims are situated.

### *No Mineral Resources or Reserves*

The Project is in the exploration stage and sufficient work has not been done to define a mineral resource or mineral reserve. There is no assurance that continuing work on the Project will lead to defining the mineralization with enough confidence and in sufficient quantities to report it as a mineral resource or a mineral reserve.

### *Mineral Exploration Risks*

Mineral exploration is inherently dangerous. Exploration activities are often carried out in areas with poor infrastructure, environmental hazards, and/or treacherous ground conditions including landslides, cave-ins, flooding, fire and rock bursts. Exploration activities may also be hindered by inclement weather conditions, power outages, industrial accidents, or an inability to obtain suitable or adequate machinery, equipment or labour. If any of these risks were to materialize, it could cause injury or loss of life, environmental damage, operational delays, loss of insurance, monetary losses and/or severe damage to or destruction of mineral properties, production facilities or other assets, which in turn may lead to legal and/or regulatory liability, as well as suspension or cessation of operations.

### *Competition*

Mining is a competitive industry, and the Canadian junior mining sector in particular is very active with numerous companies all competing for the same investment capital, business opportunities, personnel and other resources necessary to conduct exploration and development. Some of the Project's competitors have far greater assets, which puts it at a disadvantage in terms of being able to attract investors, skilled labour, and other resources and not being able to acquire them may mean that the Project may not be able to command the kind of operating margins or market share that it would be able to in the absence of competitors. Moreover, the Project will have to expend considerable efforts to compete with other mining companies; such competitive pressures may have a material adverse effect on the company.

### *Permits and Licenses*

The Project's operations will require licenses and permits from various governmental authorities, which have been applied for and/or will be applied for at the proper time. There can, however, be no assurance that we will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations of its projects.

### *Changes in Law*

As laws and regulations in Canada evolve, the Project may be negatively affected by certain changes in legislation. The scope of laws applicable to the Project is extensive and include but is not limited to laws regarding mining, environmental protection, securities, employment standards and taxation. Any amendments or enactments of laws and regulations relating to the development, production, marketing and distribution of its products and services will have a significant impact on its finances. The Project may be required to modify its product or service specifications; implement measures to enhance safety, efficacy, or transparency; comply with increased documentation or governance procedures; or pay additional tariffs or taxes. The cost of compliance with laws and regulations includes not just the actions necessary to comply with the legislation, but also the expense of understanding and interpreting the legislation.

#### *Loss of Key Personnel*

The Project may not be able to attract or retain employees necessary to carry out certain key functions. Although the Project will strive to provide competitive compensation packages to prospective employees, it may not be enough to recruit the right candidates or keep employees from terminating their employment at any time. It takes time to find and train replacements for vacated positions, and consultants are not necessarily affordable or available to fill the gap. Any loss of key personnel may force the Project to reallocate resources in order to recruit and train replacements for the departed employees, and this may cause the Project to suffer financial losses or impede its growth. If the Project is unable to find suitable candidates for key personnel, the unfilled positions could seriously affect its ability to produce and market its products and services effectively.

#### *Environmental Regulation*

Our operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions or various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The Project may become subject to liability for pollution or hazards against which it cannot insure or again which it may elect not to insure where premium costs are disproportionate to its perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

#### *Inaccurate Forecasts*

The Project cannot forecast its revenues and expenses with accuracy, due to the fact that predictions are inherently difficult to make. Many factors may affect the actual revenues to be earned, including but not limited to the terms of the agreement that the Project enters into with a potential partner, economic conditions, actual demand for minerals and metals, the effectiveness of the Project's marketing and actions taken by its competitors. Many other factors also affect the actual expenses the Project will incur, including but not limited to a sharp increase in inflation or raw material prices, changes in interest rates, unexpected breakdown of equipment, unanticipated delays in its supply chain or any other unforeseen expenditures. If the Project's actual revenues or expenses differ significantly from its forecasts, it may experience a cash shortage or be forced to reallocate resources to remedy any problems arising from the variance, either of which may have a material adverse effect on its financial condition and profitability.

#### *Force Majeure Events*

The Project may be negatively affected by force majeure events, which are incidents that are beyond its control or reasonable foresight. Examples of force majeure events include, but not limited to, an act of God or natural disasters, acts of terrorism, voluntary or involuntary compliance with any regulation, law or order of any government, acts of war (whether war be declared or not), labour strike or lock-out, civil commotion, epidemic, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, storm or like catastrophe. These events may prevent the Project from carrying on business, restrict its access to supplies or customers, or inflict damage on its assets.

*Litigation Risk*

From time to time in the ordinary course of business, the Project may be sued or be involved in various legal proceedings, be it commercial, securities, employment, class action and other claims, or be subject to governmental or regulatory investigations and proceedings. Such matters can be expensive, difficult, time-consuming and unpredictable. Moreover, should the Project be unsuccessful in such legal proceedings, it may be compelled to pay monetary damages. Any of the foregoing events may have a material adverse effect on the Project's financial condition and profitability.

*Uninsurable Risks*

The Project may be subject to risks which are uninsurable or against which it may opt out of insuring due to the high cost of insurance premiums or other factors. If such risks result in a liability for the Project, payment of the liability will reduce its cash flow and may have a material adverse effect on its financial condition and profitability.

**EFFECTIVENESS OF DISCLOSURE CONTROLS**

The Project has internal controls over financial reporting to provide reasonable assurance as to the reliability of financial reporting and that preparation of financial statements for external purposes are in accordance with IFRS. There is an inability to totally segregate duties due to the small size of the Project, but management believes these weaknesses have been mitigated through management's and directors' involvement.

**APPROVAL**

The Audit Committee of the Project has approved the disclosure contained in this MD&A.

**Teuton Resources Corp.  
Carve-Out**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the nine months ended September 30, 2024**

This Management's Discussion and Analysis ("MD&A") of Teuton Resources Corp. Carve-Out (the "Project") provides a review of the carved-out activities related to Teuton Resource Corp.'s ("Teuton") 100% interest in the Tennyson Property, the Leduc Silver Property, the Four J's Property, the Big Gold Property, the Pearson Property and the Eskay Rift Property (the "Properties") and related exploration activities for the period ended September 30, 2024.

This MD&A is dated March 7, 2025, and should be read in conjunction with the unaudited condensed interim carve-out financial statements of the Project for the nine months ended September 30, 2024 and 2023, and the audited carve-out financial statements for the years ended December 31, 2023, 2022 and 2021 (collectively the "Carve-Out Statements") and the related notes thereto. The Carve-Out Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are expressed in Canadian dollars unless otherwise indicated.

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Project or its management and operations, are intended to identify forward-looking statements. Such statements reflect the Project's current views and beliefs with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Project's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Project does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or development except as may be required by law or regulation.

## **INTRODUCTION**

On January 23, 2025, Teuton entered into an agreement with Luxor Metals Ltd. ("Luxor") whereby the Properties will be spun out from Teuton, through a plan of arrangement (the "Arrangement"), to Luxor. As consideration for the transfer of these assets, Teuton shareholders will receive one Luxor common share for every three Teuton common shares that they hold as of the Arrangement's effective date. In addition, Teuton will transfer \$300,000 in cash and \$1,600,000 worth of marketable securities.

The purpose of the Carve-Out Statements is to provide general purpose historical financial information of the Project in connection with proposed spin-out. The Carve-Out Statements have been extracted and carved out from the historical accounting records of Teuton, and provides a pro-rata allocation of Teuton's income and expenses incurred in each of the periods to the Project, based on activities attributable thereto. The Carve-Out Statements may not include all the actual expenses that would have been incurred had the Project operated on a stand-alone basis during the periods presented, but nonetheless management believes the allocations of amounts in the Carve-Out Statements are based on reasonable assumptions.

## **EXPLORATION ASSETS**

The Project's properties are more particularly described below.

### Big Gold Property

The Big Gold property is situated 12km southwest of Pretium Resource's Brucejack property. Eight grab samples taken along a 150m traverse of the sub-zone averaged 0.81g/t gold equiv. (0.66 g/t gold and 10.7 g/t silver at a 70:1 ratio; gold ranged from 0.04 to 1.82 g/t and silver from 4.0 to 23.5 g/t).



Drilling of the Big Gold commenced in August 2016 and 8 holes were completed before the end of the program. Many intercepts were obtained containing anomalous levels of gold, silver and zinc. A ZTEM survey completed in 2018 suggested that the northeastern portion of the property is prospective. A permit for drilling the Big Gold was granted in 2021 and is valid for five years. Prospecting in 2022 on the Big Gold to the south of the previous work area has been confined to snow-free areas underlain by altered rocks. In these areas, phyllites containing pyrite with occasional grains of chalcopyrite have been discovered. Further prospecting in 2023 in the southern portion of the Big Gold, next to an ablating glacier, led to the discovery of two massive sulfide occurrences. In another part of the Big Gold a narrow vein was discovered which carried high values in silver.

#### Eskay Rift Property

The Eskay Rift property adjoins to the south of the Big Gold property. In 2018, Teuton commissioned an airborne ZTEM survey undertaken by Geotech over the neighbouring Pearson-Mach properties which was extended to include the Eskay Rift and Big Gold properties. Three Priority 1 target zones were identified on the Eskay Rift claims, the third of which called “Z-3” extends for over 3km and consists of a conductive mag high which “could represent massive sulphide or BIF [banded iron formation] mineralization”. Subsequent to the survey, a drone video reconnaissance identified a series of pyritic beds, only recently emerged from ice cover, lying along a minimum 500m length in the northern portion of the Z3 target area. The beds appear to be stratigraphically controlled and are from 1-5m thick.

Prospecting of the area overlying the Z3 anomaly in 2022 concentrated on a sequence of parallel, bench-like zones of mudstone intruded by much thicker sections of phaneritic but fine-grained diorite.

#### Tennyson Property

This property was first staked in 1985 and is centered on a large gossan situated at the upper end of the North Berendon Glacier, near the formerly producing Scottie Gold Mines. Teuton carried out a major drilling program on the property in 2011, completing 3,123 metres over 16 holes. Minor prospecting and sampling occurred in 2023. During an aerial reconnaissance, a new, intensely altered zone was seen emerging out of an ice-covered area located south of the Tennyson porphyry copper-gold zone, on the southern side of the North Berendon Glacier. Attempts to land within this area were precluded by high winds.

#### Four J's Property

This property is located east of the Tennyson property, north of Brigade Resources' Tide property and west of Goldstorm Metals' Electrum claims. Past exploration has exposed several zones, including the Main zone which hosts stratiform lead-zinc-antimony-silver mineralization. In 2022, Teuton prospected two new areas overlooking the Frank Mackie property to the south, with several samples showing anomalous copper content. In 2023, follow-up rock geochemical sampling located highly anomalous gold values in massive pyrite and pyrrhotite west of the Main zone.

#### Leduc Silver-Pearson Properties

The Leduc Silver property surrounds the formerly producing Granduc copper property 40 km northwest of Stewart, British Columbia; the Pearson property lies immediately north of the Leduc Silver property. In 2017, Teuton prospected the Pearson claims and also the Mach 3 claim adjoining to the north. This work concentrated on two areas. The first was an area where extensive green copper stains were apparent in cliff faces, close to a large geophysical anomaly discovered in 2010 during an airborne survey. Malachite and magnetite bearing samples taken from float found directly below the cliff faces averaged 1.63% copper and >15% iron. The character of the rock and the grades suggest that Granduc- type Besshi mineralization

occurs in the cliff faces. Various grab samples taken from other structures identified on the Pearson claims, mostly either quartz veins or diorite, ranged from trace to 8.57% copper, trace to 0.07% cobalt, trace to 16.7% zinc, trace to 29.2% lead, trace to 451 g/t silver, and trace to 12.7 g/t gold.

A diamond drilling program on the Pearson and adjoining Mach claims was carried out by Teuton in 2018: the holes on the Pearson did not penetrate deeply enough to hit target areas, and the holes on the Mach did not intersect economic mineralization. A ZTEM Geotech survey was also flown in 2018 and a 3D inversion was performed on the geophysical data. This disclosed a number of target areas for gold mineralization as well as one area for porphyry-type mineralization.

## **RESULTS OF OPERATIONS**

The historical costs and expenses reflected in the Carve-Out Statements include an allocation for certain corporate and shared service functions historically provided by Teuton, including, but not limited to, consulting fees, professional fees, salaries and benefits, share-based compensation and other shared services. The carve-out statements of loss and comprehensive loss included a pro-rata allocation of Teuton's expenses incurred in each of the periods presented based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets, compared to the expenditures incurred on all of Teuton's exploration and evaluation assets, and based on specifically identifiable activities attributable to the Project. The allocation of income and expense for each period presented is as follows: for the three months ended September 30, 2024 – 25.77% (three months ended September 30, 2023 – 62.20%) and for the nine months ended September 30, 2024 – 21.73% (nine months ended September 30, 2023 – 55.65%). The percentages are considered reasonable under the circumstances.

### *Nine months ended September 30, 2024*

During the nine months ended September 30, 2024, the Project incurred a loss of \$85,091 (2023 - \$732,371) from operations, which includes share-based payments of \$nil (2023 - \$513,123). The expenses decreased overall due to the allocation percentage decreasing to 21.73% (2023 - 55.65%).

As the Project does not yet generate revenue from its operations, changes in the financial performance and financial condition of the Project are driven solely by changes in the Project's expenses.

### *Year ended December 31, 2023*

During the year ended December 31, 2023, the Project incurred a loss of \$753,839 (2022 - \$2,014,568) from operations, which includes share-based payments of \$475,418 (2022 - \$1,587,527). The expenses decreased overall due to the allocation percentage declining to 51.56% (2022 - 79.08%).

As the Project does not yet generate revenue from its operations, changes in the financial performance and financial condition of the Project are driven solely by changes in the Project's expenses.

## SELECTED ANNUAL INFORMATION

	Year Ended December 31,		
	2023	2022	2021
Total revenues	–	–	–
Loss	(753,839)	(2,014,568)	(58,531)
Total assets	2,346,299	2,171,521	2,019,557
Total liabilities	–	–	–

## SUMMARY OF QUARTERLY RESULTS

	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023
Total revenues	–	–	–	–
Net income (loss)	(19,661)	(778)	(17,214)	(79,056)
Net loss per share – basic and diluted	n/a	n/a	n/a	n/a

	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022
Total revenues	–	–	–	–
Net income (loss)	(66,600)	(22,726)	–	(232,880)
Net loss per share – basic and diluted	n/a	n/a	n/a	n/a

## LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2024, the Project had cash of \$nil and a working capital of \$nil. The Project does not have sufficient working capital to continue operations in the normal course of business for the foreseeable future and it will require additional financing to remain financially solvent.

There is no assurance that the Project will be able to secure financings at the times and in the amounts required, or to obtain them on favorable terms. These uncertainties cast doubt on the Project's ability to continue as a going concern.

## OFF-BALANCE SHEET ARRANGEMENTS

The Project has no off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Business, directly or indirectly. Key management personnel consists of members of Teuton's Board of Directors and corporate officers and related companies.

To determine related party transactions for the Business, the allocation methodology outlined in *Results of Operations* has been consistently applied.

During the nine months ended September 30, 2024, in association with the management of the Project, Teuton incurred salary expenses of \$29,342 (2023 - \$77,907), rent of \$782 (2023 - \$2,003), and

engineering fees of \$6,955 (2023 - \$22,370), all of which were paid to Teuton's President. The cost allocation is made in accordance with the allocation methodology outlined in Results of Operations.

## **FINANCIAL INSTRUMENTS**

### *Financial Instruments*

The Project utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Significant unobservable (no market data available) inputs which are supported by little or no market activity.

The Project does not have any financial instruments.

### *Risk Management*

#### a) Credit Risk

Credit risk is the risk of potential loss to the Project if the counterparty to a financial instrument fails to meet its contractual obligations. The Project is not exposed to any significant credit risk.

#### b) Liquidity Risk

Liquidity risk is the risk that the Project will not be able to meet its financial obligations as they fall due. The Project's liquidity and operating results may be adversely affected if its access to capital markets are hindered. The Project has no source of revenue and has obligations to meet its administrative overhead costs and to settle amounts payable to its creditors. There is no assurance the Project will be able to raise equity financing. The Project assesses its liquidity risk as high.

#### c) Market Risk

##### *Foreign Exchange Rate*

Foreign exchange risk is the risk that the Project's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Project is not exposed to any significant foreign exchange risk.

##### *Interest Rate Risk*

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 Project is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

##### *Price Risk*

The Project is exposed to price risk with respect to commodity prices. The Project's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

## **PROPOSED TRANSACTIONS**

As at the date of this MD&A, the Project has no proposed transactions except for the Arrangement as described.

## **SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND NEW POLICIES**

There are no IFRS interpretations that are not yet effective that would be expected to have a material impact on the Project's carve-out financial statements.

In applying the Project's accounting policies, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results. Refer to Note 3 of the Carve-Out Financial Statements for the significant estimates and judgements.

## **RISK FACTORS AND UNCERTAINTIES**

The Project has numerous risks and uncertainties. Prospective investors should carefully consider all information, including the non-exhaustive list of risk factors set forth below. Additional risks and uncertainties that management is unaware of, or is deemed not to be material currently, may become important factors that affect the Project. If any such risks actually occur, the Project's business, financial condition or results of operations could be materially adversely affected.

### *Current Negative Cash Flow*

The Project has negative cash flow from operations in its most recently completed financial year, and will require additional financing. There can be no assurance that the Project will be able to secure financing on acceptable terms, or raise any funds at all. Any failure to obtain required financing may jeopardize the ability of the Project to remain as a "going concern", or lead to a material adverse effect on its operations, liquidity and financial condition.

### *Limited Operating History*

The Project has a limited operating history, and no revenues. As such, it is subject to the many risks common to early-stage enterprises such as limited access to capital, personnel, and other resources, as well as a lack of track record to base future performance. There is no assurance that the Project's business will be successful or profitable.

### *Speculative Nature of Mineral Exploration and Development*

The exploration and development of mineral properties are highly speculative activities and are subject to significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. Very few mineral exploration projects actually become producing mines. Substantial expenditures are needed to establish a viable mine, as it requires a lengthy process to explore the property to determine its geological features; ascertain the potential mineral deposits; investigate the economic feasibility of extracting the minerals; and to develop the facilities and infrastructure necessary for production. No assurance can be given that the Project's mineral properties will ultimately have a body of commercial ore, either in sufficient quantities or with grades and appropriate geological structures to justify development. Moreover, until the Project's mineral properties enter into commercial production, no revenues will be generated from them.

During the lengthy process of exploration and development, the availability of capital will be affected by a wide range of factors, many beyond the Project's control. Funding will be affected by mineral prices, socio-economic and geopolitical changes, financial market conditions, government regulation, technological developments which may affect demand for a particular mineral, amongst other things. Any inability to obtain the necessary capital to explore or develop a project may result in delays or even a complete cessation of operations. Finally, notwithstanding the availability of capital, a mineral project may ultimately prove unprofitable due to timing, as mineral prices may be too low at the point of development or production.

#### *Inability to Raise Capital*

The Project will require significant capital to achieve its business objectives, and there is no assurance that it will be able to raise the necessary funds to do so, or be able to secure financing on favourable terms. Its ability to raise money depends on the state of capital markets, its attractiveness as a business compared to competitors, the amount of funding that it will be seeking, whether its shares are listed on a stock exchange at the time and its ability to find financiers willing and able to provide such financing. Some of these variables are beyond the Project's control. If it fails to raise the required amount of capital at a given time, it may be forced to discontinue certain products or operations, reduce or forego sales and marketing activities, and/or cut back on staff. Furthermore, not procuring sufficient capital may place the Project's business as a going concern into jeopardy.

Even if the Project were able to raise the requisite amount of money when needed, such financings may have undesirable effects. If the Project were to raise money through equity financings, its shareholders' ownership interest will be diluted, and the terms of the equity securities may include liquidation or other preferences that may adversely affect shareholders' rights. Debt financing, if available, may involve agreements that include covenants limiting or restricting the Project's ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If the Project raises additional capital through government or other third-party funding, marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, it may have to relinquish valuable rights to its products, future revenue streams, research programs or to grant licenses on terms that may not be favourable.

#### *Title Risk and First Nation Claims for Mineral Properties*

Although the Project will make every effort to ensure that legal title to its mineral properties is secure, it is possible that title may be subject to prior unregistered agreements of transfer and other undetected defects. Any impairment or defect in the Project's title to its mineral properties may adversely affect its business and financial condition, as the Project would not be able to enforce certain rights over its mineral claims or be constrained in its ability to conduct work on its properties.

Moreover, because First Nations rights may be claimed on Crown land and other types of tenure, our mineral properties in Canada may be subject to aboriginal claims of title or use. The nature and extent of First Nation rights is complex and evolving. In *Tsilhqot'in Nation v. British Columbia* (2014 SCC 44), the Supreme Court of Canada recognized the Tsilhqot'in Nation as holding aboriginal title over certain territory in the interior of British Columbia. There is a possibility that First Nations groups may claim aboriginal title over our mineral properties, especially since they are located in the interior of British Columbia. A successful assertion of aboriginal title over lands on which our mineral claims are located may have a material adverse effect on our operations and profitability, as we may be hindered in exploration and development efforts if we cannot secure the approval and cooperation of the First Nations group in question. Notwithstanding the success or failure of a claim of aboriginal, we may be required in any event to consult and negotiate with First Nations to facilitate exploration and development activities, but there is no assurance we will be able to establish a practical working relationship with any First Nations in those areas where our mineral claims are situated.

### *No Mineral Resources or Reserves*

The Project is in the exploration stage and sufficient work has not been done to define a mineral resource or mineral reserve. There is no assurance that continuing work on the Project will lead to defining the mineralization with enough confidence and in sufficient quantities to report it as a mineral resource or a mineral reserve.

### *Mineral Exploration Risks*

Mineral exploration is inherently dangerous. Exploration activities are often carried out in areas with poor infrastructure, environmental hazards, and/or treacherous ground conditions including landslides, cave-ins, flooding, fire and rock bursts. Exploration activities may also be hindered by inclement weather conditions, power outages, industrial accidents, or an inability to obtain suitable or adequate machinery, equipment or labour. If any of these risks were to materialize, it could cause injury or loss of life, environmental damage, operational delays, loss of insurance, monetary losses and/or severe damage to or destruction of mineral properties, production facilities or other assets, which in turn may lead to legal and/or regulatory liability, as well as suspension or cessation of operations.

### *Competition*

Mining is a competitive industry, and the Canadian junior mining sector in particular is very active with numerous companies all competing for the same investment capital, business opportunities, personnel and other resources necessary to conduct exploration and development. Some of the Project's competitors have far greater assets, which puts it at a disadvantage in terms of being able to attract investors, skilled labour, and other resources and not being able to acquire them may mean that the Project may not be able to command the kind of operating margins or market share that it would be able to in the absence of competitors. Moreover, the Project will have to expend considerable efforts to compete with other mining companies; such competitive pressures may have a material adverse effect on the company.

### *Permits and Licenses*

The Project's operations will require licenses and permits from various governmental authorities, which have been applied for and/or will be applied for at the proper time. There can, however, be no assurance that we will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations of its projects.

### *Changes in Law*

As laws and regulations in Canada evolve, the Project may be negatively affected by certain changes in legislation. The scope of laws applicable to the Project is extensive and include but is not limited to laws regarding mining, environmental protection, securities, employment standards and taxation. Any amendments or enactments of laws and regulations relating to the development, production, marketing and distribution of its products and services will have a significant impact on its finances. The Project may be required to modify its product or service specifications; implement measures to enhance safety, efficacy, or transparency; comply with increased documentation or governance procedures; or pay additional tariffs or taxes. The cost of compliance with laws and regulations includes not just the actions necessary to comply with the legislation, but also the expense of understanding and interpreting the legislation.

### *Loss of Key Personnel*

The Project may not be able to attract or retain employees necessary to carry out certain key functions. Although the Project will strive to provide competitive compensation packages to prospective employees,

it may not be enough to recruit the right candidates or keep employees from terminating their employment at any time. It takes time to find and train replacements for vacated positions, and consultants are not necessarily affordable or available to fill the gap. Any loss of key personnel may force the Project to reallocate resources in order to recruit and train replacements for the departed employees, and this may cause the Project to suffer financial losses or impede its growth. If the Project is unable to find suitable candidates for key personnel, the unfilled positions could seriously affect its ability to produce and market its products and services effectively.

#### *Environmental Regulation*

Our operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions or various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The Project may become subject to liability for pollution or hazards against which it cannot insure or again which it may elect not to insure where premium costs are disproportionate to its perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

#### *Inaccurate Forecasts*

The Project cannot forecast its revenues and expenses with accuracy, due to the fact that predictions are inherently difficult to make. Many factors may affect the actual revenues to be earned, including but not limited to the terms of the agreement that the Project enters into with a potential partner, economic conditions, actual demand for minerals and metals, the effectiveness of the Project's marketing and actions taken by its competitors. Many other factors also affect the actual expenses the Project will incur, including but not limited to a sharp increase in inflation or raw material prices, changes in interest rates, unexpected breakdown of equipment, unanticipated delays in its supply chain or any other unforeseen expenditures. If the Project's actual revenues or expenses differ significantly from its forecasts, it may experience a cash shortage or be forced to reallocate resources to remedy any problems arising from the variance, either of which may have a material adverse effect on its financial condition and profitability.

#### *Force Majeure Events*

The Project may be negatively affected by force majeure events, which are incidents that are beyond its control or reasonable foresight. Examples of force majeure events include, but not limited to, an act of God or natural disasters, acts of terrorism, voluntary or involuntary compliance with any regulation, law or order of any government, acts of war (whether war be declared or not), labour strike or lock-out, civil commotion, epidemic, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, storm or like catastrophe. These events may prevent the Project from carrying on business, restrict its access to supplies or customers, or inflict damage on its assets.



*Litigation Risk*

From time to time in the ordinary course of business, the Project may be sued or be involved in various legal proceedings, be it commercial, securities, employment, class action and other claims, or be subject to governmental or regulatory investigations and proceedings. Such matters can be expensive, difficult, time-consuming and unpredictable. Moreover, should the Project be unsuccessful in such legal proceedings, it may be compelled to pay monetary damages. Any of the foregoing events may have a material adverse effect on the Project's financial condition and profitability.

*Uninsurable Risks*

The Project may be subject to risks which are uninsurable or against which it may opt out of insuring due to the high cost of insurance premiums or other factors. If such risks result in a liability for the Project, payment of the liability will reduce its cash flow and may have a material adverse effect on its financial condition and profitability.

**EFFECTIVENESS OF DISCLOSURE CONTROLS**

The Project has internal controls over financial reporting to provide reasonable assurance as to the reliability of financial reporting and that preparation of financial statements for external purposes are in accordance with IFRS. There is an inability to totally segregate duties due to the small size of the Project, but management believes these weaknesses have been mitigated through management's and directors' involvement.

**APPROVAL**

The Audit Committee of the Project has approved the disclosure contained in this MD&A.

Appendix I  
**Luxor Pro Forma Financial Statements**  
(attached)

**LUXOR METALS LTD.**

Pro Forma Consolidated Financial Statements

November 30, 2024

(Expressed in Canadian dollars)

(unaudited)

# LUXOR METALS LTD.

Pro Forma Consolidated Statement of Financial Position

As at November 30, 2024

(Expressed in Canadian Dollars)

(unaudited)

	Luxor Metals Ltd. (November 30, 2024) \$	Carve-out of Teuton Resources Property (September 30, 2024) \$	Pro Forma Adjustments \$	Notes	Pro Forma Balance \$
<b>Assets</b>					
Current assets					
Cash	1	–	299,999	5(a), 5(b)	300,000
Marketable securities	–	–	1,600,000	5(a)	1,600,000
Total current assets	1	–	1,899,999		1,900,000
Non-current assets					
Reclamation deposits	–	146,866	–		146,866
Exploration and evaluation assets	–	2,269,890	–		2,269,890
Total non-current assets	–	2,416,756	–		2,416,756
Total assets	1	2,416,756	1,899,999		4,316,756
<b>Shareholders' equity</b>					
Share capital (Note 6)	1	–	4,316,755	5(a),5(b)	4,316,756
Contributions from Teuton Resources	–	3,230,798	(3,230,798)	5(c)	–
Reserves	–	2,097,987	(2,097,987)	5(c)	–
Deficit	–	(2,912,029)	2,912,029	5(c)	–
Total shareholders' equity	1	2,416,756	1,899,999		4,316,756
<b>Total shareholders' equity</b>	<b>1</b>	<b>2,416,756</b>	<b>1,899,999</b>		<b>4,316,756</b>

**LUXOR METALS LTD.**

Pro Forma Consolidated Statement of Loss and Comprehensive Loss

Period Ended November 30, 2024

(Expressed in Canadian Dollars)

(unaudited)

	Luxor Metals Ltd. (November 30, 2024) \$	Carve-out of Teuton Resources Project (September 30, 2024) \$	Note	Pro Forma Adjustments \$	Pro Forma Balance \$
<b>Expenses</b>					
Consulting	—	24,234		—	24,234
Depreciation	—	3,873		—	3,873
Investor relations	—	1,054		—	1,054
Office, rent, and telephone	—	3,110		—	3,110
Professional fees	—	10,327		—	10,327
Salaries and benefits	—	31,180		—	31,180
Transfer agent and filing fees	—	9,682		—	9,682
Travel	—	1,631		—	1,631
<b>Total expenses</b>	—	85,091		—	85,091
Net loss and comprehensive loss for the period	—	(85,091)		—	(85,091)
Loss per share, basic and diluted	—	—		—	(0.00)
Weighted average number of common shares outstanding	100	—	5(a)	19,248,960	19,248,960

**LUXOR METALS LTD.**

Pro Forma Consolidated Statement of Loss and Comprehensive Loss

Year Ended December 31, 2023

(Expressed in Canadian Dollars)

(unaudited)

	Luxor Metals Ltd. \$	Carve-out of Teuton Resources Property \$	Note	Pro Forma Adjustments \$	Pro Forma Balance \$
<b>Expenses</b>					
Consulting	—	56,715		—	56,715
Depreciation	—	14,683		—	14,683
Investor relations	—	8,661		—	8,661
Office, rent, and telephone	—	19,585		—	19,585
Professional fees	—	33,049		—	33,049
Salaries and benefits	—	101,210		—	101,210
Share-based compensation	—	475,418		—	475,418
Transfer agent and filing fees	—	42,405		—	42,405
Travel	—	2,113		—	2,113
<b>Total expenses</b>	—	753,839		—	753,839
Net loss and comprehensive loss for the year	—	(753,839)		—	(753,839)
Loss per share, basic and diluted	—	—		—	(0.04)
Weighted average number of common shares outstanding	—	—	5(a)	19,248,960	19,248,960

# **LUXOR METALS LTD.**

Notes to the Pro Forma Consolidated Financial Statements

November 30, 2024

(Expressed in Canadian Dollars)

(unaudited)

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## **1. Plan of Arrangement**

Luxor Metals Ltd. ("Luxor" or the "Company") was incorporated on January 17, 2024 as a wholly owned subsidiary of Teuton Resources Corp. ("Teuton"). On January 23, 2025, the Company entered into an agreement with Teuton whereby six mineral properties will spun out from Teuton, through a plan of arrangement (the "Arrangement"), to the Company.

The six mineral properties are located in northwestern British Columbia and are known as: (1) the Big Gold Property, (2) the Eskay Rift Property, (3) the Four J's Property, (4) the Pearson Property, (5) the Tennyson Property, and (6) the Leduc Silver Property (the "Asset Property Interests").

Under the Arrangement, Teuton will transfer to the Company its 100% interest in the Asset Property Interests as well as \$300,000 in cash and \$1,600,000 in marketable securities. The Company shall assume the liabilities, if any, of Teuton in connection with the Asset Property Interests and issue to Teuton that number of Luxor common share which equal to one-third of the Teuton common shares issued and outstanding as of the Arrangement's effective date. The arrangement will be accounted for as an asset acquisition under IFRS 2, as the Arrangement does not meet the definition of a business acquisition under IFRS 3.

The completion of the Arrangement is subject to, amongst other things, regulatory, board, shareholder and other approvals.

## **2. Basis of Presentation**

These unaudited pro forma consolidated financial statements of Luxor Metals Ltd. as at November 30, 2024 have been prepared by management under IFRS Accounting Standards ("IFRS") from the audited financial statements of Luxor Metals Ltd. for the period from incorporation on January 17, 2024 to November 30, 2024, the unaudited carve-out financial statements of Teuton Resources Project (the "Project") for the nine months ended September 30, 2024 and 2023, the audited carve-out financial statements of the Project for the years ended December 31, 2023, 2022, and 2021, and the adjustments assumed under the Company's proposed acquisition of the assets of the Project as described in Note 4.

These unaudited pro forma consolidated financial statements have been compiled from and include:

- An unaudited pro forma statement of financial position as at November 30, 2024, which combines (a) Luxor's audited statement of financial position as at November 30, 2024 and (b) Teuton's unaudited carve-out statement of financial position as at September 30, 2024, giving effect to the Arrangement as if it occurred on November 30, 2024.
- An unaudited pro forma consolidated statement of loss and comprehensive loss for the period ended November 30, 2024, which has been prepared from Luxor's audited statement of loss and comprehensive loss for the period ended November 30, 2024 and the unaudited statement of loss and comprehensive loss of the Project for the nine months ended September 30, 2024 and gives effect to the assumptions and adjustments as described in Notes 4 and 5 as if the transition occurred on November 30, 2024.
- An unaudited pro forma consolidated statement of loss and comprehensive loss for the year ended December 31, 2023, which has been prepared from the audited statement of loss and comprehensive loss of the Project for the year ended December 31, 2023 and gives effect to the assumptions and adjustments as described in Notes 4 and 5 as if the transition occurred on December 31, 2023.

These unaudited pro forma consolidated financial statements are not necessarily indicative of the financial position and financial results of the Company that would have occurred if the transaction and

## **LUXOR METALS LTD.**

Notes to the Pro Forma Consolidated Financial Statements

November 30, 2024

(Expressed in Canadian Dollars)

(unaudited)

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assumptions described therein had taken place on the dates indicated or which may be obtained in the future. They should be read in conjunction with the historical financial statements referred to above.

These unaudited pro forma consolidated financial statements have been prepared for the purposes of inclusion in a management information circular.

The unaudited pro-forma consolidated financial statements are not necessarily indicative of the financial position that would have been achieved if the proposed transaction had been completed on the dates indicated, nor do they purport to project the financial position or results of operations of the consolidated entities for any future period. In the opinion of the management of Teuton and Luxor, the unaudited pro-forma consolidated statements include all adjustments necessary for a fair presentation of the proposed transaction in Note 1.

### **3. Material accounting policy information**

The material accounting policies used in the preparation of these unaudited pro forma consolidated financial statements are those set out in Luxor's audited financial statements for the period from January 17, 2024 (date of incorporation) to November 30, 2024 and the audited carve-out financial statements of Teuton Resources Project for the years ended December 31, 2023, 2022 and 2021.

### **4. Pro Forma Assumptions**

These unaudited pro forma consolidated financial statements reflect the following assumptions:

- (a) The spin-out transaction occurred on the dates indicated in Note 1;
- (b) The Company purchased the assets and assumed the liabilities of the Project in exchange for 19,248,260 common shares of Luxor. It is assumed that no debts, obligations, and liabilities are being transferred to Luxor by Teuton as none related to the transferred properties;
- (c) Teuton will transfer to Luxor, 100% of its interest in the mining claims of the Asset Property Interests;
- (d) Teuton funded the transaction and other costs related to the asset transfer and spin-out transaction;
- (e) Any taxes resulting from the spin-out transaction will be the responsibility of Luxor; and
- (f) No stock options and share purchase warrants of Teuton were exchanged for stock options and share purchase warrants of Luxor, respectively, so there was no accounting effect in these pro forma financial statements.

### **5. Pro Forma Adjustments**

The following pro forma adjustments have been made to reflect the spin-out transaction described in Note 1 as if they occurred on the dates indicated in Note 2:

- (a) The issuance of 19,248,960 common shares of the Company to Teuton in consideration for Teuton's transfer of \$300,000 in cash, \$1,600,000 in marketable securities, \$146,866 in reclamation bonds and the 100% right, title and interest in the Asset Property Interests valued at \$2,269,890. The issuance of the common shares and the assets acquired have been recorded based on the historical cost of Teuton of \$4,316,756.
- (b) The cancellation of 100 common shares with a value of \$1, issued on incorporation of the Company.
- (c) The equity balances of Teuton Resources Project have been eliminated.



**LUXOR METALS LTD.**

Notes to the Pro Forma Consolidated Financial Statements

November 30, 2024

(Expressed in Canadian Dollars)

(unaudited)

**6. Pro Forma Share Capital**

After giving effect to the pro forma assumptions and adjustments in Notes 4 and 5, the issued and fully paid share capital of the Company is as follows:

	Note	Number	Amount \$
Common shares issued on incorporation		100	1
Surrendered upon completion of the Arrangement	5(b)	(100)	(1)
Issued to the Company's shareholders upon completion of the Arrangement	5(a)	19,248,960	4,316,756
Pro forma balance, November 30, 2024		19,248,960	4,316,756

Appendix J  
**Teuton Resources Corp.**  
**AUDIT COMMITTEE CHARTER**

Introduction and Purpose

Teuton Resources Corp. (the “Company”) is a publicly-held company and operates in a highly competitive and regulated environment. The Company’s business involves an environment that is highly regulated at the provincial level in Canada.

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities to the shareholders, potential investors and to the investment community. The Audit Committee will assist the Board in the oversight of (1) the integrity of the financial statements of the Company, (2) the independent auditor’s qualifications and independence, and (3) the compliance by the Company with legal and regulatory requirements.

Composition and Membership

The Audit Committee shall be comprised of at least three (3) members, a majority of whom shall meet the independence requirements as established by the TSX Venture Exchange, applicable laws and the rules and regulations of the British Columbia Securities Commission. Audit Committee members shall fully comply with the requirements of the British Columbia Securities Commission’s regulations. At least one member of the Audit Committee shall be an “audit committee financial expert” as that term is defined in applicable rules. Members and a Chair of the Audit Committee are appointed by the full Board of Directors.

Meetings

The Audit Committee shall meet at least four (4) times annually, in person, telephonically, or electronically and more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting.

Responsibilities and Duties

The Audit Committee shall:

- Make regular reports to the Board of Directors of the Company.
- Appoint the independent auditors to be engaged by the Company, establish the audit fees of the independent auditors, pre-approve any non-audit services provided by the independent auditors, including tax services, before the services are rendered.
- Review the scope of the independent auditor’s audit examination, including their engagement letter, prior to the annual audit of the Company’s financial statements.
- Instruct the independent auditors to report directly to the Audit Committee any serious difficulties or disputes with management, and ensure they are appropriately resolved.
- Review and evaluate the performance of the independent auditors and review with the Board of Directors all proposed discharges of the independent auditors.
- Review each annual audit with the independent auditor at the conclusion of the audit. The review shall include all comments or recommendations of the independent auditor, all audit problems or difficulties and management’s response.
- Review and discuss with management the procedures undertaken in connection with the required certifications for regulatory filings and other reports including their evaluation of the Company’s disclosure controls and procedures and internal controls, as well as any and all fraud, whether or not material, that involves management or others who have a significant role in the Company’s internal controls.

- Review management's assessment of the effectiveness of the Company's internal controls over financial reporting and disclosure, and the independent auditor's related attestation. Consider with management and the independent auditors whether any changes to such internal controls are appropriate.
- Review with management the Company's quarterly and annual financial results prior to regulatory filings and the issuance of related press releases.
- Produce the report of the Audit Committee to the shareholders in the Company's annual proxy statement on those matters required by regulatory agencies.
- Be authorized to hire outside counsel or other consultants as necessary.
- Perform such other duties as are assigned by the Board of Directors.
- Review the Audit Committee's charter annually and recommend all proposed changes to the Board of Directors.
- Periodically evaluate and take steps to improve the effectiveness of the Audit Committee in meeting its responsibilities under this Charter.

#### Public Disclosure

This Charter is available to investors upon request to the Company's Corporate Secretary.

Appendix K  
**Teuton Omnibus Equity Incentive Plan**  
(attached)

**Teuton Resources Corp.**  
**OMNIBUS EQUITY INCENTIVE PLAN**

Effective as of ●, 2025

**Part 1. INTERPRETATION**

1.1 **Defined Terms.** For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **“Affiliate”** shall have the meaning ascribed to it in Policy 1.1 of the Manual.
- (b) **“Applicable Laws”** means all applicable rules, regulations, policies, notices, rulings, orders and legislation of any kind whatsoever of any government, regulatory authority or stock exchange having jurisdiction over either the Issuer or the Participant.
- (c) **“Associate”** shall have the meaning ascribed to it in Policy 1.1 of the Manual.
- (d) **“Award”** means any Option, Share Unit, DSU or SAR granted under this Plan.
- (e) **“Blackout Period”** means a period of time during which the Participants are prohibited by the Issuer from exercising or settling their Awards due to the bona fide existence of undisclosed material information, and which period expires upon the general disclosure of the undisclosed material information.
- (f) **“Board”** means the board of directors of the Issuer or any committee thereof duly empowered or authorized to grant Awards under this Plan.
- (g) **“Business Day”** means any day which is not a Saturday, Sunday or a day on which the Issuer’s bank is closed for business.
- (h) **“Capital Alteration Adjustment”** means the adjustments set out in section 9.1.
- (i) **“Cash Equivalent”** means the amount of cash to be paid in lieu of issuing one Share, such amount being the closing price of Shares on the Trading Day immediately before the date of settlement or value determination.
- (j) **“Change of Control”** means the occurrence of any one or more of the following events:
  - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Issuer which results in Shareholders holding, directly or indirectly, less than 50% of the outstanding voting securities of the successor corporation after completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Issuer and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Issuer and its subsidiaries;
  - (iii) a resolution is adopted to windup, dissolve or liquidate the Issuer;
  - (iv) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Shares; or
  - (v) the Board adopts a resolution to the effect that a Change of Control (as defined herein) has occurred or is imminent.

- (k) **“Corporate Entity”**, unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
- (l) **“Consultant”** has the meaning ascribed to it in Policy 4.4 of the Manual.
- (m) **“Director”** has the meaning ascribed to it in Policy 4.4 of the Manual.
- (n) **“Discounted Market Price”** shall have the meaning ascribed to it in Policy 1.1 of the Manual.
- (o) **“Distribution”** means the sale of securities from the treasury of the Issuer, the sale of securities by a purchaser who acquired securities under an exemption from the Prospectus requirements of applicable Securities Laws, other than in accordance with the applicable Resale Restrictions, or the sale of securities by a Control Person (as that term is defined under Exchange policies) other than in accordance with the applicable Resale Restrictions.
- (p) **“Eligible Person”** means a Director, Officer, Employee, Management Company Employee or Consultant of the Issuer.
- (q) **“Employee”** has the meaning ascribed to it in Policy 4.4 of the Manual.
- (r) **“Exchange”** means the TSX Venture Exchange.
- (s) **“Exchange Hold Period”** has the meaning ascribed to it in Policy 1.1 of the Manual
- (t) **“Fair Market Value”** means the fair market value of a Share on a particular date, which is to be determined as follows:
  - (i) If the Shares are listed on the Exchange, the Shares’ fair market value shall be the closing price of the last Trading Day.
  - (ii) If there is no established market for the Shares on the date in question, the Shares’ fair market value will be determined in good faith by Board.
- (u) **“Insider”** shall have the meaning ascribed to it in Policy 1.1 of the Manual.
- (v) **“Investor Relations Activities”** has the meaning ascribed to it in Policy 1.1 of the Manual.
- (w) **“Investor Relations Service Provider”** has the meaning ascribed to it in Policy 4.4 of the Manual.
- (x) **“Issuer”** means Teuton Resources Corp. and includes, unless the context otherwise requires, all of its subsidiaries, Affiliates and successors according to law.
- (y) **“Management Company Employees”** has the meaning ascribed to it in Policy 4.4 of the Manual.
- (z) **“Manual”** means the Exchange’s Corporate Finance Manual
- (aa) **“Market Price”** shall have the meaning ascribed to it in Policy 1.1 of the Manual.
- (bb) **“Non-Executive Director”** means a Director who is not also an Officer or Employee.
- (cc) **“Officer”** has the meaning ascribed to it in Policy 1.1 of the Manual.
- (dd) **“Option”** means a right granted by the Issuer to an Eligible Person to purchase Shares in accordance with this Plan.
- (ee) **“Participant”** means an Eligible Person to whom an Award has been granted.

- (ff) **“PSU”** or **“Performance Share Unit”** means an Award entitling the Participant to receive Shares, their Cash Equivalent or a combination of both, upon meeting certain conditions which usually includes Performance Conditions.
- (gg) **“Person”** means a Corporate Entity or individual.
- (hh) **“Plan”** means this omnibus equity incentive plan.
- (ii) **“Prospectus”** means a disclosure document required to be prepared in connection with a public offering of securities and which complies with the form and content requirements of a prospectus as described in applicable Securities Laws.
- (jj) **“Resale Restrictions”** means restrictions on the ability to trade securities, including restrictions imposed under applicable Securities Laws such as hold periods, notice requirements and any restrictions under applicable escrow or pooling agreements.
- (kk) **“RSU”** or **“Restricted Share Unit”** means an Award entitling the Participant to receive Shares, their Cash Equivalent or a combination of both, upon meeting certain conditions which usually includes the Participant fulfilling a period of continuous employment with the Issuer.
- (ll) **“SAR”** or **“Stock Appreciation Right”** has the meaning ascribed to it in Policy 4.4 of the Manual.
- (mm) **“Securities for Services”** has the meaning ascribed to it in Policy 4.4 of the Manual.
- (nn) **“Security Based Compensation Plan”** includes any plan regarding the Issuer’s Option, Share Unit, SAR, Securities for Services, Share Purchase Plan and/or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Issuer from treasury to an Eligible Person.
- (oo) **“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 are applicable to the Issuer.
- (pp) **“Shareholders”** means the Issuer’s shareholders.
- (qq) **“Share Purchase Plan”** has the meaning ascribed to it in Policy 4.4 of the Manual.
- (rr) **“Share Unit”** means a RSU or PSU, as applicable.
- (ss) **“Shares”** means the common shares without par value in the capital of the Issuer.
- (tt) **“Termination Date”** means the date on which a Participant ceases to be an Eligible Person.
- (uu) **“Trading Day”** means any day on which the Exchange is open for trading.
- (vv) **“VWAP”** means the volume-weighted average trading price of the Shares on the Exchange, calculated by dividing the total value by the total volume of the Shares traded for the five trading days immediately preceding the exercise of the subject Option, provided that the Exchange may exclude internal crosses and certain other special terms trades from the calculation.

1.2 **Number and Gender.** This Plan is to be read with all changes in gender or number as required by the context.

- 1.3 **Headings.** The headings in this Plan are for convenience of reference only and do not affect the interpretation of this Plan.
- 1.4 **Governing Law.** This Plan, any amendment, addendum or supplement hereto, and all other documents relating hereto will be governed by and construed in accordance with the laws of British Columbia. The parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of British Columbia with respect to any dispute related to or arising from this Plan.
- 1.5 **Statutes.** Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.

## **Part 2. GENERAL PARTICIPATION REQUIREMENTS**

- 2.1 **Eligibility.** The Board may grant Awards only to those who are Eligible Persons at the time of grant, except for DSUs, which can be granted only to those who are Non-Employee Directors at the time of grant. Investor Relations Service Providers can only be granted Options.
- 2.2 **Award Agreements.** Each Award under this Plan must be evidenced by an Award Agreement, which will be subject to the applicable provisions of this Plan. Any Director or Officer of the Issuer is authorized and empowered to execute and deliver an Award Agreement on behalf of the Issuer.
- 2.3 **Non-Transferable and No Change of Control.** Any Award granted hereunder shall not be assignable or transferable, except by will or the laws of descent and distribution to the legal representatives, heirs or administrators of the Participant after death. Any Corporate Entity to be granted an Award, other than a Consultant Company, must agree not to effect or permit any transfer of ownership or option of such Corporate Entity's securities, nor to issue further shares of any class in the Corporate Entity to any other individual or entity as long as the Award remains outstanding, except with the Exchange's prior written consent.
- 2.4 **Representation by Issuer.** The Issuer and the Participant shall, for any Award granted to an Employee, Consultant or Management Company Employee, jointly represent to the Exchange that such Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

## **Part 3. AWARD LIMITATIONS**

- 3.1 **Maximum Number of Shares.** The maximum number of Shares that may be reserved for issuance pursuant to the exercise or settlement of Awards is 11,549,376 Shares.
- 3.2 **Return to Pool.** Any Award that has been settled in cash (except for Options exercised using the "net exercise" or "cashless exercise" method), cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no securities have been issued, will continue to be issuable under this Plan.



3.3 **Limitations for Certain Eligible Persons.** In any 12-month period, the number of Shares which may be reserved for issuance pursuant to all Awards granted to:

- (a) *Insiders as a group* shall not exceed **10%** of the total issued and outstanding Shares (on a non-diluted basis) on the grant date of the Award, unless disinterested shareholder approval is obtained;
- (b) *any one Person* shall not exceed **5%** of the total issued and outstanding Shares (on a non-diluted basis) on the grant date of the Award, unless disinterested shareholder approval is obtained;
- (c) *any one Consultant* shall not exceed **2%** of the total issued and outstanding Shares (on a non-diluted basis) on the grant date of the Award; and
- (d) *Investor Relations Service Providers, in aggregate*, shall not exceed **2%** of the total issued and outstanding shares of the Issuer (on a non-diluted basis) as at the date of grant of the most recent Option to be granted to an Investor Relations Service Provider.

In addition, at any point in time, the number of Shares which may be reserved for issuance pursuant to all Awards granted to:

- (e) *Insiders as a group* shall not exceed **10%** of the total issued and outstanding Shares (on a non-diluted basis), unless disinterested shareholder approval is obtained.

#### **Part 4. STOCK OPTIONS**

4.1 **Term of Options.** The Board shall set the expiry date for any Option to be granted, provided that the term must not be more than 10 years in any case.

4.2 **Exercise Price.** The Board shall determine each Option's exercise price, subject to the following:

- (a) the exercise price shall not be less than the Discounted Market Price, provided that if a news release was not disseminated to announce the grant and the exercise price of an Option, the Discounted Market Price is the last closing price of the Shares before the grant date of the Option less the applicable discount;
- (b) if the Shares had been suspended or halted just before the grant date, the exercise price shall not be set until the Exchange has determined that a satisfactory market has been established, which at minimum must be at least 10 Trading Days from the date on which trading in the Issuer's securities resumes;
- (c) if the Option is granted within 90 days of a Distribution by a Prospectus, the minimum exercise price per Share shall be the greater of the Discounted Market Price and the per Share price paid by the public investors for Shares acquired under the Distribution; and
- (d) in all other cases, the exercise price shall be determined in accordance with the rules and regulations of the applicable Securities Laws and regulatory bodies.

4.3 **Vesting of Options.** The Board may establish a vesting period for each Option, but the Options in a grant to an Investor Relations Service Provider must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three-month period.

- 4.4 **Acceleration of Unvested Options.** In the event of a takeover bid or a change of control (as defined by Exchange policies at such time), the Board may in its discretion determine that all outstanding Options, except for those Options granted to Investor Relations Service Providers for which the prior written approval of the Exchange must be obtained, will immediately vest and if not immediately exercised, such Options will be terminated on the tender date for the takeover bid or on the date that the change of control will be completed.
- 4.5 **Manner of Exercise.** A Participant who wishes to exercise his Option, in its entirety or any portion thereof, must execute and deliver the notice of exercise contained in his Option agreement, and furnish payment in accordance with the instructions in such Option agreement.
- 4.6 **Net Exercise and Cash Exercise.** Subject to the prior approval of the Board, a Participant may elect to exercise an Option by performing:
- (a) a “net exercise” procedure in which the Issuer issues to the Participant (which shall not include any Investor Relations Service Provider) that number of Shares equal to the result determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options by (ii) the VWAP of the underlying Shares; or
  - (b) a broker assisted “cashless exercise” in which the Issuer delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Issuer to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Issuer an amount equal to the exercise price and all applicable required withholding obligations as determined by the Issuer against delivery of the Shares to settle the applicable trade.

Participants wishing to perform either the “net exercise” or the “cashless exercise” procedure, set forth above, must deliver to the Issuer (i) a written notice of exercise specifying that the Participant has elected to effect such a cashless exercise of such Option, the method of cashless exercise, and the number of Options to be exercised and (ii) the payment of an amount for any tax withholding or remittance obligations of the Participant or the Issuer arising under applicable law and verified by the Issuer to its satisfaction (or by entering into some other arrangement acceptable to the Issuer in its discretion, if any). Such Participant must also comply with any applicable withholding obligations set out in this Plan, along with such other procedures and policies as the Issuer may prescribe or determine to be necessary or advisable from time to time.

In the event of a “net exercise” or “cashless exercise”, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued by the Issuer, must be included in calculating the limits set forth in sections 3.1, 3.3 and 10.8 of this Plan.

- 4.7 **Option Amendment.** Any amendment to the following terms must be approved by the Exchange prior to the exercise of such Options:
- (a) *Exercise Price.* The exercise price of an Option may be amended only if at least six (6) months have elapsed since the later of:
    - (i) the date of grant; or
    - (ii) the date of the last amendment of the exercise price.
  - (b) *Term.* An Option must be outstanding for at least one year before the Issuer may extend its term. The term of an Option cannot be extended so that the effective term of the Option

exceeds 10 years in total. Any extension of the length of the term of the Option is treated as a grant of a new Option, which must comply with pricing and other requirements of this Plan.

#### **Part 5. SHARE UNITS**

- 5.1 **Term of Share Unit.** The Board shall set the expiry date for any Share Unit to be granted, provided that the term must not be more than 3 years or such other period as may be required to avoid the Share Unit being deemed a “salary deferral arrangement” as defined in section 248(1) of the *Income Tax Act* (Canada).
- 5.2 **Vesting of Share Units.** For each Share Unit being granted, the Board shall establish a vesting schedule which must be no earlier than one year after the Share Unit’s date of grant.
- 5.3 **Performance Conditions.** In addition to the vesting schedule, the Board may set conditions (“Performance Conditions”) for each Share Unit which must be met before the Share Unit can be settled. Such Performance Conditions may include achieving business metrics such as a target stock price or target earnings per share, and the Performance Condition may specify that the Participant earns more Share Units if the actual results exceed the target business metric. Performance Conditions need not be uniform amongst Participants. If a Performance Condition requires an objective being met by a certain date, the Share Unit shall be cancelled and nullified if such Performance Condition is not met by the specified date.
- 5.4 **Settlement of Share Units.** Provided a Share Unit has vested and all Performance Conditions (if any) for such Share Unit have been met, the Issuer shall settle the Share Unit by issuing the Participant, in the Issuer’s sole discretion over which choice, one of the following:
- (a) one Share;
  - (b) Cash Equivalent of one Share; or
  - (c) combination of Shares and Cash Equivalent, provided that more than one Share Unit is being settled and the Issuer is designating a portion of the aggregated Share Units to be settled with Shares.

Unless specified otherwise in the Share Unit agreement, the settlement date shall be the third Business Day after the date on which all vesting and applicable Performance Conditions have been satisfied.

#### **Part 6. DEFERRED SHARE UNITS**

- 6.1 **Grant of DSUs.** From time to time, the Board may allow Non-Executive Directors to have their director fees, in part or in whole, satisfied with DSUs instead of cash. On such occasion, the Board shall provide the Participant with a DSU agreement which specifies the maximum amount of director fees that may be satisfied with DSUs, and contains a form whereby the Participant can elect the amount of fees to be satisfied with DSUs. The date of grant for a DSU shall be the date on which the Participant completes and executes the applicable DSU agreement.
- 6.2 **Term of DSUs.** The Board shall set the expiry date for any DSU to be granted, provided that the term must not be more than one year after the Participant’s Termination Date.

6.3 **Vesting.** DSUs shall not vest until one year after its issuance.

6.4 **Settlement of DSUs.** The Issuer shall settle a vested DSU by issuing the Participant, in the Issuer's sole discretion over which choice, one of the following:

- (a) one Share;
- (b) Cash Equivalent of one Share; or
- (c) combination of Shares and Cash Equivalent, provided that more than one DSU is being settled and the Issuer is designating a portion of the aggregated DSUs to be settled with Shares.

Unless specified otherwise in the DSU agreement, the settlement date shall be the third Business Day after the Participant's Termination Date.

## **Part 7. STOCK APPRECIATION RIGHTS**

7.1 **Term of SARs.** The Board shall set the expiry date for any SAR to be granted, provided that the term must be a time period which will not result in the SAR being deemed a "salary deferral arrangement" as such term is defined in section 248(1) of the *Income Tax Act* (Canada).

7.2 **Vesting.** SARs shall not vest until one year after its issuance.

7.3 **Exercise of SARs.** Upon exercise of a SAR, the Participant will receive an amount in cash equal to the Fair Market Value of one Share on the date of exercise, minus the grant price of the SAR which must not be less its Fair Market Value on the date of grant. At the Board's discretion, payment of a SAR exercise may be made in cash, in Shares of equivalent value, or some combination thereof.

## **Part 8. DIVIDEND EQUIVALENTS**

8.1 **Issuance of Dividend Equivalents.** If the Issuer declares a cash dividend on its Shares, the Board may in its discretion provide each Participant holding Share Units and/or DSUs with dividend equivalents in the form of additional Share Units and DSUs. Such dividend equivalents shall be computed by:

- (a) multiplying the amount of the dividend per Share by the aggregate number of Share Units and DSUs held by the Participant on the record date for the payment of such dividend (the "Dividend Payment Date"); and
- (b) dividing the amount calculated per subsection (a) above by the Market Price on the Dividend Payment Date, or the first Business Day immediately after if the Dividend Payment Date is not a Trading Day.

Any additional Share Units credited to a Participant's account as a dividend equivalent shall be subject to the same terms and conditions (including vesting and Performance Conditions) as the Share Units from which the dividend equivalents arise. In the event that the Participant's applicable Share Units do not vest, all dividend equivalents associated with such Share Units will be forfeited by the Participant.

- 8.2 **Cash Settlement.** If the issuance of dividend equivalents will cause the Issuer to exceed the permissible number of Awards that can be granted under this Plan, including those contained in section 3.1 or 3.3, the Issuer shall pay out in cash such portion of the dividend equivalents as is necessary to comply with this Plan's limits on the number of Awards that can be granted at a particular time.
- 8.3 **No Obligation.** Nothing in this Part 8 should be construed as imposing an obligation on the Board to provide dividend equivalents to a Participant.

## **Part 9. ADJUSTMENTS**

- 9.1 **Adjustment for Termination.** Notwithstanding any other provision in this Plan, if a Participant ceases to be an Eligible Person, the term of the Participant's outstanding Awards, if any, shall be adjusted as follows:
- (a) *Termination For Cause.* If the Issuer terminates the Participant's employment, engagement or directorship for cause, such Participant's outstanding Awards shall be immediately forfeited and cancelled without further act or compensation, and any and all rights of such Participant with respect to and arising from this Plan shall terminate as of the Termination Date without regard to any period of reasonable notice or any salary continuance, unless otherwise determined by the Board.
  - (b) *Termination Without Cause or Resignation.* If the Issuer terminates the Participant's employment, engagement or directorship for any reason other than for cause, or if the Participant resigns from the Issuer, such Participant's outstanding Awards must expire on the earlier of (i) 30 days after the Termination Date, and (ii) the original expiry date of such Awards.
  - (c) *Death.* If a Participant dies, such Participant's outstanding Awards must expire on the earlier of (i) 12 months after death, and (ii) the original expiry date of such Awards. Any heir, personal representative or administrator of the Participant's estate must make any claim to the Participant's outstanding Awards within 12 months of the Participant's death.
  - (d) *Disability.* If a Participant ceases to be an Eligible Person due to Disability, such Participant's outstanding Awards must expire on the earlier of (i) 12 months after the Termination Date, and (ii) the original expiry date of such Awards.
- 9.2 **Adjustment for Capital Alterations.**
- (a) If the Board deems it advisable and equitable in the circumstances, the Board shall, subject to the prior acceptance of the Exchange except in the case of a share consolidation or split, in its sole and absolute discretion make proportional adjustments and/or substitutions to:
    - (i) the number and kind of Shares or other securities or property to be reserved or allotted for issuance for any outstanding Awards, or
    - (ii) the exercise price for the Shares issuable for any outstanding Awards,following a change in the outstanding Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or

corporate change or transaction affecting the Shares, including, without limitation, a sale of all or substantially all of the Issuer's assets. Such adjustments shall be made, to the extent possible, proportionately and with a view to preserving the rights of the Participants.

- 9.3 **Adjustment for Blackout Period.** Notwithstanding any other provision in this Plan, if the expiry date of an Award falls within a Blackout Period, such expiry date will be postponed to a date which is 10 Business Days after the expiry of the Blackout Period, provided:
- (a) the Issuer has formally imposed the Blackout Period; and
  - (b) neither the Participant nor the Issuer is subject to a cease trade order (or similar order under Securities Laws) with respect to the Issuer's securities.
- 9.4 **Adjustments Upon Change of Control.** Notwithstanding any other provision of the Plan and subject to prior Exchange approval, in the event of a potential or actual Change of Control, the Board may in its sole discretion:
- (a) accelerate, conditionally or otherwise, the vesting date of any Award;
  - (b) permit the conditional redemption or exercise of any Award;
  - (c) terminate any Award after the successful completion of a Change of Control, provided that such Award was granted before the Change of Control;
  - (d) otherwise amend or modify the terms of any Awards.
- 9.5 **Uncompleted Change of Control.** In the event that the Board has taken action under section 9.4 and the Change of Control does not occur, the Board may in its sole discretion reverse or nullify its actions taken under section 9.4. For greater certainty, such reversal or nullification of actions include cancelling Shares or Share Units, reinstating Awards and nullifying agreements.
- 9.6 **No Fractional Shares.** If a fractional Share is issuable upon the exercise or settlement of an Award or as a result of a Capital Alteration Adjustment, such fractional Share shall be rounded up or down to the nearest whole number at the Board's sole discretion and without compensation to the Participant for such rounding off.

## **Part 10. ADMINISTRATION AND COMPLIANCE**

- 10.1 **Administration of Plan.** This Plan will be administered by the Board, who has the sole and complete authority to make and implement all decisions relating to this Plan and any Award granted hereunder, subject to regulatory approval including Exchange acceptance.
- 10.2 **Determination Binding.** Except as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Issuer and the Participant, any decision made or action taken by the Board is final, conclusive and binding on the affected parties.
- 10.3 **Amend or Terminate Plan.** The Board may amend, suspend or terminate this Plan or any portion at any time in accordance with applicable Securities Laws, subject to any required regulatory or shareholder approval, but no such amendment, suspension or termination shall alter or impair an Award or a right previously granted to a Participant without the consent of such Participant. If this Plan is terminated, the provisions of this Plan and any administration guidelines, rules and regulations

adopted by the Board and in force prior to the termination of this Plan, shall continue in effect during such time as the Award or rights previously granted to Participants remain outstanding.

- 10.4 **Applicable Laws.** This Plan, the grant and exercise of Awards hereunder and the Issuer's obligation to issue and deliver Shares upon exercise or settlement of Awards, shall be subject to all applicable Securities Laws and all applicable federal, state, provincial and foreign laws, the rules and regulations of any stock exchange on which the Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of Issuer's counsel, be required. The Issuer shall not be obliged to issue, deliver or sell Shares in violation of such laws, rules and regulations or any condition of such approvals aforementioned.
- 10.5 **No Registration.** No Award shall be granted and no Share shall be issued or delivered upon exercise or settlement of an Award where such grant, issue or delivery would require registration (under the securities laws of any foreign jurisdiction) of this Plan, any Award or any Share. Any purported grant of Award or issue or delivery of Share in violation of this provision shall be void.
- 10.6 **Resale Restrictions.** The Shares issued to Participants upon exercise of Options may be subject to Resale Restrictions under applicable Securities Laws, and the Board shall ensure that all matters pertaining to the Options and the Shares issued thereunder shall be made in compliance with applicable Securities Laws, including but not limited to the placing of legends on Shares. If any of the conditions stated in the definition of Exchange Hold Period is met, the Option certificate and any share certificates issued pursuant to the exercise of such Option (before the expiry of the Exchange Hold Period) must be legended with the prescribed legend set out in Policy 3.2 of the Manual.
- 10.7 **Tax Compliance.**
- (a) The Issuer is authorized to perform any act required to ensure that the Participant and the Issuer is in compliance with all Applicable Laws relating to tax which is payable in connection with the grant, exercise or settlement of an Award, including but not limited to the following:
    - (i) deduct or withhold amounts from a Participant's remuneration or from a cash settlement;
    - (ii) withhold Share Units or DSUs during settlement;
    - (iii) sell some of the Shares that were to be issued to the Participant, and remit the proceeds to the appropriate tax authority;
    - (iv) require Participants to deliver undertakings or indemnities in favour of the Issuer with respect to the payment of taxes.
  - (b) If the Issuer decides, for tax compliance purposes, to sell Shares that were to be issued to a Participant in a settlement, such Participant is deemed to have consented to such sale and to have granted the Issuer an irrevocable power of attorney to effect the sale. The Issuer shall have sole discretion over the timing and manner of sale, and shall not be obliged to seek or obtain a minimum price. All selling costs will be borne by the Participant and shall be deducted from the gross proceeds. The Issuer will not be liable for any loss whatsoever arising out of such sale of the Shares, including any loss relating to the pricing, manner or timing of the sale or any delay in transferring any Shares to a Participant or otherwise.
  - (c) Notwithstanding the foregoing, the Issuer assumes no responsibility for any taxes owing by the Participant.

#### 10.8 Disinterested Shareholder Approval:

- (a) If any provision of this Plan requires “disinterested shareholder approval”, the grant, issue or amendment must be approved by majority of the votes cast by Shareholders at the Shareholder meeting, excluding votes attached to Shares beneficially owned by:
  - (i)
    - (A) the Persons that hold or will hold the Award in question; or
    - (B) Insiders to whom Award may be granted under the Security Based Compensation Plan;
  - (ii) Associates and Affiliates of the Persons referenced in subsection (i)(A) or (i)(B) above, as the case may be.
- (b) Except as otherwise provided in Part 6 of Policy 4.4 in the Manual, the Issuer must obtain disinterested shareholder approval for:
  - (i) a Security Based Compensation Plan, if such plan, together with all of the Issuer’s other previously established and outstanding Security Based Compensation Plans and grants or issuances of Awards (excluding grants or issuances under Part 6), could result at any time in:
    - (A) the aggregate number of Shares that are issuable pursuant to all Awards granted or issued to Insiders (as a group) exceeding 10% of issued and outstanding Shares at any point in time;
    - (B) the aggregate number of Shares that are issuable pursuant to all Awards granted or issued in any 12-month period to Insiders (as a group) exceeding 10% of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to any Insider; or
    - (C) the aggregate number of Shares that are issuable pursuant to all Awards granted or issued in any 12-month period to any one Eligible Person exceeding 5% of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to the Eligible Person;
  - (ii) any individual Award grant or issue that would result in any of the limits set forth in section 10.8(b)(i) being exceeded;
  - (iii) any amendment to Options held by Insiders that would have the effect of decreasing the exercise price or extending the exercise term of such Options;
  - (iv) any amendment to an Award that results in a benefit to an Insider, and for further clarity, “amendment” includes the cancellation of an Award and the re-issuance of the same or similar Award to the same Person within a year.
- (c) If the Issuer proposes to grant stock options which are exercisable into a class of non-voting or subordinate voting securities, the holders of that class of securities must be given full voting rights on a resolution that requires disinterested shareholder approval with respect to a proposed stock option plan, grant or amendment.



## **Part 11. MISCELLANEOUS**

- 11.1 **Superseding Plan.** This Plan supersedes and replaces any previous Securities Based Compensation Plan of the Issuer. Any Award granted by the Issuer before the effective date of this Plan shall remain a valid and binding obligation of the Issuer, but governed by this Plan.
- 11.2 **No Rights as Shareholder.** Nothing contained in this Plan nor in any Option granted hereunder shall be deemed to give any Participant any interest or title in or to any Shares or any right as a shareholder of the Issuer or any other legal or equitable right against the Issuer whatsoever, other than as set out in this Plan and upon exercise of any Option.
- 11.3 **No Right to Employment or Office.** Nothing contained in the Plan will confer upon or imply in favour of any Participant any right with respect to office, employment or provision of services with the Issuer, or interfere in any way with the right of the Issuer to lawfully terminate the Participant's office, employment or service at any time pursuant to the arrangements pertaining to same.
- 11.4 **Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement.** The loss or limitation of any right or interest provided by this Plan shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Participant.
- 11.5 **No Representation or Warranty.** The Issuer makes no representation or warranty as to the future market value of Shares issued in accordance with the provisions of the Plan or to the tax consequences to a Participant in connection with the grant or exercise of an Award. Compliance with Securities Laws as to the disclosure and resale obligations of each Participant is the responsibility of such Participant and not the Issuer.
- 11.6 **Other Arrangements.** Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.
- 11.7 **Paramountcy of Plan.** Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of any Award agreement between the Issuer and a Participant. In the event of any discrepancy between this Plan and an Award agreement, the provisions of this Plan shall govern.