

**NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF  
THE SHAREHOLDERS OF RADIO FUELS ENERGY CORP.**

**TO BE HELD ON  
JANUARY 30, 2025**

**CONCERNING AN ARRANGEMENT INVOLVING  
RADIO FUELS ENERGY CORP. AND PALISADES GOLDCORP LTD.**

**DECEMBER 20, 2024**

This document is important and requires your immediate attention. If you have any questions or require assistance, you should consult your investment dealer, broker, bank manager, lawyer or other professional advisor. No securities regulatory authority in Canada or the United States has expressed an opinion about, or passed upon the fairness or merits of, the transaction described in this document, the securities offered pursuant to such transaction or the adequacy of the information contained in this document and it is an offense to claim otherwise.

**YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.**

December 20, 2024

To the shareholders of Radio Fuels Energy Corp. (the "**Shareholders**"),

We announced on December 10, 2024 that Radio Fuels Energy Corp. ("**Radio Fuels**") and Palisades Goldcorp Ltd. ("**Palisades**") had entered into an agreement to combine their businesses (the "**Merger**"), creating a growing investment issuer focused on the junior segment of the resource sector.

The combined company will continue under the name Palisades Goldcorp Ltd. (the "**Combined Company**") and will have a portfolio of assets and investments anchored by Palisades' and Radio Fuels' diverse portfolios of securities and derivatives, including an approximately 21.82% interest in New Found Gold Corp. The Combined Company will also continue to benefit from Radio Fuels' 100% ownership of the Eco Ridge Project and Iron Point Project as well as its portfolio of district-scale exploration projects in the heart of the Battle Mountain Trend including Horse Mountain-Mill Creek, Lewis, Hilltop South, Buffalo Valley, Cedars-Carico Lake, Kobeh Valley, and Evana. These projects have seen significant historic exploration by numerous major mining companies and in many cases, are nearby or adjacent to large gold resources or operating mines. Additionally, the Combined Company will have a strong balance sheet with approximately \$120 million in cash and marketable securities to advance prospective projects through the exploration and development stages, while continuing to pursue equity investments in pre-initial public offering and early-stage public resource companies with undeveloped or undervalued high-quality projects.

Management and directors of Radio Fuels believe that combining the two businesses to form the Combined Company will bring benefits to the Shareholders, including:

- **Diversified Asset and Investment Portfolio:** The arrangement under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving Radio Fuels and Palisades (the "**Arrangement**") creates a more diversified investment company with opportunities in expanded geological environments and diversification among investments. The asset and investment portfolio is expected to be anchored by Palisades' and Radio Fuels' growing portfolio of investments in marketable securities and warrants in junior resource issuers with potential to realize appreciation in net asset values as a result of discoveries in these companies and Radio Fuels' Eco Ridge Project and Iron Point Project.
- **Prospective Exploration Potential:** The Combined Company will also have a significant portfolio of mineral tenures in Nevada, ranking as the third largest in Nevada when measured by mineral tenure, behind just Nevada Gold Mines (Barrick/Newmont JV) and Kinross Gold Corp. The Combined Company will continue to benefit from Radio Fuels' portfolio of district-scale exploration projects in the heart of the Battle Mountain Trend including Horse Mountain-Mill Creek, Lewis, Hilltop South, Buffalo Valley, Cedars-Carico Lake, Kobeh Valley, and Evana. These projects have seen significant historic exploration by numerous major mining companies and in many cases, are nearby or adjacent to large gold resources or operating mines.
- **Well Capitalized:** The Combined Company is expected to be well-capitalized with approximately \$120 million in cash and marketable securities to advance prospective projects through the exploration and development stages and pursue equity investments in pre-initial public offering and early-stage public resource companies with undeveloped or undervalued high-quality projects. This strengthened balance sheet is expected to better position the Combined Company to fund value enhancing growth.

- **Liquidity for Shareholders:** The exchange of common shares in the capital of Radio Fuels (the "**Common Shares**") for common shares in the capital of Palisades (the "**Palisades Shares**") to be issued pursuant to the Arrangement will provide Shareholders with increased liquidity for their investments as Palisades is listed on the TSX Venture Exchange ("**TSXV**").

Pursuant to the terms and conditions of the definitive arrangement agreement that was entered into on December 9, 2024, Palisades will acquire all of the issued and outstanding Common Shares pursuant to a statutory plan of arrangement with Radio Fuels under Section 192 of the CBCA. In return, Palisades will issue as consideration to the Shareholders, 0.060538 of a Palisades Share for each Common Share outstanding at the closing of the Arrangement. Immediately upon completion of the Arrangement, it is expected that the existing Radio Fuels shareholders will own approximately 24% of the issued and outstanding Palisades Shares. Completion of the Arrangement is subject to several conditions, including the approval of Shareholders, the TSXV and the Canadian Securities Exchange.

In connection with the Arrangement, each outstanding common share purchase warrant (each, a "**Radio Fuels Warrant**") will be automatically adjusted, in accordance with the terms of the warrant indenture dated December 6, 2021 between the Radio Fuels and Capital Transfer Agency, ULC, to entitle the holder thereof to receive, upon the exercise of the Radio Fuels Warrants, in lieu of Common Shares, such number of Palisades Shares as the holder of the Radio Fuels Warrant would have been entitled to receive if they had exercised their Radio Fuels Warrant immediately prior to the completion of the Arrangement.

You will be asked to consider and, if deemed advisable, pass, with or without variation, a special resolution to approve the Arrangement at the annual general and special meeting of Shareholders to be held on January 30, 2025. Your vote is important. You can vote in person or by proxy at the meeting, and by proxy on the internet, by phone, by fax or by mail.

Accompanying this letter is a notice from Radio Fuels calling an annual general and special meeting of Shareholders to consider the resolutions required to approve the Merger.

Radio Fuels' directors and officers and certain significant shareholders have demonstrated their support by agreeing to vote their Common Shares in favour of the Merger, representing 32.25% of the Common Shares issued and outstanding as of the date hereof.

Included with this letter and the notice of the meeting is a circular of Radio Fuels, setting out extensive information about both companies as well as the Combined Company that will result from completion of the Arrangement. The circular includes information about the matters to be discussed at the meeting, as well as detailed instructions regarding your rights as shareholders of the companies, how to vote your shares and more information regarding our analysis of the proposed Merger and our recommendation that you support the Merger.

We hope that you will join us in building the Combined Company, with the vision of becoming a leading resource focused investment issuer looking to unlock value in early-stage public resource

companies with high-quality projects and a mineral exploration company focused on realizing value in the Combined Company's assets.

Sincerely,

*"Philip O'Neill"*

Philip O'Neill  
Chief Executive Officer and Director  
Radio Fuels Energy Corp.

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF RADIO FUELS ENERGY CORP.

**NOTICE IS HEREBY GIVEN** that, pursuant to an interim order of the Supreme Court of British Columbia dated December 19, 2024 (the "**Interim Order**"), an annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of Radio Fuels Energy Corp. ("**Radio Fuels**") will be held at the offices of Stikeman Elliott LLP, at 666 Burrard Street Suite 1700, Vancouver, BC V6C 2X8, for the following purposes on January 30, 2025 at 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of Radio Fuels for the year ended November 30, 2023 and the report of the auditor thereon;
2. to elect three (3) directors of Radio Fuels to hold office until the next annual meeting of Shareholders;
3. to appoint Crowe MacKay LLP, Chartered Professional Accountants, as auditor of Radio Fuels for the ensuing year and to authorize the directors of Radio Fuels to fix the remuneration to be to be paid to the auditor;
4. to consider and, if thought advisable, to pass, with or without variation, a special resolution of the Shareholders (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix A to the accompanying management information circular of Radio Fuels dated December 20, 2024 (the "**Circular**"), approving a plan of arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving Radio Fuels and Palisades Goldcorp Ltd. ("**Palisades**") pursuant to which Palisades will acquire all of the issued and outstanding Common Shares, all as more particularly described in the Circular; and
5. to transact such further and other business as may properly be brought before the Meeting or any postponement or adjournment thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting. Shareholders are advised to review the Circular before voting. Copies of the Arrangement Resolution, the Plan of Arrangement, the Interim Order and notice of hearing for the final order are attached to the Circular as Appendices "A", "B", "C" and "D", respectively.

The board of directors of Radio Fuels (the "**Radio Fuels Board**") recommends that Shareholders vote **IN FAVOUR** of the Arrangement Resolution. It is a condition to the completion of the Arrangement that the Arrangement Resolution be approved at the Meeting.

The record date for determining the Shareholders entitled to receive notice of and vote at the Meeting is the close of business on December 17, 2024 (the "**Record Date**"). Only Shareholders whose names have been entered in the central securities register of Shareholders respectively, as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting.

**Your vote is important regardless of the number of securities you own.** Shareholders are invited to attend the Meeting. Shareholders who are unable to attend the Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy and deliver it in accordance with the instructions set out in the enclosed

form of proxy and in the Circular. Non-registered Shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form. If you hold your Common Shares in a brokerage account, you are a Non-registered Shareholder.

**Each registered Shareholder as of the close of business on the Record Date has been granted the right to dissent in respect of the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of their Common Shares, pursuant to and in accordance with the provisions of Section 190 of the CBCA as modified and supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court. Registered Shareholders as at the close of business on the Record Date wishing to exercise rights of dissent with respect to the Arrangement: (a) must provide written notice to Radio Fuels, c/o Stikeman Elliott LLP at Suite 1700 – 666 Burrard Street, Vancouver, British Columbia V6C 2X8 Attention: Victor Gerchikov at or before 5:00 p.m. (Vancouver time) on January 28, 2024 (or on the business day that is two business days immediately preceding any adjourned or postponed Meeting); (b) must not have voted in favour of the Arrangement Resolution; and (c) must otherwise strictly comply with the dissent procedures set forth in Section 190 of the CBCA, as modified by the Interim Order, the Plan of Arrangement, and any other order of the Court. The registered Shareholders' right to dissent is more particularly described in the accompanying Circular. It is recommended that you seek independent legal advice if you wish to exercise a right of dissent. Failure to comply strictly with the dissent procedures set forth in Section 190 of CBCA, as modified and supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court may result in the loss of any right of dissent.**

DATED this 20th day of December, 2024.

**BY ORDER OF THE BOARD OF  
DIRECTORS OF RADIO FUELS ENERGY  
CORP.**

*"Philip O'Neill"*

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Name: Philip O'Neill

Title: Chief Executive Officer and Director

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## **ADDENDA**

Appendix A Arrangement Resolution

Appendix B Plan of Arrangement

Appendix C Interim Order

Appendix D Notice of Hearing of Petition for Final Order

Appendix E Fairness Opinion

Appendix F Information Relating to the Combined Company

Appendix G Information Relating to Palisades

Appendix H Dissent Provisions of the Canada Business Corporation Act

Appendix I Comparison of Shareholders' Rights Under the BCBCA and the CBCA

Appendix J Audit Committee Charter

## MANAGEMENT INFORMATION CIRCULAR

### Introduction

This management information circular (the "**Circular**") accompanies the notice of annual general and special meeting (the "**Notice**") and is furnished to the holders ("**Shareholders**" and each, a "**Shareholder**") of common shares ("**Common Shares**") in the capital of Radio Fuels Energy Corp. ("**Radio Fuels**" or the "**Company**") in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the "**Meeting**") of the Shareholders to be held at the offices of Stikeman Elliott LLP, at 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8 on January 30, 2025 at 10:00 a.m. (Vancouver time), and any adjournment thereof, for the purposes set forth in the Notice of the Meeting.

### Information Contained In This Circular

This Circular is delivered in connection with the solicitation of proxies by and on behalf of management of Radio Fuels for use at the Meeting and any adjournment(s) or postponement(s) thereof. No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular.

The information concerning Palisades contained in this Circular has been provided by Palisades. Although Radio Fuels has no knowledge that would indicate that any of the information provided by Palisades is untrue or incomplete, Radio Fuels does not assume any responsibility for the accuracy or completeness of such information or the failure by Palisades to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Radio Fuels.

All summaries of, and references to, the Arrangement Agreement and the Plan of Arrangement in this Circular are qualified in their entirety by the complete text of those documents. The Arrangement Agreement is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under Radio Fuels' SEDAR+ profile. The Plan of Arrangement is attached hereto as "*Appendix B – Plan of Arrangement*". You are urged to read carefully the full text of the Plan of Arrangement and the Arrangement Agreement.

Information in this Circular is given as at December 20, 2024, unless otherwise indicated. Information contained in the documents incorporated herein by reference is given as at the respective dates stated therein.

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 proxy solicitation.

Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own legal, tax, financial or other professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

## Defined Terms

This Circular contains defined terms. For a list of the defined terms used herein, see the "*Glossary of Defined Terms*" in this Circular.

## Reporting Currency, Exchange Rate and Financial Information

Both Radio Fuels and Palisades publish their consolidated financial statements in Canadian dollars. Except as otherwise indicated in this Circular, references to "Canadian dollars", "\$" is to the currency of Canada and references to "U.S. dollars" or "US\$" are to the currency of the United States. For greater certainty, any reference to currency with respect to the Arrangement is in Canadian dollars.

The following table sets forth: (i) the rates of exchange for U.S. dollars, expressed in Canadian dollars, in effect at the end of each of the periods indicated; (ii) the average exchange rates in effect during each of the periods indicated; and (iii) the high and low exchange rates during such periods, in each case based on the daily exchange rates provided by the Bank of Canada.

	Year Ended November 30		
	2024	2023	2022
High	1.4082	1.3875	1.3856
Low	1.3205	1.3128	1.2451
Average	1.3634	1.3509	1.2945
Period End	1.4010	1.3590	1.3578

On December 20, 2024, the Bank of Canada daily exchange rate for one U.S. dollar expressed in Canadian dollars was 1.4365.

Except as otherwise indicated in this Circular, all financial statements and financial data derived therefrom included or incorporated by reference in this Circular pertaining to Palisades and Radio Fuels, have been prepared and presented in Canadian dollars in accordance with IFRS Accounting Standards.

## Forward-Looking Statements

Certain statements contained herein may constitute "forward-looking statements" or "forward-looking information" (collectively, "**forward-looking statements**") and are made pursuant to the "safe harbor" provisions of the applicable Securities Laws. Forward-looking statements are statements which relate to future events. Such statements include estimates, forecasts and statements with respect to, among other things, the ability of Palisades and Radio Fuels to consummate the Arrangement on the terms of the Arrangement Agreement; particulars regarding the Meeting; the final Court approval of the Arrangement; the satisfaction or waiver of all conditions precedent to completion of the Arrangement; the timing for the implementation of the Arrangement, including the expected Effective Date of the Arrangement; the principal steps of the Arrangement; the anticipated tax treatment of the Arrangement for Shareholders; the anticipated number of Consideration Shares to be issued to Shareholders at the completion of the Arrangement; the anticipated benefits of the Arrangement, including business and financial prospects; the effect of the Arrangement on project development risks; statements relating to the business or proposed business of Palisades, Radio Fuels and the Combined Company after the date of this Circular and prior to, and after, the Effective Time; listing of the Consideration Shares

and Radio Fuels Warrants on a post-Arrangement basis on the TSXV; the delisting of the Common Shares and Radio Fuels Warrants from the CSE; future trends, plans, strategies, objectives and expectations, including with respect to costs, capital requirements, availability of financing, production, exploration and reserves and resources; and potential future operations. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when, and if, a project is actually developed. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" or the negative of these terms or other comparable terminology.

These forward-looking statements are based on a number of assumptions, including assumptions regarding the ability of the Parties to receive, in a timely manner and on satisfactory terms, the necessary court, shareholder, stock exchange and regulatory approvals and the ability of the Parties to satisfy in a timely manner, the conditions to the closing of the Arrangement; the value of Palisades' and Radio Fuels' respective assets; the decisions of third-party mine owners and operators of companies that Palisades holds investments in; trading prices of securities that Palisades holds investments in; availability of future financing to continue growing the Combined Company's investment and asset portfolio; the successful completion of mining and mineral projects, planned expansions or other projects within the timelines anticipated and at anticipated production levels; the accuracy of reserve and resource, grade, mine life, cash cost, net present value and internal rate of return estimates and other assumptions, projections and estimates made in the technical reports for the Iron Point Project and the Eco Ridge Project; that mineral resources can be developed as planned; interest and exchange rates; that required financing and permits will be obtained; general economic conditions; that labour disputes, surface rights disputes, access to property, flooding, ground instability, fire, failure of plant, equipment or processes to operate as anticipated and other risks of the mining industry will not be encountered; the price of gold, uranium and other metals and commodities; the availability of executives, consultants, employees, contractors and other persons required to have specialized skills, knowledge and technical expertise; competitive conditions in the mining industry; title to mineral properties; and changes in laws, rules and regulations applicable to Palisades and Radio Fuels.

Although management of Radio Fuels believe that the assumptions made and the expectations represented by such statements are reasonable, there can be no assurance that a forward-looking statement herein will prove to be accurate. Actual results and developments may differ materially from those expressed or implied by the forward-looking statements contained herein and even if such actual results and developments are realized or substantially realized, there can be no assurance that they will have the expected consequences or effects. Factors which could cause actual results to differ materially from current expectations include non-completion of the Arrangement, including due to the Parties failing to receive, in a timely manner and on satisfactory terms, the necessary court, shareholder, stock exchange and regulatory approvals or the inability of the Parties to satisfy in a timely manner the other conditions to the closing of the Arrangement; changes in market conditions; actual results being materially different than reserve and resource projections and estimates made in the technical reports for the Iron Point Project and the Eco Ridge Project; risks relating to international operations; fluctuations in gold, uranium and other metal and commodities prices and currency exchange rates; failure to obtain required financing; inability to successfully complete mining and mineral projects, planned expansions or other projects within the timelines anticipated; natural disasters; adverse changes to general economic conditions or applicable laws, rules and regulations; changes in project parameters; the possibility of project cost overruns or unanticipated costs and expenses; labour disputes, surface rights disputes, access to property, flooding, ground instability, fire and other risks of the mining industry;

failure of plant, equipment or processes to operate as anticipated; the risk of an undiscovered defect in title or other adverse claim; and the risk that results of exploration activities will be different than anticipated.

Readers are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty thereof. Radio Fuels does not intend to update any forward-looking statements to conform these statements to actual results, except as required by applicable law.

### **National Instrument 43-101**

The material properties of Radio Fuels are the Iron Point Project and the Eco Ridge Project. All information concerning the Iron Point Project and the Eco Ridge Project in this Circular has been provided by Radio Fuels. Unless otherwise stated, scientific and technical information concerning the Iron Point Project is summarized, derived, or extracted from the Iron Point Project Report and scientific and technical information concerning the Eco Ridge Project is summarized, derived, or extracted from the Eco Ridge Project Report. Both the Iron Point Project Report and the Eco Ridge Project Report have been filed with Canadian securities regulatory authorities and are available for review on Radio Fuels' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). For a complete description of assumptions, qualifications, and procedures associated with the information in the Iron Point Project and the Eco Ridge Project, reference should be made to the full text of the reports.

Each of the authors of the Eco Ridge Project Report and the Iron Point Project Report is a "qualified person" for the purposes of NI 43-101.

Readers are reminded that the Eco Ridge Project Report and the Iron Point Project Report are preliminary in nature and may include inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the mine plans and economic models contained in any of the Eco Ridge Project Report and the Iron Point Project Report will be realized. Readers are further cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

### **Information for United States Shareholders**

The Consideration Shares have not been and will not be registered under the U.S. Securities Act or any applicable state Securities Laws, and such securities will be issued in reliance upon the Section 3(a)(10) Exemption and applicable state Securities Laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more *bona fide* outstanding securities, or partly in such exchange and partly for cash, from the registration requirements of the U.S. Securities Act where the terms and conditions of such issuance and exchange have been approved by a court of competent jurisdiction, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange at which all persons to whom securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on December 19, 2024, and, subject to the approval of the Arrangement Resolution by the Shareholders, the hearing of the application for the Final Order is expected to take place on February 3, 2025 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel for Radio Fuels may be heard at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, or at some other date, time and location as the Court may direct. All Shareholders are entitled to

appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order. The Final Order will be relied upon as a basis for the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) thereof and applicable state Securities Laws with respect to the Consideration Shares to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed that the parties will so rely upon the Final Order.

The Consideration Shares to be received by Shareholders upon completion of the Arrangement may be resold without restriction in the United States, except in respect of resales by persons who are "affiliates" (within the meaning of Rule 144 under the U.S. Securities Act) of Palisades at the time of such resale or who have been affiliates of Palisades within 90 days before such resale. Any resale of such Consideration Shares by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirement of the U.S. Securities Act, absent an exemption therefrom. See "*Securities Law Considerations – United States Securities Law Matters*".

Palisades and Radio Fuels are "foreign private issuers", within the meaning of Rule 3b-4 under the U.S. Exchange Act, and the solicitation of proxies for the Meeting are not subject to the requirements of section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Shareholders in the United States should be aware that the solicitations and transactions contemplated in the Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, which are different from those applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act.

The financial statements and other financial information included or incorporated by reference in this Circular have been prepared in accordance with IFRS Accounting Standards, which differs from U.S. generally accepted accounting principles ("**U.S. GAAP**") in certain material respects and Canadian auditor independence standards, and thus are not directly comparable to financial statements prepared in accordance with U.S. GAAP and audited in accordance with U.S. auditor independence standards.

Shareholders should be aware that the Arrangement described in this Circular may have tax consequences in both the United States and Canada. Shareholders who are resident in, or citizens of, the United States are advised to review the summaries contained in this Circular under the headings "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*" and "*Certain United States Federal Income Tax Considerations*" and to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

Information concerning the properties and operations of Radio Fuels and Palisades has been prepared in accordance with the requirements of the Securities Laws of Canada, which differ from the requirements of the Securities Laws of the United States. As used in this Circular, as it relates to the Parties, the information concerning mineral properties has been prepared in accordance with NI 43-101 and the CIM Definition Standards of Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These requirements differ from the requirements of the SEC set forth in Regulation S-K 1300. Accordingly, the disclosure in this Circular regarding mineral properties may differ materially from the information that would be disclosed by a U.S. company subject to Regulation S-K 1300.

The enforcement by investors of civil liabilities under the United States federal and state Securities Laws may be affected adversely by the fact that Radio Fuels and Palisades are organized under the laws of a jurisdiction other than the United States, that some or all of their officers and directors are and will be residents of countries other than the United States, that some or all of the experts named in this Circular may be residents of countries other than the United States, and that some or all of the assets of Radio Fuels, Palisades and such persons are and will be located outside the United States. As a result, it may be difficult or impossible for Shareholders resident in the United States to effect service of process within the United States upon Radio Fuels, Palisades, their officers and 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 Securities Laws of the United States. In addition, the Shareholders resident in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the Securities Laws of the United States or the state-specific "blue sky" Securities Laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the Securities Laws of the United States or the state-specific "blue sky" Securities Laws of any state within the United States.

**THE CONSIDERATION SHARES ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR ANY SUCH STATE SECURITIES REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**



## SUMMARY

The following is a summary of certain information contained elsewhere in, or incorporated by reference into, this Circular, including the Appendices hereto. Certain capitalized terms used in this summary are defined in the "*Glossary of Defined Terms*" or elsewhere in this Circular. This summary is qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in this Circular.

### The Meeting

Only Shareholders of record at the close of business on December 17, 2024 (the "**Record Date**") will be entitled to receive notice of and vote at the Meeting, or any adjournment or postponements thereof.

The Meeting will be held at the office of Stikeman Elliott LLP, at 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8 on January 30, 2025 at 10:00 a.m. (Vancouver time).

The primary purpose of the Meeting is to consider and, if thought advisable, approve the Arrangement Resolution, as more particularly described in Radio Fuels' Notice of Annual General and Special Meeting accompanying this Circular. See "*Particulars of Matters to be Acted Upon at the Meeting*".

By passing the Arrangement Resolution, Shareholders will also be giving authority to the Radio Fuels Board to use its best judgment to proceed with and cause Radio Fuels to complete the Arrangement in the event of any variation of, or amendments to, the Arrangement Agreement or Plan of Arrangement without any requirement to seek or obtain any further approval of Shareholders.

The Meeting will also address annual general meeting matters, requiring Shareholders to consider and vote on the election of directors and the appointment of auditors. See "*Particulars of Matters to be Acted Upon at the Meeting*".

For further information on voting Common Shares at the Meeting, see the section entitled "*General Information Concerning the Meeting And Voting*".

### The Arrangement

The purpose of the Arrangement is to effect the combination of the businesses of Radio Fuels and Palisades through the acquisition of all of the issued and outstanding Common Shares by Palisades. Pursuant to the Arrangement Agreement, Palisades and Radio Fuels have agreed to complete the Arrangement pursuant to which, among other things, Palisades will acquire all the issued and outstanding Common Shares. In return, Palisades will issue as consideration to the Shareholders, 0.060538 of a Palisades Share for each Common Share outstanding at the closing of the Arrangement. Immediately upon completion of the Arrangement, it is expected that Shareholders will hold 24% of the Combined Company and Palisades Shareholders will hold 76% of the Combined Company. If the Arrangement were completed as of the date hereof, Shareholders would receive an aggregate of 15,127,411 Consideration Shares upon closing of the Arrangement.

## **Background to the Arrangement**

The provisions of the Arrangement Agreement are the result of arm's length negotiations between representatives of Palisades and Radio Fuels and their respective advisors. Details of the background to the Arrangement are set out under the heading "*The Arrangement – Background to the Arrangement*".

## **Recommendation of the Radio Fuels Special Committee**

The Radio Fuels Special Committee was formed to, among other things, examine and review the merits of the proposed transaction between Radio Fuels and Palisades and consider other available strategic alternatives in conjunction with management and Radio Fuels' professional advisors and make recommendations to the Radio Fuels Board with respect to any such proposed transactions.

After careful consideration, including a thorough review of the Arrangement Agreement, the Fairness Opinion, as well as a thorough review of other materials and information, including matters discussed in this Circular, and taking into account the best interests of Radio Fuels and in consultation with its legal advisors, the Radio Fuels Special Committee unanimously resolved that the Arrangement and the Arrangement Agreement are in the best interests of Radio Fuels and, in particular, are fair to the Shareholders, and the Radio Fuels Special Committee unanimously recommended to the Radio Fuels Board that the Radio Fuels Board approve the Arrangement and recommend that the Shareholders vote in favour of the Arrangement and the Arrangement Resolution.

See "*The Arrangement – Reasons for the Recommendation of the Radio Fuels Special Committee*" and "*The Arrangement – Recommendation of the Radio Fuels Board*".

## **Reasons for the Recommendation of the Radio Fuels Special Committee**

In making their recommendation, the Radio Fuels Special Committee consulted with their advisors and reviewed market, legal, financial and technical information relating to Palisades and Radio Fuels. The following disclosure includes forward-looking information and readers are cautioned that actual results may vary. The Radio Fuels Special Committee considered a number of factors, including:

- *Diversified Asset and Investment Portfolio*: The Arrangement creates a more diversified investment company with opportunities in expanded geological environments and diversification among investments. The asset and investment portfolio is expected to be anchored by Palisades' and Radio Fuels' growing portfolio of investments in marketable securities and warrants in junior resource issuers with potential to realize appreciation in net asset values as a result of discoveries in these companies and Radio Fuels' Eco Ridge Project and Iron Point Project.
- *Prospective Exploration Potential*: The Combined Company will also have a significant portfolio of mineral tenures in Nevada, ranking as the third largest in Nevada when measured by mineral tenure, behind just Nevada Gold Mines (Barrick/Newmont JV) and Kinross Gold Corp. The Combined Company will continue to benefit from Radio Fuels' portfolio of district-scale exploration projects in the heart of the Battle Mountain Trend including Horse Mountain-Mill Creek, Lewis, Hilltop South, Buffalo Valley, Cedars-Carico Lake, Kobeh Valley, and Evana. These projects have seen significant historic exploration

by numerous major mining companies and in many cases, are nearby or adjacent to large gold resources or operating mines.

- *Well Capitalized:* The Combined Company is expected to be well-capitalized with approximately \$120 million in cash and marketable securities to advance prospective projects through the exploration and development stages and pursue equity investments in pre-initial public offering and early-stage public resource companies with undeveloped or undervalued high-quality projects. This strengthened balance sheet is expected to better position the Combined Company to fund value enhancing growth.
- *Liquidity for Shareholders:* The exchange of Common Shares for Consideration Shares will provide Shareholders with increased liquidity for their investments as Palisades is listed on the TSXV.
- *Exposure to New Found Gold Corp.* The Combined Company will have exposure to Palisades' approximately 21.82% interest in New Found Gold and, as a result, will have exposure to New Found Gold's significant land package which includes newly acquired Kingsway project from Labrador Gold Corp.
- *Highly Experienced Team:* The Combined Company will have an established board and management with financial, technical, construction and operations experience to advance the combined assets. As of the Effective Time of the Arrangement:
  - Collin Kettell will be the Chief Executive Officer and Bassam Moubarak will be the Chief Financial Officer of the Combined Company. In addition, the intended retention of Radio Fuels' technical team will encourage continued exploration of Radio Fuels' existing mineral exploration projects.
  - The Board of Directors of the Combined Company will consist of Collin Kettell, Gregor Gregersen and Elizabeth Harrison.
- *Tangible Synergies:* Upon completion of the Arrangement, it is expected that the Combined Company will benefit from cost and operational synergies (including through integration of general and administrative expenses).
- *Participation in the Combined Entity:* Shareholders should have the opportunity to participate in a combined company that should have increased market capitalization and that is anticipated to receive greater market attention than Radio Fuels and Palisades currently receive on a combined basis, which should also result in greater liquidity.
- *Continued Exposure to Radio Fuels' Assets:* Shareholders, through their ownership of Palisades Shares, will retain exposure to Radio Fuels' exploration assets including the Iron Point Project and the Eco Ridge Project.
- *Reduced Risk:* The strengthened treasury and asset portfolio of the Combined Company reduces the risk associated with the current business, operations, assets, financial performance and condition, operating results, prospects, and uncertainties faced by Palisades and Radio Fuels individually, including long-term expectations regarding operating performance, current industry and economic conditions and trends and uncertainties related to those long-term expectations.

- *Shareholder Approval:* To be effective, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least two-thirds of the votes cast on the Arrangement Resolution by Shareholders, present in person or represented by proxy and entitled to vote at the Meeting.
- *Court Approval:* The Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to the Shareholders.
- *Dissent Rights:* The terms of the Interim Order and Plan of Arrangement provide that Registered Shareholders who oppose the Arrangement may, upon compliance with certain conditions, exercise dissent rights and, if ultimately successful, receive fair value for their Common Shares.
- *Support of Directors, Officers:* All of the directors and officers of Radio Fuels and certain significant Shareholders have entered into Lock-Up Agreements pursuant to which, and subject to the terms of which, they have agreed, among other things, to vote their Common Shares in favour of the Arrangement. Further, the Combined Company will be supported by a strong shareholder base characterized by significant insider and institutional ownership.
- *Fairness Opinion.* Fort Capital Partners provided its opinion to the Radio Fuels Special Committee and the Radio Fuels Board to the effect that, as of December 9, 2024, and subject to the assumptions, limitations and qualifications set out in the Fairness Opinion, the Consideration Shares to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders. See "*The Arrangement – Fairness Opinion*".
- *Ability to Respond to Unsolicited Offers:* Subject to the terms of the Arrangement Agreement, the Radio Fuels Board remains able to respond to any unsolicited bona fide written proposal that, having regard for all of the terms and conditions of such proposal, if consummated in accordance with its terms, may lead to a transaction more favourable to Shareholders from a financial point of view than the Arrangement.
- *Role of Radio Fuels Special Committee:* The evaluation process was supervised by the Radio Fuels Special Committee, which was composed entirely of independent directors and was advised by experienced and qualified financial and legal advisors. The Radio Fuels Special Committee met regularly with Radio Fuels' advisors. The Arrangement was unanimously recommended to the Radio Fuels Board.

See "*The Arrangement – Reasons for the Recommendation of the Radio Fuels Special Committee*."

### **Recommendation of the Radio Fuels Board**

After careful consideration, including among other things, a thorough review of the Arrangement Agreement and the Fairness Opinion, consultation with its legal and other advisors, as well as a thorough review of other matters, including the reasons for the Arrangement described in this Circular, and on unanimous recommendation of the Radio Fuels Special Committee, the Radio Fuels Board unanimously determined that the Arrangement is in the best interests of Radio Fuels and the Shareholders. **The Radio Fuels Board unanimously approved the Arrangement**

**Agreement and recommends that the Shareholders vote their Common Shares FOR the Arrangement Resolution.**

See "*The Arrangement – Recommendation of the Radio Fuels Board.*"

**Fairness Opinion**

Fort Capital Partners was retained by the Radio Fuels Special Committee to provide an opinion as to the fairness, from a financial point of view, of the consideration to be received by Shareholders pursuant to the Arrangement.

On December 9, 2024, Fort Capital Partners delivered its oral opinion, which was subsequently confirmed by delivery of the written Fairness Opinion, that, as at the date thereof, the Consideration Shares to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders. The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Appendix E to this Circular. The summary of the Fairness Opinion in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion.

The Fairness Opinion was provided solely for the information and assistance of the Radio Fuels Special Committee and the Radio Fuels Board in connection with its consideration of the Arrangement and is not a recommendation to any Shareholder as to how to vote or act on any matter relating to the Arrangement. The Fairness Opinion is only one factor that was taken into consideration by the Radio Fuels Special Committee and Radio Fuels Board in making its determination to recommend that the Shareholders vote in favour of the Arrangement Resolution. See "*The Arrangement – Recommendation of the Radio Fuels Board.*"

The Radio Fuels Board urges Shareholders to review the Fairness Opinion carefully and in its entirety. See "*The Arrangement – Fairness Opinion.*" and Appendix E.

**Description of the Arrangement**

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as "*Appendix B – Plan of Arrangement.*" to this Circular.

If approved, the Arrangement will become effective at the Effective Time (which is expected to be 12:01 a.m. (Vancouver time) on the Effective Date, or such later date as may be agreed to in writing by Radio Fuels and Palisades). At the Effective Time, the following will be deemed to occur sequentially in the following order without any further authorization, act or formality:

- each Common Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all Liens, claims and encumbrances, to Radio Fuels and Radio Fuels shall thereupon be obliged to pay (using its own funds not funds provided directly or indirectly by Palisades) the amount therefor determined and payable in accordance with Article 4 of the Plan of Arrangement, and: (i) such Dissenting Shareholder shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign each such Common Share; and (ii) the name of such Dissenting Shareholder shall be removed from the central securities register of Radio

Fuels as a holder of Common Shares and such Common Shares shall be cancelled and cease to be outstanding and such Dissenting Shareholders will cease to have any rights as Shareholders other than the right to be paid the fair value for their Common Shares;

- each Common Share (other than a Common Share held by a Dissenting Shareholder or a Common Share held by Palisades or any subsidiary of Palisades) shall be deemed to be transferred to Palisades and, in exchange for and in consideration therefor, Palisades shall issue the Consideration Shares for each Common Share, subject to Section 3.4 and Article 5 of the Plan of Arrangement, and upon such exchange:
  - each such holder of Common Shares shall cease to be the holder thereof and to have any rights as a Shareholder other than the right to be paid the Consideration Shares for their Common Shares in accordance with this Plan of Arrangement;
  - Palisades shall be the transferee of such Common Shares free and clear of all Liens, and shall be entered in the register of the Common Shares maintained by or on behalf of Radio Fuels; and
  - each holder of such exchanged Common Shares shall be entered in Palisades' central securities register in respect of the Consideration Shares which such holder is entitled to receive in accordance with this Section 3.1(b) of the Plan of Arrangement.

No fractional Consideration Shares shall be issued to Former Shareholders. The number of Consideration Shares to be issued to Former Shareholders shall be rounded down to the nearest whole Consideration Share in the event that a Former Shareholder is entitled to a fractional share representing less than a whole Consideration Share and no Former Shareholder shall be entitled to any compensation in respect of a fractional Consideration Share. All Consideration Shares issued pursuant to the Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for the purposes of the Business Corporations Act (British Columbia) (the "**BCBCA**").

See "*Appendix B – Plan of Arrangement*" for additional information.

### **Treatment of Radio Fuels Warrants**

Upon completion of the Arrangement, all Radio Fuels Warrants outstanding at the Effective Time, which have not been duly exercised immediately prior to the Effective Time, will remain in full force and effect and all terms and conditions of such Radio Fuels Warrants will remain the same except that, upon exercise of such Radio Fuels Warrant, the holder will receive (and the holder will accept), in lieu of each Common Share, such number of Palisades Shares as the holder of the Radio Fuels Warrant would have been entitled to receive if they had exercised their Radio Fuels Warrant immediately prior to the completion of the Arrangement. Accordingly, upon completion of the Arrangement, each Radio Fuels Warrant exercisable for one Common Share prior to the Arrangement will be automatically adjusted and become exercisable at the same exercise price to receive 0.060538 of a Palisades Share after the Arrangement.

Palisades has applied to the TSXV to list the Radio Fuels Warrants (on a post-adjustment basis) on the TSXV. There can be no assurance that the TSXV will grant final approval for the listing of the Radio Fuels Warrants after completion of the Arrangement.

See "*The Arrangement – Treatment of Radio Fuels Warrants*" for additional information.

## Effects of the Arrangement on Shareholders' Rights

Shareholders receiving Consideration Shares under the Arrangement will become shareholders of Palisades. Palisades is a corporation incorporated under the BCBCA, while Radio Fuels is a corporation incorporated under the *Canada Business Corporations Act* (the "**CBCA**"). See "*Appendix I – Comparison of Shareholders' Rights Under the BCBCA and the CBCA*" for a comparison of certain of rights and obligations of shareholders under the BCBCA and CBCA. This summary is not intended to be exhaustive and Shareholders are encouraged to consult with their legal advisors for greater detail with respect to these differences.

## Letters of Transmittal

A Letter of Transmittal has been mailed, together with this Circular, to each person who was a Registered Shareholder on the Record Date. In order for Registered Shareholders to receive Consideration Shares for each Common Share held by such Registered Shareholder, such Registered Shareholder must deposit the certificate(s) representing their Common Shares with the Depositary. The Letter of Transmittal, properly completed and duly executed, together with all other documents and instruments referred to in the Letter of Transmittal or reasonably requested by the Depositary, must accompany all certificates for Common Shares deposited for payment pursuant to the Arrangement.

Any Non-Registered Shareholder whose Common Shares are registered in the name of a broker, investment dealer, bank, trust corporation, trustee or other nominee should contact that nominee for assistance in depositing such Common Shares and should follow the instructions of such nominee in order to deposit such Common Shares with the Depositary.

See the "*The Arrangement – Letters of Transmittal*" for additional information.

## Termination of Rights After Six Years

Any certificate which immediately prior to the Effective Time represented outstanding Common Shares that are not deposited, with all other instruments required on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature as a shareholder of Radio Fuels or as a Former Shareholder. On such date, the Consideration Shares to which the former registered holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered to Palisades together with all entitlements to dividends, distributions and interest thereon held for such former registered holder. None of Palisades, Radio Fuels or the Depositary shall be liable to any person in respect of any Consideration Shares (or dividends, distributions and interest in respect thereof) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. **ACCORDINGLY, FORMER SHAREHOLDERS WHO DEPOSIT WITH THE DEPOSITARY A COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL AND CERTIFICATES (IF APPLICABLE) REPRESENTING THEIR COMMON SHARES AFTER THE SIXTH ANNIVERSARY OF THE EFFECTIVE DATE WILL NOT RECEIVE THE CONSIDERATION SHARES IN EXCHANGE THEREFOR AND WILL NOT OWN ANY INTEREST IN RADIO FUELS OR PALISADES, AND WILL NOT BE PAID ANY CONSIDERATION SHARES OR OTHER COMPENSATION.**

## **Rights of Dissenting Shareholders**

The Interim Order provides that each Registered Shareholder as of the close of business on the Record Date may exercise Dissent Rights in accordance with the dissent procedures set forth in Section 190 of the CBCA as modified by the Plan of Arrangement, the Interim Order and any other order of the Court in respect of the Arrangement. Each Dissenting Shareholder is entitled to be paid the fair value of all, but not less than all, of the holder's Common Shares, provided that the holder duly dissents to the Arrangement Resolution and the Arrangement becomes effective.

To exercise Dissent Rights, Registered Shareholders must provide written notice to Radio Fuels, c/o Stikeman Elliott LLP at Suite 1700 – 666 Burrard Street, Vancouver, British Columbia V6C 2X8 Attention: Victor Gerchikov at or before 5:00 p.m. (Vancouver time) on January 28, 2025 (or on the Business Day that is two Business Days immediately preceding the Meeting or any adjournment or postponement thereof) in the manner described under the heading "*Dissent Rights*" in this Circular. If a Registered Shareholder exercises Dissent Rights, in strict compliance with the dissent procedures set forth in Section 190 of the CBCA as modified by the Plan of Arrangement, the Interim Order and any other order of the Court, and if the Arrangement is completed, such Dissenting Shareholder is entitled to be paid the "fair value" of the Common Shares with respect to which Dissent Rights were exercised, as calculated immediately before the passing of the Arrangement Resolution.

Only Registered Shareholders are entitled to exercise Dissent Rights. Non-Registered Shareholders who wish to exercise Dissent Rights must cause each Registered Shareholder holding their Common Shares to deliver the required Notice of Dissent or, alternatively, make arrangements to become Registered Shareholders.

Shareholders should carefully read the sections of this Circular entitled "*Dissent Rights*" and "*Rights of Dissenting Shareholders*" and consult with their advisors if they wish to exercise Dissent Rights. Any failure to fully comply with the provisions of the CBCA, as modified by the Plan of Arrangement, the Interim Order and any other order of the Court in respect of the Arrangement, may result in a loss of that Shareholder's Dissent Rights.

See the section entitled "*Rights of Dissenting Shareholders*" for additional information.

## **Procedure for the Arrangement to Become Effective**

The Arrangement is proposed to be carried out pursuant to Section 192 of the CBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- the Shareholder Approval;
- the Court must grant the Final Order approving the Arrangement;
- all conditions precedent to the Arrangement further described in the Arrangement Agreement including receipt of necessary regulatory approvals in connection with the Arrangement must be satisfied or waived by the appropriate Party; and
- the Final Order and the Articles of Arrangement, prepared in the form prescribed by the CBCA and signed by an authorized director or officer of the Company, must be filed with the Director and a Certificate of Arrangement issued related thereto.



## Shareholder Approval

At the Meeting, the Shareholders will be asked to approve the Arrangement Resolution, the full text of which is set forth in "*Appendix A – Arrangement Resolution*" to this Circular. In order for the Arrangement Resolution to become effective, as provided in the Interim Order, the Arrangement Resolution must be approved by at least 66<sup>2/3</sup>% of the votes cast by the Shareholders at the Meeting.

Should the Shareholders fail to approve the Arrangement Resolution by the requisite majority, the Arrangement will not be completed.

## Lock-Up Agreements

On December 9, 2024, all of the directors and officers of Radio Fuels and certain Shareholders of Radio Fuels entered into the Lock-Up Agreements. Each Lock-Up Agreement sets forth, among other things, the agreement of such shareholders to vote their Common Shares in favour of the Arrangement. As of the Record Date, 80,595,153 of the outstanding Common Shares were subject to the Lock-Up Agreements, representing approximately 32.25% of the outstanding Common Shares.

See "*The Arrangement – Lock-Up Agreements*".

## Court Approval and Completion of the Arrangement

The CBCA requires that the Court approve the Arrangement.

On December 19, 2024, Radio Fuels obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. Copies of the Interim Order and the Notice of Hearing of Petition are attached as Appendix C and Appendix D, respectively, to this Circular.

If the Arrangement Resolution is approved at the Meeting, Radio Fuels intends to make an application to the Court for the Final Order. The Interim Order provides for an application for a Final Order approving the Arrangement on February 3, 2025 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel for Radio Fuels may be heard, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, or at some other date, time and location as the Court may direct. At the hearing, the Court will consider, among other things, the substantive and procedural fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Under the terms of the Interim Order, each Shareholder who wishes to participate or to be represented or to present evidence or argument may do so, subject to the rules of the Court, the Interim Order and any further order of the Court. Any Shareholder or other person desiring to appear at the hearing of the application for the Final Order is required to indicate his, her or its intention to appear by filing with the Court and serving Radio Fuels, as applicable, at the addresses set out below, on or before 12:00 p.m. (Vancouver time) on January 28, 2025 a response to petition (a "**Response**"), including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application. Shareholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.

Subject to the Court ordering otherwise, only those persons who file a Response in compliance with the Interim Order will be provided with notice of the materials to be filed with the Court and the opportunity to make submissions in support or opposition of the Final Order. If the hearing is postponed, adjourned or rescheduled, then subject to further order of the Court only those persons having previously served a Response in compliance with the Interim Order will be given notice of the postponement, adjournment or rescheduled date.

The Court will consider, among other things, the fairness and reasonableness of the terms and conditions of the Arrangement, both from a substantive and procedural point of view. The Court may approve the Arrangement as proposed or as amended in any manner the Court may direct. The Court's approval is required for the Arrangement to become effective.

The Final Order, if granted, will constitute the basis for the Section 3(a)(10) Exemption with respect to the Consideration Shares to be issued to Shareholders in exchange for their Common Shares pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court has been or will be informed of this effect of the Final Order.

See "*The Arrangement – Court Approval and Completion of the Arrangement*".

### **Stock Exchange Listing and Reporting Issuer Status**

Radio Fuels is a reporting issuer in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba and Ontario. The Common Shares currently trade on the CSE under the symbol "CAKE" and on the OTCQB under the symbol "CKEFF" and the Radio Fuels Warrants currently trade on the CSE under the symbol "CAKE.WT". It is a condition of closing that Radio Fuels will have obtained conditional approval of the CSE for the Arrangement and to delist the Common Shares upon the Effective Time, subject only to Radio Fuels providing the CSE such required documentation and confirmations as is customary in the circumstances. Radio Fuels has applied to the CSE and may proceed with the Arrangement subject to providing customary documentation and confirmations to the CSE in connection with the completion of the Arrangement.

Palisades is a reporting issuer in the provinces of British Columbia and Alberta. The Palisades Shares currently trade on the TSXV under the symbol "PALI". It is a condition of closing that Palisades will have obtained approval of the TSXV, subject only to the customary listing conditions of the TSXV. Palisades has applied to the TSXV to list the Consideration Shares and has applied for conditional approval for the Arrangement. Palisades has also applied to the TSXV to list the Radio Fuels Warrants (on a post-adjustment basis) on the TSXV.

Shareholders should be aware that the final approval of the Arrangement has not been given by the CSE or TSXV. Neither Radio Fuels nor Palisades provide any assurance that such approvals will be obtained. See "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*".

Following the completion of the Arrangement, it is anticipated that the Company will be delisted from the CSE and the OTCQB and the Combined Company will apply to have the Company: (i) cease being a reporting issuer in all jurisdictions in which it is currently a reporting issuer; and (ii) continue under the jurisdiction of British Columbia.

In connection with the Arrangement, the Combined Company will continue under the name "Palisades Goldcorp Ltd." and will continue to trade on the TSXV under the ticker symbol "PALI".

Upon completion of the Arrangement, the Combined Company will become a reporting issuer in Alberta, British Columbia, Saskatchewan, Manitoba and Ontario.

See "*Stock Exchange Approvals, Listing and Resale of Consideration Shares*".

### **Information Relating to the Combined Company**

The Combined Company will be a publicly traded company holding diverse assets and investments anchored by Palisades' and Radio Fuels' diverse portfolios of securities and derivatives, including an approximately 21.82% interest in New Found Gold Corp. The Combined Company will also continue to benefit from Radio Fuels' 100% ownership of the Eco Ridge Project and Iron Point Project as well as its portfolio of district-scale exploration projects in the heart of the Battle Mountain Trend including Horse Mountain-Mill Creek, Lewis, Hilltop South, Buffalo Valley, Cedars-Carico Lake, Kobeh Valley, and Evana. These projects have seen significant historic exploration by numerous major mining companies and in many cases, are nearby or adjacent to large gold resources or operating mines. Additionally, the Combined Company will have a strong balance sheet with approximately \$120 million in cash and marketable securities to advance prospective projects through the exploration and development stages, while continuing to pursue equity investments in pre-initial public offering and early-stage public resource companies with undeveloped or undervalued high-quality projects.

The Combined Company, through Palisades as the parent company, will operate the business of Radio Fuels, in addition to the business currently carried on by Palisades. Palisades' existing policies and procedures, including those related to executive compensation and corporate governance, may change as a result of the completion of the Arrangement. See "*Information Relating to the Combined Company*" below.

Additional information with respect to the expected business and affairs of the Combined Company is set forth in "*Appendix F – Information Relating to the Combined Company*" to this Circular.

### **Information Relating to Palisades**

Palisades is a resource investment company and merchant bank focused on junior companies in the resource and mining sector. Palisades is focused on providing retail and institutional investors with exposure in the junior resource space. Palisades expects to continue to make investments, pursuant to its dual investment strategy, to achieve broad sector exposure with upside in the event of appreciation in mineral commodities prices, while also providing the potential to realize appreciation in net asset values as a result of discoveries by issuers in which Palisades holds larger positions. At present, Palisades has a portfolio of equity investments, or securities convertible into equity investments, in over 60 junior resource issuers.

See "*Information Relating to Palisades*" below. Additional information with respect to the business and affairs of Palisades is set forth in "*Appendix G – Information Relating to Palisades*" to this Circular.

### **Risk Factors**

In evaluating the Arrangement, Shareholders should carefully consider the risk factors relating to the Arrangement and the Combined Company. Some of these risks include, but are not limited to: volatility in the price of commodities, and in particular, the price of gold; the Combined

Company will not be directly involved in the operation of many of the mines owned and operated by entities in which the Combined Company holds an interest; no guaranteed return in the Combined Company's interest in securities of public entities; risks related to third-party reporting; uncertainties surrounding acquisition strategy; owning a non-controlling interest in Palisades' largest asset; uncertainties inherent in conducting due diligence of third-parties; having illiquid investments; changes in investments that may be material to Palisades; having a negative cash flow from operating activities; dependence on key personnel; risks associated with potentially conflicting interests of management; risks related to global financial conditions, including contraction in credit markets, volatility of commodity prices, recessionary pressures, and inflation; negative impacts caused by inflation; negative impacts caused by natural disasters, terrorist acts, civil unrest and other matters outside the control of the Combined Company; the inability for the Combined Company to obtain adequate financing in the future to pursue the Combined Company's investment strategy; litigation affecting properties owned by entities in which the Combined Company will have an interest; impacts associated with changes in tax law and applicability; risks associated with vulnerabilities in information systems and cyber security; activist shareholders; reputational damage; risks associated with expansion of the Combined Company's business model; risk factors applicable to the entities in which the Combined Company will hold an interest; risks inherent in the mining and metals business; climate change and environmental risks; negative impacts caused by government regulations and other permit or authorization requirements; costs associated with permitting and access; risks associated with the dependence on, and availability of, infrastructure; dependence on operator's employees; inherent uncertainty related to mineral reserves and resources; depleted mineral reserve replacements; uninsured risks; risks associated with uncertainties surrounding land title; indigenous land claims; risks associated with international investments; difficulties related to permitting, construction and development; following the Arrangement the trading price of the Combined Company may be volatile; dilution and the impact of future sales or issuances of debt or equity securities; the Combined Company's discretion with respect to dividends; discretion over the use of available funds; there can be no certainty that all conditions precedent to the Arrangement will be satisfied; the value of the Consideration Shares that Shareholders receive under the Arrangement may be less than the value of the Common Shares, as of the date of the Arrangement or the date of the shareholder meeting; risks associated with the Termination Fee provided under the Arrangement Agreement; the integration of Palisades and Radio Fuels; Radio Fuels will incur costs even if the Arrangement is not completed and Radio Fuels; risks associated with covenants of Radio Fuels not to take certain actions; income tax consequences associated with the Arrangement; costs associated with dissent rights; and the Combined Company may not realize the benefits of its growth projects. See "Risk Factors" for more information.

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

For a summary of certain material Canadian federal income tax considerations of the Arrangement, see the detailed summary set forth in this Circular under the heading "*Certain Canadian Federal Income Tax Considerations*". **Such summary is not intended to be legal or tax advice to any particular Shareholder. Shareholders should consult their own tax advisors with respect to their particular circumstances.**

### **Summary of Certain United States Federal Income Tax Considerations**

For a summary of certain material United States federal income tax considerations of the Arrangement, see the detailed summary set forth in this Circular under the heading "*Certain United States Federal Income Tax Considerations*". **Such summary is not intended to be legal**

**or tax advice to any particular Shareholder. Shareholders should consult their own tax advisors with respect to their particular circumstances.**

## GENERAL INFORMATION CONCERNING THE MEETING AND VOTING

### Time, Date and Place

The Meeting will be held at the offices of Stikeman Elliott LLP, at 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8 on January 30, 2025 at 10:00 a.m. (Vancouver time).

### Record Date

The record date for determining the Shareholders entitled to receive notice of and to vote at the Meeting is December 17, 2024 (the "**Record Date**"). Only Shareholders of record as of the close of business (Vancouver time) on the Record Date are entitled to receive notice of and to vote at the Meeting.

### Approvals Required

To be effective, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least two-thirds of the votes cast on the Arrangement Resolution by Shareholders, present in person or represented by proxy and entitled to vote at the Meeting.

### Management Solicitation

**This Circular is furnished in connection with the solicitation of proxies by the management of Radio Fuels for use at the Meeting and any postponement or adjournment thereof for the purposes set forth in the accompanying Notice of Meeting.**

The solicitation of proxies by the management of Radio Fuels will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of Radio Fuels. Radio Fuels does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals' authorization to execute forms of proxy, except that Radio Fuels has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and Radio Fuels will reimburse such brokers and nominees for their related out-of-pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by Radio Fuels.

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

### Appointment of Proxy

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Voting instructions for Non-Registered Shareholders are set forth below under the heading "*General Information Concerning the Meeting and Voting – Advice to Non-Registered Shareholders*".

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

**A Registered Shareholder has the right to appoint a person or company to attend and act for or on behalf of that Registered Shareholder at the Meeting, other than the Management Proxyholders named in the enclosed proxy form. A proxyholder need not be a Shareholder.**

To exercise the right, the Registered Shareholder may do so by striking out the printed names and inserting the name of such other person and, if desired, an alternate to such person, in the blank space provided in the proxy form. Such Registered Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy, and should provide instruction to the nominee on how the Registered Shareholder's Common Shares should be voted. The nominee should bring personal identification to the Meeting.

Those Registered Shareholders desiring to be represented at the Meeting by proxy must deposit their respective forms of proxy with the Company's registrar and transfer agent, Capital Transfer Agency, ULC by:

<b>By Mail or Hand Delivery:</b>	Capital Transfer Agency ULC 390 Bay Street, Suite 920 Toronto, Ontario M5H 2Y2
<b>By E-mail:</b>	voteproxy@capitaltransferagency.com
<b>By Fax:</b>	(416) 350-5008
<b>By Internet:</b>	<a href="http://www.capitaltransferagency.com/voteproxy">www.capitaltransferagency.com/voteproxy</a> (you will need to provide your 12-digit control number located on the form of proxy accompanying this Circular)

Proxies must be received by 10:00 a.m. (Vancouver time), on January 28, 2025. The Company may refuse to recognize any instrument of proxy deposited in writing or by the internet received later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in British Columbia) prior to the Meeting or any adjournment thereof.

**Voting by Proxy and Exercise of Discretion by Management Proxyholders**

Common Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and if the Registered Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

**If a Registered Shareholder does not specify a choice and the Registered Shareholder has appointed the Management Proxyholders as proxyholder, the Management Proxyholders**

**will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

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

### **Advice to Non-Registered Shareholders**

**The information in this section is significant to many Shareholders, as a substantial number do not hold their Common Shares in their own name.**

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are "Non-Registered Shareholders" because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which Common Shares were purchased ("**Non-Registered Shareholders**"). More particularly, a person is not a Registered Shareholder in respect of Common Shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators or self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. or CDS & Co.) of which the Intermediary is a participant. In accordance with the requirements set out in NI 54-101, Radio Fuels has distributed copies of, the Notice of Meeting, this Circular, the form of proxy or voting instruction form (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile or stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the transfer agent as provided above; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**Voting Instruction Form**" or "**VIF**") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one-page preprinted form. Sometimes, instead of a one-page pre-printed form, the proxy authorization will consist of a regular printed



proxy form accompanied by a page of instructions, which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

Every intermediary has its own mailing procedures and provides its own return instructions to clients. In either case, the purpose of this procedure is to permit a Non-Registered Shareholder to direct the voting of Common Shares which they beneficially own. Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

A Non-Registered Shareholder who wishes to attend the Meeting and vote in person may write the name of the Non-Registered Shareholder in the place provided for that purpose on the VIF. **A Non-Registered Shareholder also has the right to appoint a person or company other than the persons designated in the proxy, who need not be a Shareholder, to attend the Meeting and act on behalf of the Non-Registered Shareholder. Unless prohibited by law, the person whose name is written in the space provided in the VIF will be appointed as proxy for the Non-Registered Shareholder and will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in the VIF or this Circular. A Non-Registered Shareholder should consult a legal advisor if the Non-Registered Shareholder wishes to modify the authority of the person to be appointed as proxy Shareholder in any way.**

There are two types of Non-Registered Shareholders: (i) those who object to their identity being made known to the issuers of securities which they own ("**Objecting Beneficial Owners**" or "**OBOs**"), and (ii) those who do not object to their identity being made known to the issuers of securities which they own ("**Non-Objecting Beneficial Owners**" or "**NOBOs**").

Subject to the provisions of NI 54-101, Radio Fuels is not sending proxy-related materials directly to NOBOs in connection with the Meeting. Non-Registered Shareholders should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting. Radio Fuels does not intend to pay for the intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

Most brokers or intermediaries delegate responsibility for mailing proxy-related materials to Non-Registered Shareholders, and obtaining voting instructions from Non-Registered Shareholders to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and the United States. Broadridge prepares its own form of VIF based on the proxy and mails the VIF and the other proxy-related materials to Non-Registered Shareholders. The completed VIF must then be returned to Broadridge in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any Shareholder's representative. If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.

## Revocability of Proxies

In addition to revocation in any other manner permitted by law, a Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it by depositing an instrument in writing, including another completed form of proxy, executed by such Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, by an authorized officer or attorney thereof, to (i) the registered office of the Company, located at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2, at any time prior to 5:00 p.m. (Eastern time) on the last Business Day preceding the day of the Meeting or any adjournment thereof; (ii) [issuers@keystonecorp.ca](mailto:issuers@keystonecorp.ca), Attention: Corporate Secretary, Radio Fuels Energy Corp.; or (iii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

## Principal Holders of Common Shares

The authorized share capital of Radio Fuels consists of an unlimited number of Common Shares. As at the Record Date, 249,882,911 Common Shares were issued and outstanding. Each Common Share is entitled to one vote at a meeting of Shareholders.

The Radio Fuels Board has fixed the close of business on December 17, 2024 as the Record Date for the purpose of determining the Shareholders entitled to receive notice of the Meeting, but the failure of any Shareholder who was a Shareholder on the Record Date to receive notice of the Meeting does not deprive the Shareholder of the right to vote at the Meeting.

To the knowledge of the directors and executive officers of Radio Fuels, no person or company beneficially owns or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Company as at the Record Date, other than as set forth as follows:

Name of Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares <sup>(1)</sup>
Collin Kettell <sup>(2)</sup>	37,155,885	14.87%
Michael Parker	26,899,967	10.77%

### NOTES:

- (1) Based on 249,882,911 Common Shares issued and outstanding as at December 20, 2024.
- (2) Mr. Collin Kettell is a former director of Radio Fuels.

## Quorum

Under the constating documents of the Company, the quorum for the transaction of business at a meeting of Shareholders is two (2) persons who are, or represented by proxy, Shareholders holding, in the aggregate, at least 5% of the issued Common Shares entitled to be voted at the Meeting.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Management of Radio Fuels knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgement.

## Presentation of Financial Statements

The audited annual consolidated financial statements of Radio Fuels for the year ended November 30, 2023, and the auditor's report thereon, will be placed before Shareholders at the Meeting.

Copies of these documents will be available at the Meeting and may also be obtained by a Shareholder upon request without charge from Radio Fuels, 217 Queen St. West, Suite 401, Toronto, Ontario, M5V 0R2 or via email to [issuers@keystonecorp.ca](mailto:issuers@keystonecorp.ca). These documents are also available under Radio Fuels' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Shareholders and proxyholders will be given an opportunity to discuss Radio Fuels' financial results with management. **Shareholder approval is not required and no formal action will be taken at the Meeting to approve the financial statements.**

## Election of Directors

The directors of Radio Fuels are elected annually and hold office until the next annual general meeting of Shareholders or until their successors are elected or until such director's earlier death, resignation or removal.

Under the Company's By-Laws, the number of directors may be fixed or changed from time to time by resolution of the Board. By ordinary resolution, the Board has set the number of directors at three. There are currently three nominee directors proposed for re-election at the Meeting.

### Proposed Management Nominees for Election to the Board

Management of Radio Fuels proposes to nominate the persons listed below for election as directors of Radio Fuels to serve until their successors are elected or appointed. All of the nominees are current members of the Board and each has agreed to stand for re-election. Management of Radio Fuels does not contemplate that any of the nominees will be unable to serve as a director.

Pursuant to the advance notice provisions (the "**Advance Notice Provisions**") in the constating documents of Radio Fuels advance notice must be provided to Radio Fuels in circumstances where nomination of persons for election to the Board are made by Shareholders of Radio Fuels. The Advance Notice Provisions set a deadline by which Shareholders must submit nominations (in this section, a "**Notice**") to Radio Fuels for the election of directors prior to any annual or special meeting of Shareholders. The Advance Notice Provisions also set forth the information that a Shareholder must include in the Notice to Radio Fuels and establish the form in which the Shareholder must submit the Notice for the Notice to be in proper written form.

In the case of an annual meeting (or an annual and special meeting) of Shareholders, a Notice must be provided to Radio Fuels not less than 30 days and not more than 65 days prior to the date such meeting (except that, if the meeting is to be held on a date that is less than 50 days after the meeting notice date, notice by the nominating shareholder shall be made not less than the close of business on the 10th day after the meeting notice date); and in the case of a special meeting (which is not an annual and special meeting) called for the purpose of electing directors (whether or not also called for the purpose of conducting other business) not later than the close of business on the 15th day after the meeting notice date. The Advance Notice Provisions are available for viewing in the By-Laws of Radio Fuels available as Appendix B to the information

circular of Mainstream Minerals Corporation (as Radio Fuels was then called) dated May 28, 2020 filed under Radio Fuels' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

As at the date of this Circular, Radio Fuels has not received a Notice in compliance with the Advance Notice Provisions and, as such, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The following disclosure sets out the names of management's three (3) nominees for election as directors, all major offices and positions with Radio Fuels and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of Radio Fuels and the number of Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date:

Name and Province/ Country of Residence and Present Office Held	Principal Occupation, Business or Employment <sup>(1)</sup>	Periods During Which Nominee has Served as a Director	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(2)</sup>
Philip O'Neill <sup>(3)</sup> Alberta, Canada  Chief Executive Officer and Director	President and founder of MP1 Capital, a Calgary based investment company	February 1, 2024 – present	1,315,000
Jack Campbell <sup>(3)</sup> Washington, United States  Chairman and Director	President, Chief Executive Officer and Director of Mexican Gold Mining Corp., a mineral exploration company	December 16, 2021 – present	286,502
William de Jong <sup>(3)</sup> Alberta, Canada  Director	Corporate securities lawyer with Fasken Martineau DuMoulin LLP from 2018 to 2022, and with DLA Piper (Canada) LLP from 2022 to current.	May 3, 2024 – present	Nil

**NOTES:**

- (1) The information in the table above as to principal occupation and business or employment of director nominees is not within the knowledge of management of Radio Fuels and has been furnished by the respective nominees.
- (2) The information as to number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of management of Radio Fuels and has been furnished by the respective nominees or sourced from information available to Radio Fuels from SEDI ([www.sedi.ca](http://www.sedi.ca)) and/or in reports provided by the transfer agent of Radio Fuels.
- (3) Member of the Audit Committee of Radio Fuels.

**Cease Trade Orders, Bankruptcies, Penalties and Sanctions**

To the knowledge of the management of Radio Fuels, no proposed nominee for election as a director of Radio Fuels:

- (a) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Radio Fuels) that,

- (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the proposed director was acting in the capacity 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,
- (b) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including Radio Fuels) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets,
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, or
- (d) has been subject to 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 be likely to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

**A Shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. Management recommends Shareholders vote in favour of the election of each of the nominees listed above for election as directors of Radio Fuels for the ensuing year. Unless directed to the contrary, it is the intention of the Management Proxyholders named in the enclosed instrument of proxy to vote proxies IN FAVOUR of each of the nominees.**

#### **Appointment of Auditor**

Shareholders will be asked to vote for the appointment of Crowe MacKay LLP, Chartered Professional Accountants, of Suite 1100 – 1177 West Hastings Street, Vancouver, BC, V6E 4T5, as auditor of Radio Fuels to hold office until the next annual meeting of Shareholders, or until a successor is appointed, and to authorize the directors of Radio Fuels to fix the remuneration of the auditor.

Crowe MacKay LLP, Chartered Professional Accountants, was originally appointed as auditor of Radio Fuels on October 31, 2023, replacing Jones & O'Connell LLP, Chartered Professional

Accountants. The appointment of Crowe MacKay LLP, Chartered Professional Accountants, was considered and approved by the Board.

The appointment of the auditor and authorizing the Board to fix its remuneration must be approved by a simple majority of at least 50% of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

**Management recommends Shareholders vote in favour of the appointment of Crowe MacKay LLP, Chartered Professional Accountants, as auditor of Radio Fuels for the ensuing year and authorize the Board to fix the auditor's remuneration. Unless directed to the contrary, it is the intention of the Management Proxyholders named in the enclosed instrument of proxy to vote proxies IN FAVOUR of the resolution approving the appointment of Crowe MacKay LLP, Chartered Professional Accountants, as auditor of Radio Fuels until the close of its next annual meeting and to authorize the Board to fix the remuneration to be paid to the auditor.**

### **The Arrangement**

At the Meeting, the Shareholders will be asked to approve the Arrangement Resolution, the full text of which is set forth in "*Appendix A – Arrangement Resolution*" to this Circular. In order for the Arrangement to become effective, the Arrangement Resolution must be approved by at least 66<sup>2/3</sup>% of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

If the Arrangement Resolution is approved by the requisite number of votes cast by Shareholders at the Meeting and the other conditions precedent to the Arrangement are satisfied or waived, the Effective Date of the Arrangement is expected to be on or about February 4, 2025.

The Radio Fuels Board may determine not to proceed with the Arrangement at any time before or after the holding of the Meeting but prior to the issuance of a certificate of arrangement, without further action on the part of Shareholders.

**Management of Radio Fuels has reviewed the Arrangement Resolution, concluded that it is fair and reasonable to the Shareholders and in the best interests of Radio Fuels, and recommends Shareholders vote in favour of the Arrangement Resolution.**

**Unless you provide instructions otherwise, the Radio Fuels Management Proxyholders intend to vote FOR the Arrangement Resolution.**

The terms of the Arrangement, including the recommendations of the Radio Fuels Board, are described in detail below. See "*The Arrangement*" below for additional information.

## **THE ARRANGEMENT**

The purpose of the Arrangement is to effect the combination of the businesses of Palisades and Radio Fuels. The Arrangement will result in the acquisition by Palisades of all of the issued and outstanding Common Shares for the Consideration Shares. In return, Palisades will issue as consideration to the Shareholders, 0.060538 of a Palisades Share for each Common Share outstanding at the closing of the Arrangement. Immediately upon completion of the Arrangement, it is expected that Shareholders will hold 24% of the Combined Company and Palisades Shareholders will hold 76% of the Combined Company. If the Arrangement were completed as of

the date hereof, Shareholders would receive an aggregate of 15,127,411 Consideration Shares upon closing of the Arrangement.

As a result of the Arrangement, Radio Fuels will become a wholly-owned subsidiary of Palisades. The Arrangement will be implemented by way of a court-approved Plan of Arrangement under the CBCA pursuant to the terms of the Arrangement Agreement, the Interim Order and the Final Order.

In connection with the completion of the Arrangement, the Radio Fuels Warrants will, in accordance with their terms, be automatically adjusted, such that upon exercise of any Radio Fuels Warrant, the Radio Fuels Warrantholder will receive (and the holder will accept), in lieu of each Common Share, such number of Palisades Shares as the Radio Fuels Warrantholder would have been entitled to receive if they had exercised their Radio Fuels Warrant immediately prior to the completion of the Arrangement. See "*The Arrangement – Treatment of Radio Fuels Warrants*" for further information.

### **Background to the Arrangement**

The provisions of the Arrangement Agreement are the result of arm's length negotiations conducted between representatives of Palisades and Radio Fuels, the Radio Fuels Special Committee and the Palisades Special Committee and their respective advisors. The following is a summary of the meetings, negotiations, discussions and actions between the Parties that preceded the execution and public announcement of the Arrangement Agreement.

Since before the completion of Radio Fuels' acquisition of NV King Goldlands Inc., Radio Fuels' management and technical team has considered and investigated opportunities to enhance the value of Radio Fuels and find a strategic transaction to unlock Radio Fuels' value, including monitoring the activities and assets of various industry participants in order to identify possible strategic transactions. Radio Fuels' management has regular engagement with industry peers for the purpose of seeking opportunities for collaboration, joint business development, and evaluation of more transformational strategic alternatives. Accordingly, each of Palisades and Radio Fuels had general knowledge of each other's operations and assets from regular discussions between management.

Although Radio Fuels did not conduct a formal sales process, having some familiarity with Palisades, Radio Fuels' management began to consider the potential synergies that might be recognized from a potential transaction with Palisades. Since Palisades is well capitalized with cash and marketable securities, is listed on the TSXV and both companies have a number of common shareholders, Radio Fuels assessed that there might be an opportunity to create additional value for Shareholders through a potential merger.

On November 5, 2024 certain members of management and directors of Palisades and Radio Fuels met informally and, among other topics, discussed the merits of a possible transaction between the two companies. It was decided that further discussion was warranted and the Parties agreed to meet to discuss a potential transaction in more detail.

On November 5, 2024, Fort Capital Partners was engaged to advise the to be formed Radio Fuels Special Committee and to provide an opinion as to the fairness, from a financial point of view, of the consideration to be received by Shareholders pursuant to the Arrangement.

During the period of early November to early December, management of the Parties deliberated individually and internally at each company. Radio Fuels' management considered strategic alternatives, reviewed options available and financing requirements and plans, in order to assess the merits of a potential transaction.

While already familiar with Palisades' assets, in November, Radio Fuels began to conduct legal, financial and technical due diligence on Palisades' business and the members of the Palisades Board.

On November 18, 2024, Radio Fuels and Palisades entered into a non-binding letter agreement under which they agreed to a period of exclusivity to facilitate in depth due diligence reviews leading to a potential transaction. The parties also began to prepare documentation for due diligence and further continued to advance discussions on the synergies of a potential merger transaction, with alignment on business models, depth of technical teams and financial resources. The parties subsequently extended the exclusivity periods pursuant to letter agreements entered into on December 6, 2024.

On November 19, 2024 the Radio Fuels Board appointed the Radio Fuels Special Committee consisting of two independent directors, Bill de Jong and Jack Campbell, with a mandate to assess and examine the proposed business combination with Palisades, or an alternative to a transaction with Palisades. The Radio Fuels Special Committee was also vested with the authority to engage and retain professional advisors, including a financial advisor to review the proposed transaction and render an independent fairness opinion to the Radio Fuels Special Committee and the Radio Fuels Board.

On November 19, 2024, Palisades' legal counsel, Blake, Cassels & Graydon LLP, provided Radio Fuels' legal counsel, Stikeman Elliott LLP, with a draft arrangement agreement. Over the next two weeks, the management teams and legal counsel of both Palisades and Radio Fuels held several meetings and phone calls to discuss certain due diligence matters, transaction structure issues and the terms of the Arrangement Agreement, Plan of Arrangement and the Lock-Up Agreements.

Also on November 19, 2024, the Radio Fuels Special Committee held its first formal meeting to discuss the proposed Arrangement. Between November 19, 2024 and December 9, 2024, the Radio Fuels Special Committee members corresponded regularly to discuss developments in the negotiation of the Arrangement Agreement and due diligence process. During this period, Radio Fuels had access to extensive legal, financial and technical knowledge regarding Palisades together with information on the current structure and proposed terms for the overall transaction.

On December 9, 2024, following consideration of a number of factors, including the Fairness Opinion, Radio Fuels management's extensive knowledge of Palisades' legal, financial and technical operations; and after consultation with Radio Fuels' legal and other advisors, discussions with management, and a review of the terms of the Arrangement Agreement, the Radio Fuels Special Committee unanimously recommended the Arrangement to the Radio Fuels Board and, in particular, made the following recommendations to the Radio Fuels Board:

- the Radio Fuels Board approve the Arrangement;
- the Radio Fuels Board authorize and approve the entering into of the Arrangement Agreement in substantially in the form circulated to the Radio Fuels Special Committee and to the Radio Fuels Board; and



- the Radio Fuels Board recommend that the Shareholders vote in favour of the Arrangement and the Arrangement Resolution.

Following the completion of the Radio Fuels Special Committee meeting, the Radio Fuels Board met and accepted the recommendations of the Radio Fuels Special Committee. Following discussion, and after consultation with its legal and financial advisors, the Radio Fuels Board unanimously resolved by consent resolution that:

- The Arrangement and the Arrangement Agreement are in the best interests of Radio Fuels and, in particular, are fair to the Shareholders.
- The Arrangement and the transactions contemplated thereby are approved.
- The Arrangement Agreement, substantially in the form presented to this Meeting, is approved and Radio Fuels is authorized to enter into, deliver and perform all of its obligations under the Arrangement Agreement.

On December 9, 2024, each of the Palisades Special Committee and Palisades Board also met and approved the Arrangement and the Arrangement Agreement.

The Arrangement Agreement was finalized and executed later that day. A joint news release announcing the Arrangement was issued by Radio Fuels and Palisades before the open of market trading on December 10, 2024.

The determinations of the boards of Palisades and Radio Fuels are based on various factors described more fully under the heading "*The Arrangement – Reasons for the Recommendation of the Radio Fuels Special Committee*".

### **Radio Fuels Special Committee**

The Radio Fuels Special Committee was formed to, among other things, examine and review the merits of the proposed transaction between Radio Fuels and Palisades and consider other available strategic alternatives in conjunction with management and Radio Fuels' professional advisors and make recommendations to the Radio Fuels Board with respect to any such proposed transactions.

After careful consideration, including a thorough review of the Arrangement Agreement, the Fairness Opinion, as well as a thorough review of other materials and information, including matters discussed in this Circular, and taking into account the best interests of Radio Fuels and in consultation with its legal advisors, the Radio Fuels Special Committee unanimously resolved that the Arrangement and the Arrangement Agreement are in the best interests of Radio Fuels and, in particular, are fair to the Shareholders, and the Radio Fuels Special Committee unanimously recommended to the Radio Fuels Board that the Radio Fuels Board approve the Arrangement and recommend that the Shareholders vote in favour of the Arrangement and the Arrangement Resolution.

### **Reasons for the Recommendation of the Radio Fuels Special Committee**

In making their determination and recommendation, the Radio Fuels Special Committee consulted with management, legal, financial and technical advisors. The Radio Fuels Special Committee also reviewed a significant amount of market, industry, financial and technical

information relating to Palisades and Radio Fuels and considered a number of factors, including those listed below. The following disclosure includes forward-looking information and readers are cautioned that actual results may vary.

In making their determination and recommendations, the Radio Fuels Board considered and relied upon a number of substantive factors, including, among others:

- **Diversified Asset and Investment Portfolio:** The Arrangement creates a more diversified investment company with opportunities in expanded geological environments and diversification among investments. The asset and investment portfolio is expected to be anchored by Palisades' and Radio Fuels' growing portfolio of investments in marketable securities and warrants in junior resource issuers with potential to realize appreciation in net asset values as a result of discoveries in these companies and Radio Fuels' Eco Ridge Project and Iron Point Project.
- **Prospective Exploration Potential:** The Combined Company will also have a significant portfolio of mineral tenures in Nevada, ranking as the third largest in Nevada when measured by mineral tenure, behind just Nevada Gold Mines (Barrick/Newmont JV) and Kinross Gold Corp. The Combined Company will continue to benefit from Radio Fuels' portfolio of district-scale exploration projects in the heart of the Battle Mountain Trend including Horse Mountain-Mill Creek, Lewis, Hilltop South, Buffalo Valley, Cedars-Carico Lake, Kobeh Valley, and Evana. These projects have seen significant historic exploration by numerous major mining companies and in many cases, are nearby or adjacent to large gold resources or operating mines.
- **Well Capitalized:** The Combined Company is expected to be well-capitalized with approximately \$120 million in cash and marketable securities to advance prospective projects through the exploration and development stages and pursue equity investments in pre-initial public offering and early-stage public resource companies with undeveloped or undervalued high-quality projects. This strengthened balance sheet is expected to better position the Combined Company to fund value enhancing growth.
- **Liquidity for Shareholders:** The exchange of Common Shares for Consideration Shares will provide Shareholders with increased liquidity for their investments as Palisades is listed on the TSXV.
- **Exposure to New Found Gold:** The Combined Company will have exposure to Palisade's approximately 21.82% interest in New Found Gold and, as a result, will have exposure to New Found Gold's significant land package which includes newly acquired Kingsway project from Labrador Gold Corp.
- **Highly Experienced Team:** The Combined Company will have an established board and management with financial, technical, construction and operations experience to advance the combined assets. As of the Effective Time of the Arrangement:
  - Collin Kettell will be the Chief Executive Officer and Bassam Moubarak will be the Chief Financial Officer of the Combined Company. In addition, the intended retention of Radio Fuels' technical team will encourage continued exploration of Radio Fuels' existing mineral exploration projects.

- The Board of Directors of the Combined Company will consist of Collin Kettell, Gregor Gregersen and Elizabeth Harrison.
- **Tangible Synergies:** Upon completion of the Arrangement, it is expected that the Combined Company will benefit from cost and operational synergies (including through integration of general and administrative expenses).
- **Participation in the Combined Entity:** Shareholders should have the opportunity to participate in a combined company that should have increased market capitalization and that is anticipated to receive greater market attention than Radio Fuels and Palisades currently receive on a combined basis, which should also result in greater liquidity.
- **Continued Exposure to Radio Fuels' Assets:** Shareholders, through their ownership of Palisades Shares, will retain exposure to Radio Fuels' exploration assets including the Iron Point Project and the Eco Ridge Project.
- **Reduced Risk:** The strengthened treasury and asset portfolio of the Combined Company reduces the risk associated with the current business, operations, assets, financial performance and condition, operating results, prospects, and uncertainties faced by Palisades and Radio Fuels individually, including long-term expectations regarding operating performance, current industry and economic conditions and trends and uncertainties related to those long-term expectations.
- **Shareholder Approval:** To be effective, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least two-thirds of the votes cast on the Arrangement Resolution by Shareholders, present in person or represented by proxy and entitled to vote at the Meeting.
- **Court Approval:** The Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to the Shareholders.
- **Dissent Rights:** The terms of the Interim Order and Plan of Arrangement provide that Registered Shareholders who oppose the Arrangement may, upon compliance with certain conditions, exercise dissent rights and, if ultimately successful, receive fair value for their Common Shares.
- **Support of Directors, Officers:** All of the directors and officers of Radio Fuels and certain significant Shareholders have entered into Lock-Up Agreements pursuant to which, and subject to the terms of which, they have agreed, among other things, to vote their Common Shares in favour of the Arrangement. Further, the Combined Company will be supported by a strong shareholder base characterized by significant insider and institutional ownership.
- **Fairness Opinion.** Fort Capital Partners provided its opinion to the Radio Fuels Special Committee and the Radio Fuels Board to the effect that, as of December 9, 2024, and subject to the assumptions, limitations and qualifications set out in the Fairness Opinion, the Consideration Shares to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders. See "*The Arrangement – Fairness Opinion*".

- **Ability to Respond to Unsolicited Offers:** Subject to the terms of the Arrangement Agreement, the Radio Fuels Board remains able to respond to any unsolicited bona fide written proposal that, having regard for all of the terms and conditions of such proposal, if consummated in accordance with its terms, may lead to a transaction more favourable to Shareholders from a financial point of view than the Arrangement.
- **Role of Radio Fuels Special Committee:** The evaluation process was supervised by the Radio Fuels Special Committee, which was composed entirely of independent directors and was advised by experienced and qualified financial and legal advisors. The Radio Fuels Special Committee met regularly with Radio Fuels' advisors. The Arrangement was unanimously recommended to the Radio Fuels Board.

The Radio Fuels Special Committee also considered a number of potential issues regarding and risks resulting from the Arrangement including:

- The risks to Radio Fuels if the Arrangement is not completed, including the costs to Radio Fuels in resources and management attention in pursuing the Arrangement and the restrictions on the conduct of business prior to the completion of the Arrangement, including the ability to raise new funding.
- The Arrangement Agreement's restrictions on soliciting third parties to make an Acquisition Proposal prior to completion of the Arrangement and the specific requirements regarding what constitutes a Superior Proposal.
- The Termination Fee of \$700,000 payable to Palisades in certain circumstances, including if Radio Fuels enters into an agreement with a third party that constitutes a Superior Proposal.
- The conditions to the completion of the Arrangement, including that holders of no more than 5% of the issued and outstanding Common Shares shall have exercised Dissent Rights.
- The rights of Radio Fuels to terminate the Arrangement Agreement under certain limited circumstances.
- The potential risk of not obtaining certain consents from third parties required to complete the Arrangement, including from the Court, Shareholders, or any other third party whose consent is required.
- The potential negative effect on Radio Fuels' relationship with its stakeholders, including customers, suppliers, and employees.

The foregoing summary of the information and factors considered by the Radio Fuels Special Committee is not intended to be exhaustive, but includes the material information and factors considered in their consideration of the Arrangement. In view of the variety of factors and the amount of information considered in connection with the Radio Fuels Special Committee in their evaluation of the Arrangement, they did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching their respective conclusions and recommendations. The recommendation of the Radio Fuels Special Committee was made after consideration of all the above-noted and other factors and in light of their knowledge of the business, financial condition and prospects of Palisades and Radio Fuels

and was based upon the advice of the financial, technical and legal advisors to each. In addition, individual members of the Radio Fuels Special Committee may have assigned different weights to different factors in reaching their own conclusion as to the fairness of the Arrangement.

### **Recommendation of the Radio Fuels Board**

After careful consideration, including among other things, a thorough review of the Arrangement Agreement and the Fairness Opinion, consultation with its legal and other advisors, as well as a thorough review of other matters, including the reasons for the Arrangement described in this Circular, and on unanimous recommendation of the Radio Fuels Special Committee, the Radio Fuels Board unanimously determined that the Arrangement is in the best interests of Radio Fuels and the Shareholders. **Accordingly, the Radio Fuels Board has unanimously approved the Arrangement and unanimously recommends that the Shareholders vote FOR the Arrangement Resolution.**

All members of the Radio Fuels Board that hold Common Shares will vote their Common Shares, in their capacity as Shareholders, in favour of the Arrangement Resolution.

### **Fairness Opinion**

Fort Capital Partners was retained by the Radio Fuels Special Committee to provide an opinion as to the fairness, from a financial point of view, of the consideration to be received by Shareholders pursuant to the Arrangement.

On December 9, 2024, Fort Capital Partners delivered its oral opinion, which was subsequently confirmed by delivery of the written Fairness Opinion, that, as at the date thereof, the Consideration Shares to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders. The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Appendix E to this Circular. The summary of the Fairness Opinion in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion.

The Fairness Opinion was provided solely for the information and assistance of the Radio Fuels Special Committee and the Radio Fuels Board in connection with its consideration of the Arrangement and is not a recommendation to any Shareholder as to how to vote or act on any matter relating to the Arrangement. The Fairness Opinion is only one factor that was taken into consideration by the Radio Fuels Special Committee and Radio Fuels Board in making its determination to recommend that the Shareholders vote in favour of the Arrangement Resolution. See "*The Arrangement – Recommendation of the Radio Fuels Board*".

The Radio Fuels Board urges Shareholders to review the Fairness Opinion carefully and in its entirety. See "*Appendix E – Fairness Opinion*".

### **Description of the Arrangement**

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as Appendix B to this Circular.

The purpose of the Arrangement is to effect the combination of the businesses of Radio Fuels and Palisades through the acquisition of all of the issued and outstanding Common Shares by

Palisades. Pursuant to the Arrangement Agreement, Palisades and Radio Fuels have agreed to complete the Arrangement pursuant to which, among other things, Palisades will acquire all the issued and outstanding Common Shares. In return, Palisades will issue as consideration to the Shareholders, 0.060538 of a Palisades Share for each Common Share outstanding at the closing of the Arrangement. Immediately upon completion of the Arrangement, it is expected that Shareholders will hold 24% of the Combined Company and Palisades Shareholders will hold 76% of the Combined Company. If the Arrangement were completed as of the date hereof, Shareholders would receive an aggregate of 15,127,411 Consideration Shares upon closing of the Arrangement.

If approved, the Arrangement will become effective at the Effective Time (which is expected to be at 12:01 a.m. (Vancouver time) on the Effective Date, or such later date as may be agreed to in writing by Radio Fuels and Palisades). At the Effective Time, the following will be deemed to occur in the following order sequentially following the completion of the previous event without any further authorization, act or formality:

- each Common Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all Liens, claims and encumbrances, to Radio Fuels and Radio Fuels shall thereupon be obliged to pay (using its own funds not funds provided directly or indirectly by Palisades) the amount therefor determined and payable in accordance with Article 4 of the Plan of Arrangement, and: (i) such Dissenting Shareholder shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign each such Common Share; and (ii) the name of such Dissenting Shareholder shall be removed from the central securities register of Radio Fuels as a holder of Common Shares and such Common Shares shall be cancelled and cease to be outstanding and such Dissenting Shareholders will cease to have any rights as Shareholders other than the right to be paid the fair value for their Common Shares;
- each Common Share (other than a Common Share held by a Dissenting Shareholder or a Common Share held by Palisades or any subsidiary of Palisades) shall be deemed to be transferred to Palisades and, in exchange for and in consideration therefor, Palisades shall issue the Consideration Shares for each Common Share, subject to Section 3.4 and Article 5 of the Plan of Arrangement, and upon such exchange:
  - each such holder of Common Shares shall cease to be the holder thereof and to have any rights as a Shareholder other than the right to be paid the Consideration Shares for their Common Shares in accordance with this Plan of Arrangement;
  - Palisades shall be the transferee of such Common Shares free and clear of all Liens, and shall be entered in the register of the Common Shares maintained by or on behalf of Radio Fuels; and
  - each holder of such exchanged Common Shares shall be entered in Palisades' central securities register in respect of the Consideration Shares which such holder is entitled to receive in accordance with this Section 3.1(b) of the Plan of Arrangement.

Subject to the provisions of Article 5 of the Plan of Arrangement, and upon return of a properly completed Transmittal Letter by a registered Former Shareholder together with certificates representing Common Shares and such other documents as the Depositary may require, Former Shareholders shall be entitled to receive delivery of certificates or direct registration ("**DRS**")

advice statements representing the Consideration Shares to which they are entitled pursuant to Section 3.1 of the Plan of Arrangement.

No fractional Consideration Shares shall be issued to Former Shareholders. The number of Consideration Shares to be issued to Former Shareholders shall be rounded down to the nearest whole Consideration Share in the event that a Former Shareholder is entitled to a fractional share representing less than a whole Consideration Share and no Former Shareholder shall be entitled to any compensation in respect of a fractional Consideration Share. All Consideration Shares issued pursuant to the Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for the purposes of the BCBCA.

### **Treatment of Radio Fuels Warrants**

Upon completion of the Arrangement, all Radio Fuels Warrants outstanding at the Effective Time, which have not been duly exercised immediately prior to the Effective Time, will remain in full force and effect and all terms and conditions of such Radio Fuels Warrants will remain the same except that such Radio Fuels Warrants will be automatically, in accordance with their terms, be adjusted such that upon exercise of such Radio Fuels Warrant, the Radio Fuels Warrantholder will receive (and the holder will accept), in lieu of each Common Share, such number of Palisades Shares as the Radio Fuels Warrantholder would have been entitled to receive if they had exercised their Radio Fuels Warrant immediately prior to the completion of the Arrangement. Accordingly, upon completion of the Arrangement, each Radio Fuels Warrant exercisable for one Common Share prior to the Arrangement will be automatically adjusted and become exercisable at the same exercise price to receive 0.060538 of a Palisades Share after the Arrangement.

As of the date hereof, there are 31,903,511 Radio Fuels Warrants outstanding, exercisable for 31,903,511 Common Shares. Assuming none of the Radio Fuels Warrants are exercised between the date of this Circular and the completion of the Arrangement, then, upon completion of the Arrangement, the Radio Fuels Warrants would become exercisable for an aggregate of 1,931,374 Palisades Shares.

The Radio Fuels Warrants currently trade on the CSE under the symbol "CAKE.WT". Palisades has applied to the TSXV to list the Radio Fuels Warrants (on a post-adjustment basis) on the TSXV.

Shareholders should be aware that the final approval of the Arrangement has not been given by the CSE or TSXV. Neither Radio Fuels nor Palisades provide any assurance that such approvals will be obtained. See "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*".

### **Procedure for the Arrangement to Become Effective**

The Arrangement is proposed to be carried out pursuant to Section 192 of the CBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- the Shareholder Approval must be obtained;
- the Court must grant the Final Order approving the Arrangement;

- all conditions precedent to the Arrangement further described in the Arrangement Agreement including receipt of necessary regulatory approvals in connection with the Arrangement must be satisfied or waived by the appropriate Party; and
- the Final Order and the Articles of Arrangement, prepared in the form prescribed by the CBCA and signed by an authorized director or officer of the Company, must be filed with the Director and a Certificate of Arrangement issued related thereto.

### **Shareholder Approval**

At the Meeting, the Shareholders will be asked to approve the Arrangement Resolution, the full text of which is set forth in Appendix A to this Circular. In order for the Arrangement Resolution to become effective, as provided in the Interim Order, the Arrangement Resolution must be approved by at least 66<sup>2/3</sup>% of the votes cast by the Shareholders at the Meeting, present in person or by proxy.

**It is the intention of the Management Proxyholders, if not expressly directed to the contrary in such instrument of proxy, to vote such proxy in favour of the Arrangement Resolution.**

Should the Shareholders fail to approve the Arrangement Resolution by the requisite majority, the Arrangement will not be completed.

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

Shareholders receiving Consideration Shares under the Arrangement will become shareholders of Palisades. Palisades is a corporation incorporated under the BCBCA, while Radio Fuels is a corporation incorporated under the CBCA. See "*Appendix I – Comparison of Shareholders' Rights Under the BCBCA and the CBCA*" for a comparison of certain of rights and obligations of shareholders under the BCBCA and CBCA. This summary is not intended to be exhaustive and Shareholders are encouraged to consult with their legal advisors for greater detail with respect to these differences.

### **Lock-Up Agreements**

On December 9, 2024 all of the directors and officers of Radio Fuels and certain significant Shareholders of Radio Fuels entered into the Lock-Up Agreements with Palisades. Each Lock-Up Agreement sets forth, among other things, the agreement of such shareholders to vote their Common Shares in favour of the Arrangement. As of the Record Date, 80,595,153 of the outstanding Common Shares were subject to the Lock-Up Agreements, representing approximately 32.25% of the outstanding Common Shares.

The Lock-Up Agreements require voting support, prohibit solicitation of an alternative Acquisition Proposal, and impose a contractual hold period on Common Shares held by the Locked-Up Shareholders expiring upon completion of the Arrangement, or upon earlier termination of the Lock-Up Agreements.

Each Locked-Up Shareholder has agreed to vote his or her owned (directly or indirectly) Common Shares, to the extent he or she is so entitled, in favour of the Arrangement pursuant to the Arrangement and against any other matter that could reasonably be expected to delay, prevent or frustrate the completion of the Arrangement. Under the terms of the Lock-Up Agreements, the Parties have acknowledged that the Locked-Up Shareholders, each of whom is a director, officer



or significant shareholder of Radio Fuels, are bound under the Lock-Up Agreements only in such person's capacity as a securityholder, and not in his or her capacity as a director or officer.

The Lock-Up Agreements may be terminated in certain circumstances including: (i) at any time by written agreement of the Locked-Up Shareholder and Palisades and (ii) automatically on the earlier to occur of (a) the termination of the Arrangement Agreement in accordance with its terms; and (b) the Effective Time.

Palisades has confirmed to Radio Fuels that neither Palisades nor any of its affiliates held any Common Shares (or securities convertible into Common Shares) as at the Record Date.

### **Court Approval and Completion of the Arrangement**

The CBCA requires that the Court approve the Arrangement.

On December 19, 2024, Radio Fuels obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. Copies of the Interim Order and the Notice of Hearing of Petition are attached as Appendices C and D, respectively, to this Circular.

If the Arrangement Resolution is approved at the Meeting, Radio Fuels intends to make an application to the Court for the Final Order. The Interim Order provides for an application for a Final Order approving the Arrangement on February 3, 2025 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel for Radio Fuels may be heard, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, or at some other date, time and location as the Court may direct. At the hearing, the Court will consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Under the terms of the Interim Order, each Shareholder who wishes to participate or to be represented or to present evidence or argument at the hearing of the application for the Final Order may do so, subject to the rules of the Court, the Interim Order and any further order of the Court. Any Shareholder or other person desiring to appear at the hearing of the application for the Final Order is required to indicate his, her or its intention to appear by filing with the Court and serving Radio Fuels, as applicable, at the addresses set out below, on or before 12:00 p.m. (Vancouver time) on January 28, 2025, with a response to petition (a "**Response**"), including his, her or its address for service, together with all materials on which he, she or it intends to rely at the hearing of the application, and otherwise comply with the procedures of the Court. Shareholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements. The Response and supporting materials must be delivered, within the time specified, to Radio Fuels at the following address:

Stikeman Elliott LLP  
Suite 1700 – 666 Burrard Street,  
Vancouver, British Columbia, V6C 2X8  
Attention: Victor Gerchikov  
Or by email to: [vgerchikov@stikeman.com](mailto:vgerchikov@stikeman.com)

Subject to the Court ordering otherwise, only those persons who file a Response in compliance with the Interim Order will be provided with notice of the materials to be filed with the Court and

the opportunity to make submissions in support or opposition of the Final Order. If the hearing of the application for the Final Order is postponed, adjourned or rescheduled, then subject to further order of the Court only those persons having previously served a Response in compliance with the Interim Order will be given notice of the postponement, adjournment or rescheduled date.

The Court will consider, among other things, the fairness and reasonableness of the terms and conditions of the Arrangement, both from a substantive and procedural point of view. The Court may approve the Arrangement as proposed or as amended in any manner the Court may direct. Depending upon the nature of any required amendments and subject to the terms of the Arrangement Agreement, Radio Fuels may determine not to proceed with the Arrangement. The Court's approval is required for the Arrangement to become effective.

The Final Order, if granted, will constitute the basis for the Section 3(a)(10) Exemption with respect to the Consideration Shares to be issued to Shareholders in exchange for their Common Shares pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court has been or will be informed of this effect of the Final Order.

For further information regarding the hearing of the application for the Final Order and your rights in connection with the hearing, see copies of the Interim Order and the form of Notice of Hearing of Petition attached as Appendices C and D, respectively, to this Circular.

**Shareholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.**

### **Regulatory Matters**

In addition to the Shareholder Approval, Interim Order and Final Order described above, certain regulatory approvals will also be required in order to consummate the Arrangement, as further described below.

Each Shareholder is urged to consult such shareholder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the Consideration Shares issuable pursuant to the Arrangement.

Radio Fuels is a reporting issuer in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba and Ontario. The Common Shares currently trade on the CSE under the symbol "CAKE" and on the OTCQB under the symbol "CKEFF" and the Radio Fuels Warrants currently trade on the CSE under the symbol "CAKE.WT". It is a condition of closing that Radio Fuels will have obtained conditional approval of the CSE for the Arrangement and to delist the Common Shares and Radio Fuels Warrants upon the Effective Time, subject only to Radio Fuels providing the CSE such required documentation and confirmations as is customary in the circumstances. Radio Fuels has applied to the CSE and may proceed with the Arrangement subject to providing customary documentation and confirmations to the CSE in connection with the completion of the Arrangement.

Palisades is a reporting issuer in the provinces of British Columbia and Alberta. The Palisades Shares currently trade on the TSXV under the symbol "PALI". It is a condition of closing that Palisades will have obtained approval of the TSXV, subject only to the customary listing conditions of the TSXV. Palisades has applied to the TSXV to list the Consideration Shares and has applied for conditional approval for the Arrangement. Palisades has also applied to the TSXV to list the Radio Fuels Warrants (on a post-adjustment basis) on the TSXV.

Shareholders should be aware that the final approval of the Arrangement has not been given by the CSE or TSXV. Neither Radio Fuels nor Palisades provide any assurance that such approvals will be obtained. See "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*".

In connection with the completion of the Arrangement, the Combined Company will continue under the name "Palisades Goldcorp Ltd." and will continue to trade on the TSXV under the ticker symbol "PALI". Upon completion of the Arrangement, the Combined Company will become a reporting issuer in Alberta, British Columbia, Saskatchewan, Manitoba and Ontario.

If the Arrangement is completed, it is anticipated that the Company will be delisted from the CSE and the OTCQB and the Combined Company will apply to have the Company: (i) cease being a reporting issuer in all jurisdictions in which it is currently a reporting issuer; and (ii) continue under the jurisdiction of British Columbia.

### **Letters of Transmittal**

For each Registered Shareholder, accompanying this Circular is a Letter of Transmittal. In order for a Registered Shareholder to receive the Consideration Shares for each Common Share held by such Registered Shareholder, such Registered Shareholder must deposit the certificate(s) representing his, her or its Common Shares with the Depositary. Until exchanged, each certificate representing Common Shares will, after the Effective Time, represent only the right to receive, upon surrender, certificates representing the requisite numbers of Consideration Shares.

The Letter of Transmittal, properly completed and duly executed, together with all other documents and instruments referred to in the Letter of Transmittal or reasonably requested by the Depositary, must accompany all certificates for Common Shares deposited for payment pursuant to the Arrangement.

Registered Shareholders can request additional copies of the Letter of Transmittal by contacting the Depositary.

The Letter of Transmittal contains procedural information relating to the Arrangement and should be reviewed carefully.

Radio Fuels and Palisades reserve the right to waive or not to waive any and all errors or other deficiencies in any Letter of Transmittal or other document and any such waiver or non-waiver will be binding on the affected Shareholder. The granting of a waiver to one or more Shareholders does not constitute a waiver for any other Shareholder. Radio Fuels and Palisades reserve the right to demand strict compliance with the terms of the Letter of Transmittal and the Arrangement. The method used to deliver a Letter of Transmittal and any accompanying certificates and other relevant documents, if any, is at the option and risk of the relevant Shareholder. Delivery will be deemed effective only when such documents are actually received by the Depositary at the address set out in the Letter of Transmittal. Radio Fuels recommends that the necessary documentation be hand delivered to the Depositary and a receipt obtained; otherwise, the use of registered mail with return receipt requested, properly insured, is recommended.

The Letter of Transmittal is for use by Registered Shareholders only and is not to be used by Non-Registered Shareholders. Non-Registered Shareholders should contact their Intermediary for instructions and assistance in receiving the Consideration Shares for their Common Shares. See "*The Arrangement – Exchange Procedure*" below. Non-Registered Shareholders must instruct

their brokers or other Intermediaries promptly in order to receive the Consideration Shares to which they are entitled under the Arrangement as soon as possible after the Effective Date.

If you have any questions relating to the Arrangement or the deposit of Common Shares, please contact the Depositary by telephone at (403) 350-5007.

### **Exchange Procedure**

Registered Shareholders are requested to tender to the Depositary any share certificate(s) representing their Common Shares, along with a duly completed Letter of Transmittal.

Prior to the Effective Date, Palisades will deposit, or cause to be deposited, with the Depositary a treasury direction directing the Depositary to deliver sufficient certificate(s) representing the Consideration Shares required to be issued to the Shareholders under the Arrangement (other than payments to Dissenting Shareholders) to be held by the Depositary as agent and nominee for such Shareholders.

As soon as practicable after the Effective Date, provided a Former Shareholder submitted to the Depositary, prior to the Effective Date, an effective Letter of Transmittal, together with the certificate(s) representing the Common Shares held by such Former Shareholder and such other documents as the Depositary may require, Palisades shall cause the Depositary to:

- (a) forward or cause to be forwarded by first class mail (postage prepaid) to the holder at the address specified in the Letter of Transmittal; or
- (b) if requested by the holder in the Letter of Transmittal, deliver by email to the holder at the email address specified in the Letter of Transmittal; or
- (c) if the Letter of Transmittal neither specifies an address as described in (a) above nor contains a request as described in (b) above, forward or cause to be forwarded by mail (postage prepaid) to the holder at the address of such holder as shown on the share register maintained by Radio Fuels as at the Effective Time,

a DRS statement(s) representing the Consideration Shares issued to such Former Shareholder pursuant to the Arrangement, subject to any withholding obligation under applicable law, and any certificate representing Common Shares so surrendered will be cancelled forthwith, all as determined in accordance with the provisions of the Plan of Arrangement.

A Registered Shareholder must deliver to the Depositary at the address listed in the Letter of Transmittal:

- (a) the certificate representing the shareholder's Common Shares (unless such certificate is currently held in the minute books of Radio Fuels);
- (b) the Letter of Transmittal, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal; and
- (c) any other relevant documents required by the instructions set out in the Letter of Transmittal.

Except as otherwise provided in the instructions set out in the Letter of Transmittal, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution (as defined in the Letter of Transmittal). If a Letter of Transmittal is executed by a person other than the registered holder of the share certificate deposited therewith or if the consideration issuable is to be delivered to a person other than the registered holder, the share certificate must be endorsed or be accompanied by an appropriate power of attorney duly and properly completed by the registered holder, signed exactly as the name of the registered holder appears on such share certificate, with the signature on the share certificate or power of attorney guaranteed by an Eligible Institution.

### **Cancellation of Rights after Six Years**

If any former Registered Shareholder fails to deliver to the Depositary on or before the sixth anniversary of the Effective Date the Letter of Transmittal, the certificates representing the Common Shares held by such Shareholder and any other certificates, documents or instruments required to be delivered to Depositary in order for such Shareholder to receive the Consideration Shares which such former holder is entitled to receive, on the sixth anniversary of the Effective Date (i) such former holder will be deemed to have donated and forfeited to Palisades or its successor any Consideration Shares held by the Depositary in trust for such former holder to which such former holder is entitled and (ii) any certificate representing Common Shares formerly held by such former holder will cease to represent a claim of any nature whatsoever and will be deemed to have been surrendered to Palisades and will be cancelled. None of Palisades nor Radio Fuels will be liable to any person in respect of any Consideration Shares (including any Consideration Shares previously held by the Depositary in trust for any such former holder) which is forfeited to Palisades or Radio Fuels or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law. **ACCORDINGLY, FORMER SHAREHOLDERS WHO DEPOSITS WITH THE DEPOSITARY A COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL AND CERTIFICATES (IF APPLICABLE) REPRESENTING THEIR COMMON SHARES AFTER THE SIXTH ANNIVERSARY OF THE EFFECTIVE DATE WILL NOT RECEIVE THE CONSIDERATION SHARES IN EXCHANGE THEREFOR AND WILL NOT OWN ANY INTEREST IN RADIO FUELS OR PALISADES, AND WILL NOT BE PAID ANY CONSIDERATION SHARES OR OTHER COMPENSATION.**

### **Treatment of Fractional Shares**

In no event shall any holder of Common Shares be entitled to a fractional Consideration Share. Where the aggregate number of Consideration Shares to be issued to a Former Shareholder as consideration under the Arrangement would result in a fraction of a Consideration Share being issuable, the number of Consideration Shares to be received by such Shareholder shall be rounded down to the nearest whole Consideration Share without any payment or compensation in lieu of such fractional Consideration Share.

### **Lost Certificates**

If any certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares shall have been lost, stolen or destroyed, on the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing one or more Consideration Shares (and any dividends or distributions with respect thereto) deliverable in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the person to

whom certificates or book-entry advice statements representing Consideration Shares are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Radio Fuels and its transfer agent and Depositary in such sum as Palisades may direct or otherwise indemnify Palisades, its transfer agent and the Depositary in a manner satisfactory to Palisades, its transfer agent and the Depositary against any claim that may be made against Palisades, its transfer agent and/or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

### **Withholding Rights**

Palisades, Radio Fuels, the Depositary and their respective agents, as applicable (in this paragraph, each a "**payor**"), shall each be entitled to deduct and withhold from any consideration payable (whether in cash or in kind) or otherwise deliverable to any person under this Plan of Arrangement (including any payment to a Dissenting Shareholder and from all dividends or other distributions otherwise payable to any Former Shareholders) such amounts as the relevant payor is required or permitted to deduct or withhold therefrom under any applicable law in respect of Taxes. For the purposes of the Plan of Arrangement, all such deducted or withheld amounts shall be treated as having been paid to the person in respect of which such deduction or withholding was made on account of the obligation to make payment to such person under the Plan of Arrangement, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing authority when required by law by, or on behalf of, the payor. Each payor is authorized, subject to having received Palisades' prior written consent, to sell or otherwise dispose of, on behalf of such person in respect of which a deduction or withholding was made, such portion of any Consideration Shares or other security deliverable to such person as is necessary to provide sufficient funds (after deducting commissions payable, fees and other reasonable costs and expenses) to the payor to enable it to comply with such deduction or withholding requirement and the payor shall notify such person thereof and remit the applicable portion of the net proceeds of such sale to the appropriate taxing authority and, if applicable, any portion of such net proceeds that is not required to be so remitted shall be paid to such person. Any such sale will be made in accordance with applicable laws and at prevailing market prices, and no payor shall be under any obligation to obtain a particular price, or indemnify any person, in respect of a particular price, for the portion of the Consideration Shares or such other securities, as applicable, so sold. No payor will be liable for any loss arising out of any such sale.

### **Dissent Rights**

Registered Shareholders have the right to exercise Dissent Rights and demand payment equal to the fair value of their Common Shares in cash. If Dissent Rights are exercised in respect of a significant number of Common Shares, a substantial cash payment may be required to be made to such Shareholders, which could have an adverse effect on Radio Fuels' financial condition and cash resources. Palisades may elect, in its sole discretion, not to complete the Arrangement if a significant number of Shareholders exercise Dissent Rights.

### **Depositary**

Radio Fuels and Palisades have retained the services of the Depositary for the receipt of the Letter of Transmittal and the certificates (if applicable) representing Common Shares and for the delivery of the Consideration Shares in exchange for the Common Shares under the Arrangement. The Depositary will receive reasonable and customary compensation for its services in connection with the Arrangement, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under

Securities Laws and expenses in connection therewith.

### **Potentially Conflicting Interests**

In considering the recommendation of the Radio Fuels Board to vote in favour of the Arrangement Resolution, Shareholders should be aware that members of the Palisades Board and management team may have interests in the Arrangement that differ from, or are in addition to, those of Shareholders generally. See "*Securities Law Considerations — Interests of Certain Persons and Companies in the Matters to be Acted Upon*".

### **Expenses of the Arrangement**

Radio Fuels and Palisades have agreed in the Arrangement Agreement that each Party will pay all fees, costs and expenses incurred by such party with respect to the Arrangement. The estimated costs to be incurred by Radio Fuels with respect to the Arrangement and related matters including, legal and accounting fees, printing costs, financial advisor fees and all disbursements by advisors, costs relating to this Circular and the Meeting contemplated herein, are expected to aggregate approximately \$350,000.

## **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 Plan of Arrangement. This summary 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 Radio Fuels and Palisades on their respective SEDAR+ profiles at [www.sedarplus.ca](http://www.sedarplus.ca) and to the Plan of Arrangement, which is appended hereto as Appendix B. Capitalized terms used in this section that are not found in the Glossary of Defined Terms will have the meaning given to them in the Arrangement Agreement and the Plan of Arrangement.*

*The representations and warranties made by Radio Fuels and Palisades in the Arrangement Agreement were made solely for the purposes of the Arrangement Agreement and may be subject to important qualifications and limitations agreed to by the Parties in connection with negotiating and entering into the Arrangement Agreement. In addition, these representations and warranties were made as of specified dates, may be subject to a contractual standard of materiality that is different from what may be viewed as material to Shareholders or may have been used for the purpose of allocating risk between the Parties rather than for the purpose of establishing facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Arrangement Agreement. For the foregoing reasons, you should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.*

On December 9, 2024, Radio Fuels and Palisades entered into the Arrangement Agreement, pursuant to which Radio Fuels and Palisades agreed that, subject to the terms and conditions set forth in the Arrangement Agreement, Palisades will acquire all of the issued and outstanding Common Shares. In return, Palisades will issue as consideration to the Shareholders, 0.060538 of a Palisades Share for each Common Share outstanding at the closing of the Arrangement.

As a result of the Arrangement, Radio Fuels will become a wholly-owned subsidiary of Palisades. Immediately upon completion of the Arrangement, it is expected that Shareholders will hold 24% of the Combined Company and Palisades Shareholders will hold 76% of the Combined Company.

If the Arrangement were completed as of the date hereof, Shareholders would receive an aggregate of 15,127,411 Consideration Shares upon closing of the Arrangement.

### **Representations and Warranties**

The Arrangement Agreement contains representations and warranties made by each Party to the other Party. Those representations and warranties were made solely for the purposes of the Arrangement Agreement and are subject to important qualifications and limitations agreed to by the Parties in connection with negotiating its terms. In particular, some of the representations and warranties are subject to a contractual standard of materiality or Material Adverse Effect different from that generally applicable to public disclosure, or are used for the purpose of allocating risk between the Parties to the Arrangement Agreement. For the foregoing reasons, you should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties provided by Radio Fuels in favour of Palisades relate to, among other things, Radio Fuels Board approval, organization and qualification, authority relative to the Arrangement Agreement, absence of certain violations, capitalization, status and Securities Laws, ownership of subsidiaries, owned property, Radio Fuels public filings, internal controls and financial reporting, financial statements, off-balance sheet arrangements, books and records, undisclosed liabilities, material changes, litigation, Taxes, property, contracts, permits, environmental matters, regulatory matters, employee benefits, labour and employment, related party transactions, registration rights, restrictions on business activities, brokers, insurance, and arrangements with shareholders.

The representations and warranties provided by Palisades in favour of Radio Fuels relate to, among other things, Palisades Board approval, organization and qualification, authority relative to the Arrangement Agreement, absence of certain violations, capitalization, reporting status and Securities Laws, ownership of subsidiaries, owned property, Palisades public filings, financial statements, internal controls and financial reporting, books and records, undisclosed liabilities, material changes, litigation, Taxes, property, contracts, permits, environmental matters, regulatory matters, employee benefits, issuance of Consideration Shares, labour and employment, related party transactions, registration rights, restrictions on business activities, brokers, insurance, United States Securities Laws, arrangements with shareholders and the *Investment Canada Act*.

### **Conditions to the Arrangement Becoming Effective**

In order for the Arrangement to become effective, certain conditions must have been satisfied or waived which conditions are summarized below.

#### *Mutual Conditions*

The obligations of the Parties to complete the Arrangement are subject to the fulfillment, on or before the Effective Date, of each of the following conditions precedent, each of which may only be waived in whole or in part with the mutual consent of the Parties:

- the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, in form and substance satisfactory to each of Radio Fuels and Palisades, acting reasonably, and shall not have been set aside or modified in



a manner unacceptable to Radio Fuels or Palisades, acting reasonably, on appeal or otherwise;

- the Shareholder Approval shall have been obtained at the Meeting in accordance with the Interim Order;
- there shall not exist any prohibition at law, including a cease trade order, injunction or other prohibition or order at law or under applicable legislation, against Palisades or Radio Fuels which prevents the consummation of the Arrangement;
- the Arrangement Agreement shall not have been terminated in accordance with its terms; and
- the distribution of the securities pursuant to the Arrangement shall be exempt from the prospectus and registration requirements of applicable Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces and territories of Canada or by virtue of applicable exemptions under Securities Laws and shall not be subject to resale restrictions under applicable Securities Laws (other than as applicable to control persons or pursuant to Section 2.6 of NI 45-102); and
- the distribution of the Consideration Shares pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption.

#### *Additional Conditions in Favour of Palisades*

The obligations of Palisades to complete the transactions contemplated by the Arrangement Agreement shall also be subject to the fulfillment of each of the following conditions precedent (each of which is for the exclusive benefit of Palisades and may be waived by Palisades):

- all covenants of Radio Fuels under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by Palisades shall have been duly performed by Radio Fuels in all material respects, and Palisades shall have received a certificate of Radio Fuels addressed to Palisades and dated the Effective Time, signed by two executive officers on behalf of Radio Fuels (on Radio Fuels' behalf and without personal liability), confirming the same as at the Effective Date;
- all representations and warranties of Radio Fuels set forth in the Arrangement Agreement that are qualified by the expression "Material Adverse Effect" or other materiality qualifiers shall be true and correct in all respects, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), and all other representations and warranties made by Radio Fuels in the Arrangement Agreement that are not so qualified shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except for representations and warranties made as of a specified date the accuracy of which shall be determined as of that specified date);
- since the date of the Arrangement Agreement, there shall not have occurred any event, occurrence, development or circumstance that, individually or in the aggregate has had or would reasonably be expected to have a Material Adverse Effect on Radio Fuels;

- there shall be no action or proceeding pending by a Governmental Entity that is reasonably likely to enjoin or prohibit Palisades' ability to acquire, hold, or exercise full rights of ownership over, any Common Shares or if the Arrangement is completed, have a Material Adverse Effect on Palisades;
- the Key Regulatory Approvals and Key Third Party Consents required to be obtained by Radio Fuels shall have been obtained;
- holders of no more than 5% of the Common Shares shall have exercised Dissent Rights; and
- Radio Fuels has received effective resignations and mutual releases (in a form satisfactory to Palisades, acting reasonably) of each member of the Radio Fuels Board and each member of the board of directors of its subsidiaries, effective as of the Effective Date.

*Additional Conditions in Favour of Radio Fuels*

The obligations of Radio Fuels to complete the transactions contemplated by the Arrangement Agreement shall also be subject to the fulfillment of each of the following conditions precedent (each of which is for the exclusive benefit of Radio Fuels and may be waived by Radio Fuels):

- all covenants of Palisades under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by Radio Fuels shall have been duly performed by Palisades in all material respects, and Radio Fuels shall have received a certificate of Palisades, addressed to Radio Fuels and dated the Effective Time, signed on behalf of Palisades by two executive officers of Palisades (on Palisades' behalf and without personal liability), confirming the same as at the Effective Date;
- all representations and warranties of Palisades set forth in the Arrangement Agreement that are qualified by the expression "Material Adverse Effect" or other materiality qualifiers shall be true and correct in all respects, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), and all other representations and warranties made by Palisades in the Arrangement Agreement that are not so qualified shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except for representations and warranties made as of a specified date the accuracy of which shall be determined as of that specified date);
- since the date of the Arrangement Agreement, there shall not have occurred any event, occurrence, development or circumstance that, individually or in the aggregate has had or would reasonably be expected to have a Material Adverse Effect on Palisades;
- there shall be no action or proceeding pending by a Governmental Entity that is reasonably likely to enjoin or prohibit Radio Fuels' ability to consummate the Arrangement;
- the Key Regulatory Approvals and Key Third Party Consents required to be obtained by Palisades shall have been obtained;
- Palisades shall have delivered evidence satisfactory to Radio Fuels of the approval of the listing and posting for trading on the TSXV, subject only to satisfaction of the standard listing conditions, of the Consideration Shares at the Effective Time; and

- Palisades shall have complied with its obligations under Section 2.7 of the Arrangement Agreement and the Depositary shall have confirmed receipt of the Consideration Shares contemplated thereby.

## **Covenants**

### *Covenants of Radio Fuels Regarding the Conduct of Business*

Radio Fuels has covenanted in favour of Palisades that it will, and will cause its subsidiaries to, among other things, conduct its business and affairs and maintain its properties and facilities in, and not take any action except in, the ordinary course of business consistent with past practice, including to: use commercially reasonable efforts to preserve intact its business and assets; comply in all material respects with applicable laws; make all necessary filings and applications required in connection with the Arrangement; and keep Palisades fully informed as to and consult with Palisades regarding, material decisions or actions.

### *Covenants of Radio Fuels Relating to the Arrangement*

Radio Fuels further covenanted, subject to the terms and conditions of the Arrangement Agreement, to perform all obligations required to be performed by Radio Fuels under the Arrangement Agreement, cooperate with Palisades in connection therewith, and use commercially reasonable efforts to do such other acts and things as may be necessary or desirable in order to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement.

### *Covenants of Palisades Regarding the Conduct of Business*

Palisades has covenanted in favour of Radio Fuels that it will, and will cause its subsidiaries to, among other things, conduct its business and affairs and maintain its properties and facilities in, and not take any action except in, the ordinary course of business consistent with past practice, including to: use commercially reasonable efforts to preserve intact its business and assets; comply in all material respects with applicable laws; make all necessary filings and applications required in connection with the Arrangement; and keep Radio Fuels fully informed as to and consult with Radio Fuels regarding, material decisions or actions.

### *Covenants of Palisades Relating to the Arrangement*

Palisades further covenanted, subject to the terms and conditions of the Arrangement Agreement, to perform all obligations required to be performed by Palisades under the Arrangement Agreement, cooperate with Radio Fuels in connection therewith, and use commercially reasonable efforts to do such other acts and things as may be necessary or desirable in order to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement.

### *Mutual Covenants*

Each of the Parties covenanted to and agreed that, except as contemplated in the Arrangement Agreement, during the period from the date of the Arrangement Agreement until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms:

- (a) it shall, and shall cause its subsidiaries to, use commercially reasonable efforts to take, or cause to be taken, as promptly as practicable, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Plan of Arrangement;
- (b) it shall not take any action, refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, which is inconsistent with the Arrangement Agreement or which would reasonably be expected to significantly impede the making or completion of the Plan of Arrangement except as permitted by the Arrangement Agreement; and
- (c) it shall use its commercially reasonable efforts to ensure that the Section 3(a)(10) Exemption is available for the issuance of Consideration Shares to the Shareholders in exchange for their Common Shares pursuant to the Plan of Arrangement.

### **Non-Solicitation and Acquisition Proposal**

Each Party has covenanted to the other Party that it shall, and shall direct and cause its respective officers, directors, employees, representatives, advisors and agents and its subsidiaries and their representatives, advisors, agents, officers, directors and employees (collectively, the "**Representatives**") to immediately cease and cause to be terminated any solicitation, encouragement, activity, discussion or negotiation with any parties that may be ongoing with respect to an Acquisition Proposal whether or not initiated by such Party, and each Party shall request the return of information regarding such Party and its respective material subsidiaries previously provided to such parties and shall request the destruction of all materials including or incorporating any confidential information regarding such Party and its material subsidiaries.

Each Party has covenanted to the other Party not to release any third party from any confidentiality agreement relating to a potential Acquisition Proposal to which such third party is a party. Each Party has covenanted to the other Party not to release any third party from any standstill or similar agreement or obligation to which such third party is a party or by which such third party is bound (it being understood and agreed that the automatic termination of a standstill provision due to the announcement of the Arrangement or the entry into the Arrangement Agreement shall not be a violation of Section 7.2(a) of the Arrangement Agreement).

Each Party has covenanted to the other Party that it shall not, directly or indirectly, through its Representatives or its subsidiaries:

- (a) make, solicit, initiate, entertain, encourage, promote or facilitate, including by way of furnishing information, permitting any visit to its facilities or properties or entering into any form of agreement, arrangement or understanding, any inquiries or the making of any proposals regarding an Acquisition Proposal or that may be reasonably be expected to lead to an Acquisition Proposal;
- (b) participate, directly or indirectly, in any discussions or negotiations regarding, or furnish to any person any information or otherwise co-operate with, respond to, assist or participate in any Acquisition Proposal or potential Acquisition Proposal provided however that a Party may communicate and participate in discussions with a third party for the purpose of (A) clarifying the terms of any proposal in order to determine if it may reasonably be expected to result in a Superior Proposal; and (B)

advising such third party that an Acquisition Proposal does not constitute a Superior Proposal and cannot reasonably be expected to result in a Superior Proposal;

- (c) remain neutral with respect to, or agree to, approve or recommend any Acquisition Proposal or potential Acquisition Proposal for longer than five (5) Business Days following formal announcement of such Acquisition Proposal;
- (d) withdraw, modify, qualify or change in a manner adverse to any other Party, or publicly propose to or publicly state that it intends to withdraw, modify, qualify or change in a manner adverse to the other Party the approval, recommendation or declaration of advisability of its board of directors of the Arrangement (a "**Change in Recommendation**") (it being understood that failing to affirm the approval or recommendation of its board of directors of the Arrangement within five (5) Business Days after an Acquisition Proposal relating to such Party has been publicly announced shall be considered an adverse modification);
- (e) enter into any agreement, arrangement or understanding related to any Acquisition Proposal or requiring it to abandon, terminate or fail to consummate the Arrangement or providing for the payment of any break, termination or other fees or expenses to any person in the event that the Arrangement is completed or in the event that it completes any other transaction with the other Party or with an affiliate of the other Party that is agreed to prior to any termination of the Arrangement Agreement; or
- (f) make any public announcement to do any of the foregoing.

### **Responding to Acquisition Proposals and Superior Proposals**

Notwithstanding the foregoing and any other provisions of the Arrangement Agreement:

- (a) The board of directors of a Party (in this section, the "**Solicited Party**") may consider, participate in any discussions or negotiations with and provide information to, any person who has delivered a written Acquisition Proposal which was not solicited or encouraged by the Solicited Party after the date of the Arrangement Agreement and did not otherwise result from a breach of the non-solicitation provisions of the Arrangement Agreement by the Solicited Party and that its board of directors determines in good faith, after consultation with its financial advisor and outside legal counsel would reasonably be expected to lead to a Superior Proposal, provided however, that prior to taking any such action the board of directors of the Solicited Party determines in good faith, after consultation with outside counsel that it is necessary to take such action in order to discharge properly its fiduciary duties, and if the Solicited Party provides confidential non-public information to such person, the Solicited Party obtains a confidentiality and standstill agreement from the person making such Acquisition Proposal that is substantively the same as the confidentiality agreement between the Parties hereto, and otherwise on terms no more favourable to such person than such confidentiality agreement, including a standstill provision at least as stringent as contained in such confidentiality agreement; provided, however, that such agreement shall not preclude such person from making a Superior Proposal and such agreement shall not restrict or prohibit the Solicited Party from disclosing to the other Party any details concerning the Acquisition Proposal or any Superior Proposal made by such person.

- (b) The Solicited Party shall be permitted to provide such person with access to information regarding the Solicited Party; provided that the Solicited Party sends a copy of any such confidentiality agreement to the other Party promptly upon its execution and the other Party is provided with a list of the information provided to such person and is immediately provided with access to similar information to which such person was provided;
- (c) Nothing contained in this section shall prohibit the Radio Fuels Board or the Palisades Board, as applicable, from:
  - (i) responding through a directors' circular or otherwise making disclosure to Shareholders or Palisades Shareholders as required by law to an Acquisition Proposal, provided that to the extent practicable the applicable Party shall provide the other Party and its outside legal counsel with a reasonable opportunity to review the form and content of such circular or other disclosure;
  - (ii) or calling and/or holding a shareholder meeting, requisitioned in accordance with applicable laws or taking any other action with respect to an Acquisition Proposal to the extent ordered or otherwise mandated by a Governmental Entity or court of competent jurisdiction.

Each Party has covenanted to promptly (and in any event within 24 hours) notify the other Party, at first orally and then in writing, of any proposals, offers or written inquiries relating to or constituting an Acquisition Proposal, or any request for non-public information relating to such Party or any of its subsidiaries. Such notice shall include a description of the terms and conditions of any proposal, inquiry or offer, the identity of the person making such proposal, inquiry or offer and provide such other details of the proposal, inquiry or offer as the other Party may reasonably request. Each Party shall keep the other Party fully informed on a prompt basis of the status, including any change to the material terms, of any such inquiry, proposal or offer.

Each Party shall ensure that its officers, directors and employees and its subsidiaries and their officers, directors, employees and any financial advisors or other advisors or Representatives retained by it are aware of the provisions of Section 7.2 of the Arrangement Agreement, and it shall be responsible for any breach of Section 7.2 of the Arrangement Agreement by such officers, directors, financial advisors or other advisors or Representatives.

### **Right to Match**

Each Party has covenanted that it will not accept, approve, endorse, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal (other than a confidentiality and standstill agreement permitted by the non-solicitation provisions of the Arrangement Agreement) unless:

- (a) the Solicited Party has provided the other Party with a copy of all documentation related to and detailing the Superior Proposal;
- (b) the Solicited Party has provided the other Party with the information regarding such Superior Proposal required under the Arrangement Agreement;
- (c) the board of directors of the Solicited Party has determined in good faith after

consultation with outside legal counsel and its financial advisors that it is necessary in order for the board of directors to discharge properly its fiduciary duties to withdraw or modify its approval or recommendation of the Arrangement Agreement and to approve or recommend such Superior Proposal; and

- (d) five (5) Business Days (the "**Matching Period**") shall have elapsed from the later of the date the other Party received a Superior Proposal notice advising it that the Solicited Party's board of directors has resolved to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal subject only to Section 7.3 of the Arrangement Agreement, and the date such Party received a copy of such Superior Proposal document.

During the Matching Period, the receiving Party agrees that the other Party shall have the right, but not the obligation, to offer in writing to amend the terms of the Arrangement Agreement. The board of directors of the Solicited Party will review any written proposal to amend the terms of the Arrangement Agreement in good faith in order to determine, in its discretion in the exercise of its fiduciary duties, whether the amended proposal would, upon acceptance by the Solicited Party, result in such Superior Proposal ceasing to be a Superior Proposal. If the board of directors of the Solicited Party so determines, the Solicited Party will enter into an amended agreement with the other Party reflecting the amended proposal. If the board of directors of the Solicited Party does not so determine, the Solicited Party may accept, approve, recommend or enter into an agreement, understanding or arrangement in respect of such Superior Proposal, subject to compliance with Section 7.4 of the Arrangement Agreement.

The board of the Solicited Party shall promptly reaffirm its recommendation of the Arrangement by news release after any Acquisition Proposal which is not determined to be a Superior Proposal is publicly announced or the Solicited Party determines that a proposed amendment to the terms of the Arrangement Agreement would result in an Acquisition Proposal constituting a Superior Proposal no longer being a Superior Proposal. The Solicited Party shall provide the other Party and its outside legal counsel with a reasonable opportunity to review the form and content of any such news release and shall make all reasonable amendments to such news release as requested by the other Party and its legal counsel.

If the Meeting is to be held during the Matching Period, Radio Fuels may, and shall at the request of Palisades, postpone or adjourn the Meeting to a date that is not more than fifteen (15) days after the scheduled date of the Meeting, but in any event the Meeting shall not be postponed or adjourned to a date that would prevent the Effective Date from occurring prior to the Outside Date.

### **Termination of the Arrangement Agreement**

Subject to payment of the Termination Fee where applicable, the Arrangement Agreement may be terminated and the Arrangement may be abandoned at any time prior to the Effective Time:

1. by mutual written agreement of Palisades and Radio Fuels; or
2. by either Palisades or Radio Fuels, if
  - (a) the Effective Time shall not have occurred on or before the Outside Date, except that this right to terminate the Arrangement Agreement shall not be available to any Party whose failure to fulfill any of its obligations or whose breach of any of its representations and warranties under the Arrangement Agreement has been the

cause of, or directly resulted in, the failure of the Effective Time to occur by such Outside Date; or

- (b) after the date of the Arrangement Agreement, there shall be enacted or made any applicable law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Radio Fuels or Palisades from consummating the Arrangement and such applicable law (if applicable) or injunction shall have become final and non-appealable provided that the Party seeking to terminate the Arrangement Agreement pursuant to this section has used its commercially reasonable efforts, to, as applicable, prevent, appeal or overturn such law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement; or
- (c) the Arrangement Resolution shall have failed to obtain the Shareholder Approval at the Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order provided that a Party may not terminate the Arrangement Agreement pursuant to this section if the failure to obtain the approval of the Shareholders has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement.

3. by Palisades, if:

- (a) the Radio Fuels Board makes a Change in Recommendation; or
- (b) subject to the notice and cure provisions of the Arrangement Agreement, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Radio Fuels set forth in the Arrangement Agreement (other than the non-solicitation provisions) shall have occurred that would cause the mutual conditions or conditions set forth in Section 6.1 or Section 6.2 of the Arrangement Agreement not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date; provided that such Palisades is not then in breach of the Arrangement Agreement so as to cause any of the mutual conditions or conditions set forth in Section 6.1 or Section 6.3 of the Arrangement Agreement not to be satisfied; or
- (c) Radio Fuels is in breach or in default of any of its non-solicitation obligations or covenants set forth in the Arrangement Agreement other than an immaterial breach of same to provide notice of an Acquisition Proposal to Palisades within a prescribed period; or
- (d) The Meeting has not occurred on or before February 21, 2025, provided that this right to terminate the Arrangement Agreement shall not be available to Palisades if the failure by Palisades to fulfil any obligation under the Arrangement Agreement is the cause of, or results in, the failure of the Meeting to occur on or before such date; or
- (e) Radio Fuels enters into a legally binding agreement relating to a Superior Proposal (other than a confidentiality agreement permitted by and in accordance with Section 7.2(c)(i)(C) of the Arrangement Agreement); or



- (f) any of the mutual conditions or conditions for the benefit of such Party is not satisfied, and such condition is incapable of being satisfied by the Outside Date;
4. by Radio Fuels, if:
- (a) prior to the approval of the Arrangement Resolution at the Meeting, Radio Fuels enters into a legally binding agreement with respect to a Superior Proposal; provided that concurrently with such termination, Radio Fuels pays the Termination Fee; or
  - (b) subject to the notice and cure provisions of the Arrangement Agreement, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Palisades set forth in the Arrangement Agreement (other than the non-solicitation provisions) shall have occurred that would cause the mutual conditions or conditions set forth in Section 6.1 or Section 6.3 of the Arrangement Agreement not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date; provided that such Radio Fuels is not then in breach of the Arrangement Agreement so as to cause any of the mutual conditions or conditions set forth in Section 6.1 or Section 6.2 of the Arrangement Agreement not to be satisfied; or
  - (c) any of the mutual conditions or conditions for the benefit of such Party is not satisfied, and such condition is incapable of being satisfied by the Outside Date.

#### *Expenses*

Except as otherwise provided in the Arrangement Agreement, all fees, costs and expenses incurred in connection with the Arrangement Agreement and the Arrangement will be paid by the Party incurring such fees, costs or expenses.

#### *Termination Fee*

If Radio Fuels enters into an agreement, understanding or arrangement to effect an Acquisition Proposal that is a Superior Proposal, makes a Change in Recommendation in respect of the Arrangement or breaches the non-solicitation provisions of the Arrangement Agreement and Palisades terminates the Arrangement Agreement, then Radio Fuels will pay or cause to be paid to Palisades the Termination Fee, being \$700,000.

In addition to the foregoing, if the Arrangement Agreement is terminated due to the failure by Shareholders to approve the Arrangement Resolution at the Meeting, and prior to the termination of the Arrangement Agreement, an Acquisition Proposal, or the intention to make an Acquisition Proposal with respect to Radio Fuels has been made to Radio Fuels or publicly announced and not withdrawn prior to the Meeting and within twelve (12) months of the date of such termination:

1. the announced Acquisition Proposal is consummated by Radio Fuels; or
2. Radio Fuels and/or one or more of its subsidiaries, in one or more transactions, enters into an agreement in respect of any Acquisition Proposal and such Acquisition Proposal is later consummated or effected,

provided that, for the purposes of the above "20%" in the definition of "Acquisition Proposal" shall be deemed to be references to "50%", then Radio Fuels will pay to Palisades the Termination Fee within two (2) Business Days following the closing of the applicable transaction.

### **Amendment**

The Arrangement and the Arrangement Agreement may, at any time before or after the Meeting, but not later than the Effective Time, be amended by mutual written agreement of the Parties and any such amendment may, subject to the Interim Order and the Final Order and applicable law, without limitation:

- change the time for performance of any of the obligations or acts of the Parties;
- waive any inaccuracies or modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement;
- waive compliance with or modify any of the covenants in the Arrangement Agreement and waive or modify the performance of any of the obligations of the Parties; or
- waive compliance with or modify any mutual conditions precedent in the Arrangement Agreement;

provided, however, that notwithstanding the foregoing: (i) following the relevant meeting, the corresponding share consideration will not be amended without the approval of the relevant shareholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court; and (ii) the Arrangement Agreement and the Arrangement may be amended in accordance with the Final Order but, in the event that the terms of the Final Order requires any such amendment, the Parties agree to act reasonably in considering such amendment.

### **RIGHTS OF DISSENTING SHAREHOLDERS**

The following description of the rights of Registered Shareholders as of the close of business on the Record Date to dissent from the Arrangement Resolution is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of their Common Shares ("**Dissent Shares**"). The statutory provisions dealing with the right of dissent are technical and complex. A Registered Shareholder's failure to strictly comply with the procedures set forth in Section 190 of the CBCA, as modified or supplemented by the Interim Order, Plan of Arrangement and any other order of the Court, may result in the loss of such Registered Shareholder's Dissent Rights.

If you are a Registered Shareholder and wish to dissent, you should obtain your own legal advice and carefully read the Plan of Arrangement, the Interim Order and the provisions of Section 190 of the CBCA, which are attached to this Circular as Appendix B, Appendix C and Appendix H, respectively.

A Registered Shareholder may dissent in respect of the Arrangement in accordance with Section 190 of the CBCA as modified by the Interim Order, Plan of Arrangement and any other order of the Court only with respect to all of the Common Shares held by such Shareholder or on behalf of any one beneficial owner and registered in the Shareholder's name, provided that Registered

Shareholder duly dissents to the Arrangement Resolution and the Arrangement Resolution becomes effective.

Only Registered Shareholders as of the close of business on the Record Date may exercise rights of dissent with respect to the Arrangement. Non-Registered Shareholders whose Common Shares are registered in the name of a broker, custodian, nominee or other Intermediary and who wish to dissent should be aware that only the Registered Shareholders are entitled to exercise Dissent Rights. Accordingly, a Non-Registered Shareholder will not be entitled to exercise his, her or its rights of dissent directly (unless the Common Shares are re-registered in the Non-Registered Shareholder's name).

A Non-Registered Shareholder who wishes to exercise the Dissent Rights must arrange for the Registered Shareholder(s) holding its Common Shares to deliver the Notice of Dissent and should seek further instructions to ensure the Registered Shareholder follows all necessary procedures in respect of such Dissent Rights on behalf of, or in conjunction with, such Non-Registered Shareholder. The Notice of Dissent must set out the number of Dissent Shares the Dissenting Shareholder holds.

A registered holder, such as a broker, who holds Common Shares as nominee for beneficial holders, some of whom wish to dissent, must exercise Dissent Rights on behalf of such beneficial owners with respect to the Common Shares held for such beneficial owners. In such case, the demand for dissent should set forth the number of Common Shares covered by it.

Registered Shareholders may exercise rights of dissent with respect to such Common Shares pursuant to and in the manner set forth in Section 190 of the CBCA, as modified or supplemented by the Interim Order, Plan of Arrangement and any other order of the Court.

Registered Shareholders who duly exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their Common Shares will be deemed to have transferred their Dissent Shares to Radio Fuels as of the Effective Time, without any further act or formality and free and clear of all Liens, and shall be entitled to be paid such fair value as determined as at the close of business on the day prior to the approval of the Arrangement Resolution; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Common Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Common Shares,

but in no case shall Radio Fuels, Palisades or any other person be required to recognize such holders as Shareholders after the Effective Time of the Arrangement, and the names of such Shareholders shall be deleted from the registers of Shareholders at the Effective Time of the Arrangement. **There can be no assurance that a Shareholder validly exercising Dissent Rights will receive consideration for its Common Shares of equal or greater value to the consideration that such Shareholder would have received on completion of the Arrangement.**

In order to exercise Dissent Rights, a Registered Shareholder is required to send a written notice to Radio Fuels to the attention of the individual set out below and be sent not later than 5:00 p.m. (Vancouver time) on January 28, 2025 or two Business Days prior to any date to which the Meeting may be postponed or adjourned, by mail or email to:

Radio Fuels Energy Corp.  
c/o Stikeman Elliott LLP  
Suite 1700 – 666 Burrard Street,  
Vancouver, British Columbia, V6C 2X8  
Attention: Victor Gerchikov  
Or by email to: vgerchikov@stikeman.com

and such written notice must strictly comply with the requirements of Section 190 of the CBCA as modified by the Interim Order, Plan of Arrangement and any other order of the Court (the "**Notice of Dissent**").

**A vote against the Arrangement Resolution or not voting on the Arrangement Resolution does not constitute a written objection for purposes of the Notice of Dissent under Section 190 of the CBCA as modified or supplemented by the Interim Order, Plan of Arrangement and any other order of the Court.** The exercise of Dissent Rights does not deprive a Registered Shareholder of the right to vote at the Meeting. However, a Registered Shareholder is not entitled to exercise Dissent Rights in respect of the Arrangement Resolution if such holder votes any of the Common Shares held by such holder in favour of the Arrangement Resolution.

Within 10 days after the approval of the Arrangement Resolution, the Company is required to notify each Dissenting Shareholder that the Arrangement Resolution has been approved. Such notice is not required to be sent to a registered Shareholder who voted for the Arrangement Resolution or who has, or was deemed to have, withdrawn a Notice of Dissent previously filed. A Dissenting Shareholder must, within 20 days after the Dissenting Shareholder receives notice that the Arrangement Resolution has been approved or, if the Dissenting Shareholder does not receive such notice, within 20 days after the Dissenting Shareholder learns that the Arrangement Resolution has been approved, send a Demand for Payment (as described in the CBCA) containing the Dissenting Shareholder's name and address, the number and class of Shares held by the Dissenting Shareholder, and a Demand for Payment of the fair value of such Common Shares. Within 30 days after sending a Demand for Payment, the Dissenting Shareholder must send to Radio Fuels, the certificates (if any) representing the Dissent Shares. A Dissenting Shareholder who fails to send the certificates representing the Dissent Shares has no right to make a claim under Section 190 of the CBCA. The Company will endorse on certificates received from a Dissenting Shareholder a notice that the holder is a Dissenting Shareholder under Section 190 of the CBCA and will forthwith return the certificates to the Dissenting Shareholder.

On the filing of a Demand for Payment (and in any event upon the Effective Date), a Dissenting Shareholder ceases to have any rights in respect of its Dissent Shares, other than the right to be paid the fair value of his, her or its, as the case may be, Dissent Shares as determined pursuant to Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, except where, prior to the date at which the Arrangement becomes effective: (i) the Dissenting Shareholder withdraws, or is deemed to have withdrawn, his, her or its, as the case may be, Demand for Payment before the Company makes an Offer to Pay (as defined in the CBCA) to the Dissenting Shareholder, (ii) an Offer to Pay is not made and the Dissenting Shareholder withdraws, or is deemed to have withdrawn, its Demand for Payment, or (iii) the Radio Fuels Board revokes the Arrangement Resolution, in which case the Company will reinstate the Dissenting Shareholder's rights in respect of its Dissent Shares as of the date the Demand for Payment was sent. Pursuant to the Plan of Arrangement, in no case will the Company, Palisades or any other Person be required to recognize any Dissenting Shareholder as a Shareholder after

the Effective Date, and the names of such Shareholders will be deleted from the list of registered Shareholders at the Effective Date.

In addition to any other restrictions under Section 190 of the CBCA, none of the following shall be entitled to exercise Dissent Rights: (i) Radio Fuels Warrantholders (in their capacity as holders of Radio Fuels Warrants), (ii) Shareholders who voted or have instructed a proxy holder to vote Common Shares in favour of the Arrangement Resolution, and (iii) any Person who is not a registered holder of Common Shares as of the close of business on the Record Date.

No later than seven days after the later of the Effective Date and the date on which a Demand for Payment of a Dissenting Shareholder is received, each Dissenting Shareholder who has sent a Demand for Payment must be sent a written Offer to Pay for its Dissent Shares in an amount considered by the Radio Fuels Board to be the fair value thereof, accompanied by a statement showing how the fair value was determined. Every Offer to Pay in respect of Dissent Shares must be on the same terms.

Payment for a Dissenting Shareholder's Dissent Shares must be made within 10 days after an Offer to Pay has been accepted by a Dissenting Shareholder, but any such Offer to Pay lapses if a written acceptance thereof is not received within 30 days after the Offer to Pay has been made. If an Offer to Pay for the Dissent Shares of a Dissenting Shareholder is not made, or if a Dissenting Shareholder fails to accept an Offer to Pay that has been made, an application to the Court to fix a fair value for the Dissent Shares of Dissenting Shareholders may be made by the Company within 50 days after the Effective Date or within such further period as the Court may allow. If no such application is made, a Dissenting Shareholder may apply to the Court for the same purpose within a further period of 20 days or within such further period as the Court may allow. A Dissenting Shareholder is not required to give security for costs in such an application.

Upon an application to the Court, all Dissenting Shareholders whose Dissent Shares have not been purchased will be joined as parties and bound by the decision of the Court, and each affected Dissenting Shareholder shall be notified of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel. Upon any such application to the Court, the Court may determine whether any other Person is a Dissenting Shareholder who should be joined as a party, and the Court will then fix a fair value for the Dissent Shares of all such Dissenting Shareholders. The Final Order of the Court will be rendered against the Company in favour of each Dissenting Shareholder joined as a party and for the amount of the Dissent Shares as fixed by the Court. The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each such Dissenting Shareholder from the Effective Date until the date of payment. Any judicial determination of fair value will result in delay of receipt by a Dissenting Shareholder of Consideration for such Dissenting Shareholder's Dissent Shares.

Dissent rights are only available to registered holders of Common Shares as of the close of business on the Record Date and no rights of dissent shall be available to holders of other securities of the Company.

If, as of the Effective Date, the aggregate number of Common Shares in respect of which Shareholders have duly and validly exercised Dissent Rights exceeds 5% of the Common Shares then outstanding, each of Radio Fuels and Palisades is entitled, in its discretion, not to complete the Arrangement.

*See "The Arrangement Agreement – Conditions to the Arrangement Becoming Effective."*

## **INFORMATION RELATING TO THE COMBINED COMPANY**

As a result of the Arrangement, immediately upon completion of the Arrangement, it is expected that Shareholders will hold 24% of the Combined Company and Palisades Shareholders will hold 76% of the Combined Company.

As of the Effective Time, the Combined Company will be managed by Collin Kettell, Chairman & Chief Executive Officer and Bassam Moubarak, Chief Financial Officer. In addition, the intended retention of Radio Fuels' technical team will encourage continued exploration of Radio Fuels' existing mineral exploration projects. The Board of Directors of the Combined Company will consist of Collin Kettell, Gregor Gregersen and Elizabeth Harrison.

The Combined Company will continue to execute on the historical and combined visions of Palisades and Radio Fuels of building a leading resource focused investment issuer looking to unlock value in early-stage public resource companies with high-quality projects and a mineral exploration company focused on realizing value in the Combined Company's assets. See "*Appendix F – Information Relating to the Combined Company*".

After the Effective Time, the Palisades Shares will continue to trade on the TSXV under the symbol "PALI".

For further information concerning the business and operations of the Combined Company following completion of the Arrangement and for pro-forma financial information regarding the Combined Company, see "*Appendix F – Information Relating to the Combined Company*".

## **INFORMATION RELATING TO PALISADES**

Palisades is a resource investment company and merchant bank focused on junior companies in the resource and mining sector. Palisades is focused on providing retail and institutional investors with exposure in the junior resource space. Palisades expects to continue to make investments, pursuant to its dual investment strategy, to achieve broad sector exposure with upside in the event of appreciation in mineral commodities prices, while also providing the potential to realize appreciation in net asset values as a result of discoveries by issuers in which Palisades holds larger positions. At present, Palisades has a portfolio of equity investments, or securities convertible into equity investments, in over 60 junior resource issuers. Shareholders who vote in favour of the Arrangement Resolution will be voting in favour of combining the businesses of Radio Fuels and Palisades.

Additional information with respect to the business and affairs of Palisades is set forth in "*Appendix G – Information Relating to Palisades*" to this Circular. Also refer to Palisades' public disclosure filings which may be found under Palisades' company profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **SECURITIES LAW CONSIDERATIONS**

### **Stock Exchange Approvals, Listing and Resale of Consideration Shares**

Each Shareholder is urged to consult such Shareholder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the Consideration Shares issuable pursuant to the Arrangement.

Radio Fuels is a reporting issuer in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba and Ontario. The Common Shares currently trade on the CSE under the symbol "CAKE" and on the OTCQB under the symbol "CKEFF". Radio Fuels has applied to the CSE for approval of the Arrangement and to delist the Common Shares upon completion of the Arrangement. Radio Fuels may proceed with the Arrangement subject to providing customary documentation and confirmations to the CSE in connection with the completion of the Arrangement.

Palisades is a reporting issuer in the provinces of British Columbia and Alberta. The Palisades Shares currently trade on the TSXV under the symbol "PALI". It is a condition of closing that Palisades will have obtained approval of the TSXV, subject only to the customary listing conditions of the TSXV. Palisades has applied to the TSXV to list the Consideration Shares and has applied for conditional approval for the Arrangement. Palisades has also applied to the TSXV to list the Radio Fuels Warrants (on a post-adjustment basis) on the TSXV.

Shareholders should be aware that the final approval of the Arrangement has not been given by the CSE or TSXV. Neither Radio Fuels nor Palisades provide any assurance that such approvals will be obtained.

See "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*".

The issuance of Consideration Shares pursuant to the Arrangement will constitute distributions of securities that are exempt from the prospectus requirements of applicable Securities Laws. Consideration Shares issued pursuant to the Arrangement may be resold in each province and territory of Canada, provided that: (i) Palisades is a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade; (ii) the trade is not a "control distribution" as defined in NI 45-102; (iii) no unusual effort is made to prepare the market or create a demand for those securities; (iv) no extraordinary commission or consideration is paid in respect of that trade; and (v) if the selling security holder is an "insider" or "officer" of Palisades (as such terms are defined by applicable Securities Laws), the insider or officer has no reasonable grounds to believe that Palisades is in default of applicable Securities Laws.

In connection with the completion of the Arrangement, the Combined Company will continue under the name "Palisades Goldcorp Ltd." and will continue to trade on the TSXV under the ticker symbol "PALI". Upon completion of the Arrangement, the Combined Company will become a reporting issuer in Alberta, British Columbia, Saskatchewan, Manitoba and Ontario.

Following the completion of the Arrangement, it is anticipated that the Company will be delisted from the CSE and the OTCQB and the Combined Company will apply to have the Company: (i) cease being a reporting issuer in all jurisdictions in which it is currently a reporting issuer; and (ii) continue under the jurisdiction of British Columbia.

### **Interests of Certain Persons and Companies in the Matters to be Acted Upon**

The directors and executive officers and other related parties of Radio Fuels may have interests in the Arrangement that are, or may be, different from, or in addition to, the interests of other Shareholders. These interests include those described herein. In considering the recommendation of the Radio Fuels Board with respect to the Arrangement, Shareholders should be aware that certain members of the Radio Fuels Board and of Radio Fuels' management have interests in connection with the transactions contemplated by the Arrangement that may create actual or potential conflicts of interest in connection with such transactions. The Radio Fuels Board is aware of these interests and considered them along with the other matters described

above in "*The Arrangement – Reasons for the Recommendation of the Radio Fuels Special Committee*".

Palisades and Radio Fuels are considered to be non-arm's length parties as defined by the TSXV policies because they have two of the same insiders. Collin Kettell, Chairman & CEO of Palisades, is also an insider of Radio Fuels on account of owning approximately 37,155,885 Common Shares, representing approximately 14.87% of the outstanding Common Shares as of the date hereof. Michael Parker, a greater than 10% shareholder of Palisades is also a greater than 10% Shareholder of Radio Fuels on account of owning approximately 26,899,967 Common Shares, representing approximately 10.77% of the outstanding Common Shares as of the date hereof. The provisions of the Arrangement Agreement are the result of arm's length negotiations between representatives of Palisades and Radio Fuels and their respective advisors as overseen by the respective special committees of Radio Fuels and Palisades.

As of the date of this Circular, Palisades does not own, directly or indirectly, or exercise control or direction over, any Common Shares. Palisades has not purchased or sold any securities of Radio Fuels during the 12 months preceding the announcement of the Arrangement Agreement.

### *Common Shares*

As of December 20, 2024 the directors and officers of Radio Fuels, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of approximately 1,601,502 Common Shares, representing approximately 0.64% of the outstanding Common Shares on a fully-diluted basis. All of the Common Shares held by the directors and officers of Radio Fuels will be treated in the same fashion under the Arrangement as Common Shares held by every other Shareholder.

The following table sets out the Common Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by the directors and officers and certain shareholders of Radio Fuels, as of the date of this Circular:

<b>Common Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised</b>			
<b>Name</b>	<b>Position with Radio Fuels</b>	<b>Common Shares</b>	<b>% Common Shares Outstanding <sup>(1)</sup></b>
<b>Philip O'Neill</b>	CEO and Director	1,315,000	0.53%
<b>Jack Campbell</b>	Chairman and Director	286,502	0.11%

**NOTES:**

(1) Based on 249,882,911 Common Shares issued and outstanding as at December 20, 2024.



The following table sets out the Common Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by the directors and officers of Palisades, as of the date of this Circular:

<b>Common Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised</b>			
<b>Name</b>	<b>Position with Palisades</b>	<b>Common Shares</b>	<b>% Common Shares Outstanding <sup>(1)</sup></b>
<b>Collin Kettell</b>	CEO and Director	37,155,885	14.87%
<b>Gregor Gregersen</b>	Director	977,265	0.39%

**NOTES:**

(1) Based on 249,882,911 Common Shares issued and outstanding as at December 20, 2024.

*Palisades Shares*

Certain directors, officers and shareholders of Radio Fuels also own Palisades Shares. The following table sets out the Palisades Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by the directors and officers and certain shareholders of Radio Fuels, as of the date of this Circular:

<b>Palisades Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised</b>			
<b>Name</b>	<b>Position with Radio Fuels</b>	<b>Palisades Shares</b>	<b>% Palisades Shares Outstanding <sup>(1)</sup></b>
Collin Kettell	Insider (greater than 10% of Common Shares)	13,542,806	28.27%
Michael Parker	Insider (greater than 10% of Common Shares)	8,355,891	17.44%
Jack Campbell	Director	67,930	0.14%

**NOTES:**

(1) Based on 47,903,977 Palisades Shares issued and outstanding as at December 20, 2024.

**Insurance and Indemnification of Directors and Officers**

The Arrangement Agreement provides that prior to the Effective Date Palisades will, or will cause Radio Fuels and its subsidiaries to, maintain in effect without any reduction in scope or coverage for six years from the Effective Date customary policies of directors' and officers' liability insurance providing protection no less favourable to the protection provided by the policies maintained by Radio Fuels and its material subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date; provided, however, that Palisades acknowledges and agrees that prior to the Effective Date, Radio Fuels may, in the alternative, purchase run off directors' and officers' liability insurance for a period of up to six years from the Effective Date with the prior written consent of Palisades.

Palisades agrees that it shall directly honour all rights to indemnification or exculpation now existing in favour of present and former officers and directors of Radio Fuels and its material subsidiaries and acknowledges that such rights shall survive the completion of the Plan of Arrangement and shall continue in full force and effect.

### **MI 61-101**

The securities regulatory authorities in each of Alberta, Manitoba, Ontario, New Brunswick and Quebec have adopted MI 61-101, which regulates certain types of transactions to ensure equality of treatment among securityholders and may require enhanced disclosure, approval by minority security holders (excluding Interested Parties), independent valuations and, in certain instances, approval and oversight of certain transactions by a special committee of independent directors. As a reporting issuer in Alberta, Manitoba, and Ontario and as an issuer listed on the CSE (and therefore subject to CSE Policy 4), Radio Fuels is subject to the requirements of MI 61-101. Additionally, as an issuer reporting in Alberta and listed on the TSXV (and therefore subject to TSXV Corporate Finance Manual Policy 5.9), Palisades is also subject to the requirements of MI 61-101.

The Arrangement does not constitute an issuer bid, an insider bid, business combination or a related party transaction under MI 61-101.

### **United States Securities Law Matters**

The following discussion is only a general overview of certain requirements of U.S. federal Securities Laws that may be applicable to the holders of the Common Shares. All holders of such securities are urged to obtain legal advice to ensure that the resale of such securities complies with applicable U.S. federal and state Securities Laws.

#### *Exemption from U.S. Registration*

The Consideration Shares have not been and will not be registered under the U.S. Securities Act or any state Securities Laws, and such securities will be issued in reliance upon the Section 3(a)(10) Exemption and applicable state Securities Laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more bona fide outstanding securities, or partly in such exchange and partly for cash, from the registration requirements of the U.S. Securities Act where the terms and conditions of such issuance and exchange have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on December 19, 2024, and, subject to the approval of the Arrangement Resolution by the Shareholders, a hearing for a Final Order is expected to be held in a timely fashion following the Meeting, in order to close the Arrangement and related transactions in an orderly fashion, on February 3, 2025, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, or at some other date, time and location as the Court may direct. All Shareholders that will be receiving Consideration Shares are entitled to appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order. Accordingly, the Final Order granted by the Court will constitute the basis for the Section 3(a)(10) Exemption with respect to the Consideration Shares to be issued pursuant to the Arrangement.

### *Resale of Consideration Shares received under the Arrangement*

Any resale of Consideration Shares by an affiliate (as defined in Rule 144 under the U.S. Securities Act) or former affiliate of Palisades may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Any Shareholder who, after consummation of the Arrangement is an "affiliate" of Palisades or was, at any time during the 90 days immediately before the resale of any Consideration Shares, an "affiliate" of Palisades may not resell such Consideration Shares, unless such securities are registered under the U.S. Securities Act or an exemption from registration, such as the exemption contained in Rule 904 of Regulation S under the U.S. Securities Act, is available.

Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

In general, pursuant to Rule 904 of Regulation S under the U.S. Securities Act, former affiliates of Palisades and persons who are affiliates of Palisades solely by virtue of their status as an officer or director of such company, subject to certain exceptions, may sell Consideration Shares outside the United States in an "offshore transaction" as defined in Regulation S (which could include a sale through the TSXV) if neither the seller nor any of its affiliates nor any person acting on any of their behalf engages in "directed selling efforts" into the United States and, if the seller is an officer or director of Palisades, no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker's commission. For the purposes of Regulation S, "directed selling efforts" means, "any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered" in the sale transaction. Certain additional restrictions, as set forth in Regulation S, may be applicable. Pursuant to Rule 903 of Regulation S, additional restrictions are applicable to a holder of Palisades Shares who is an affiliate of Palisades after the Arrangement other than solely by virtue of his or her status as an officer or director of Palisades.

### *Exercise of Radio Fuels Warrants*

In accordance with the terms of each Radio Fuels Warrant and not as part of the Arrangement, each Radio Fuels Warrant outstanding immediately prior to the Arrangement will be automatically adjusted such that upon the subsequent exercise of such Radio Fuels Warrants, in accordance with their terms, the Radio Fuels Warrantholders shall receive, and shall accept, upon the exercise of the Radio Fuels Warrants, in lieu of Common Shares, such number of Palisades Shares as the Radio Fuels Warrantholder would have been entitled to receive if they had exercised their Radio Fuels Warrant immediately prior to the completion of the Arrangement. The Section 3(a)(10) Exemption covers the exchange of only those Consideration Shares issued at the time of the Arrangement. Radio Fuels Warrants may not be exercised in the United States or by or for the account or benefit of a U.S. person (as defined in Regulation S) or person in the United States unless available exemptions from the registration requirements of the U.S. Securities Act and applicable state Securities Laws are available, and any Palisades Shares issued upon any such exercise will be subject to resale restrictions under the U.S. Securities Act and applicable state Securities Laws.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes, as at the date of this Circular, the principal Canadian federal income tax considerations under the Tax Act of the Arrangement generally applicable to a beneficial owner of Common Shares who, at all relevant times, for purposes of the Tax Act: (i) deals at arm's length with Radio Fuels and Palisades; (ii) is not affiliated with Radio Fuels or Palisades; and (iii) holds its Common Shares and will hold the Palisades Shares received upon the Arrangement, as capital property (a "**Holder**").

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

This summary is not applicable to a Holder: (i) that is a "specified financial institution" for the purposes of the Tax Act; (ii) that is a "financial institution" for the purposes of the mark-to-market rules in the Tax Act; (iii) an interest in which is a "tax shelter investment" for the purposes of the Tax Act; (iv) that has elected to report its "Canadian tax results" (as defined the Tax Act) in a currency other than Canadian currency; (v) that is a foreign affiliate, as defined in the Tax Act, of a taxpayer resident in Canada; (vi) that received Common Shares upon the exercise of a stock option or other form of employee compensation plan or arrangement; (vii) that has entered into or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", each as defined in the Tax Act, in respect of the Common Shares or Palisades Shares; (viii) that receives dividends on the Palisades Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act); (ix) that is exempt from tax under the Tax Act; or (x) that, immediately following the Arrangement, will, either alone or together with persons with whom such Holder does not deal at arm's length, either control Palisades or beneficially own shares of Palisades which have a fair market value in excess of 50% of the fair market value of all outstanding shares of the capital stock of Palisades. In addition, this summary does not address the income tax considerations to holders of Radio Fuels Warrants. Such Holders should consult their own tax advisors.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada or a corporation that does not deal at arm's length (for the purposes of the Tax Act) with a corporation resident in Canada and is, or becomes as part of a transaction or event or series of transactions or events that includes the Arrangement, controlled by a non-resident person or group of non-resident persons that do not deal with each other at arm's length for the purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors.

This summary is based on the facts set out in this Circular, the current provisions of the Tax Act in force as of the date hereof, and on an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available in writing prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, regulatory, administrative or judicial action nor does it take into account any other federal,

provincial, territorial or foreign tax legislation or considerations, which may differ from those discussed herein.

**This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any Holder. Accordingly, Holders should consult their own tax advisors for advice as to the income tax consequences to them of the Arrangement in their particular circumstances.**

### **Holders Resident in Canada**

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the application of the Tax Act and any applicable income tax treaty or convention is, or is deemed to be, resident in Canada (a "**Resident Holder**"). Certain Resident Holders whose Common Shares or Palisades Shares might not otherwise qualify as capital property may be entitled to have such shares, and every other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year and any subsequent taxation year, deemed to be capital property by making an irrevocable election in accordance with subsection 39(4) of the Tax Act. Resident Holders considering making such an election should consult their own tax advisors for advice as to whether the election is available or advisable in their own particular circumstances.

#### *Exchange of Common Shares for Palisades Shares*

Pursuant to the Arrangement, a Resident Holder, other than a Dissenting Resident Holder (as defined below), will exchange their Common Shares for Palisades Shares. Such Resident Holder will generally be deemed to have disposed of such Common Shares on a tax-deferred basis pursuant to section 85.1 of the Tax Act, unless such Resident Holder chooses to recognize a capital gain (or capital loss), as described in the immediately following paragraph. More specifically, where a Resident Holder does not choose to recognize a capital gain (or capital loss) on the exchange, the Resident Holder will be deemed to have disposed of the Common Shares for proceeds of disposition equal to the adjusted cost base of the Common Shares to such Resident Holder, determined immediately before the Effective Time, and the Resident Holder will be deemed to have acquired the Palisades Shares at an aggregate cost equal to such adjusted cost base of the Common Shares. The cost of such Palisades Shares acquired in exchange for the Common Shares pursuant to the Arrangement will be averaged with the adjusted cost base of all other Palisades Shares held by the Resident Holder as capital property for the purpose of determining the adjusted cost base of each Palisades Share held by the Resident Holder.

A Resident Holder who exchanges Common Shares for Palisades Shares pursuant to the Arrangement and who chooses to treat the exchange as a taxable transaction can do so by including any portion of the capital gain (or capital loss) otherwise determined in computing the Resident Holder's income for the taxation year in which the exchange takes place. In such circumstances, the Resident Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the fair market value of the Palisades Shares received exceeds (or is less than) the aggregate of the adjusted cost base of the Common Shares to the Resident Holder, determined immediately before the Effective Time, and any reasonable costs of disposition. In such circumstances, the cost of the Palisades Shares acquired on the exchange will be equal to the fair market value thereof at the time of the exchange. This cost will be averaged with the adjusted cost base of all other Palisades Shares held by the Resident Holder as capital property for the purpose of determining the adjusted cost base of such Palisades Shares held as capital property. For a description of the tax treatment of capital gains and capital losses, see "*Certain*

*Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses" below.*

#### *Dissenting Resident Holders*

A Resident Holder who exercises Dissent Rights in respect of the Arrangement (a "**Dissenting Resident Holder**") and who disposes of Common Shares in consideration for an entitlement to payment of the fair market value of such Common Shares from Radio Fuels will be deemed to have received a taxable dividend from Radio Fuels equal to the amount by which the amount received from Radio Fuels (other than any portion of the payment that is interest awarded by a court) exceeds the paid-up capital of the Dissenting Resident Holder's Common Shares (calculated in accordance with the Tax Act). A Dissenting Resident Holder will be considered to have disposed of such Dissenting Resident Holder's Common Shares for proceeds of disposition equal to the amount received by the Dissenting Resident Holder (other than any portion of the payment that is interest awarded by a court) less the amount of any deemed dividend described above. The Dissenting Resident Holder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Dissenting Resident Holder's Common Shares.

Any deemed dividend deemed received by a Dissenting Resident Holder and any capital gain or capital loss realized by a Dissenting Resident Holder in respect of their disposition of the Common Shares, will be treated in the same manner as described below in respect of the Palisades Shares under the headings "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dividends on Palisades Shares*" and "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Interest, if any, awarded to a Dissenting Resident Holder by the Court will be included in the Dissenting Resident Holder's income for the purposes of the Tax Act.

Dissenting Resident Holders should consult their own tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.

#### *Dividends on Palisades Shares*

A Resident Holder who is an individual (including certain trusts) will be required to include in income any dividends received or deemed to be received on the Resident Holder's Palisades Shares and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by Palisades as "eligible dividends", as defined in the Tax Act. There may be limitations on the ability of Palisades to designate dividends as eligible dividends.

A Resident Holder that is a corporation will be required to include in income any dividend received or deemed to be received on the Resident Holder's Palisades Shares, but generally will be entitled to deduct an equivalent amount in computing taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to have been received by a Resident Holder that is a corporation as proceeds of a disposition or a capital gain and not as a dividend. Accordingly, Resident Holders that are corporations should consult their own tax advisors for specific advice with respect to the potential application of this provision.

A "private corporation" or a "subject corporation" (as defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on any dividend that it receives or is deemed to receive on Palisades Shares to the extent that the dividend is deductible in computing the corporation's taxable income. A "subject corporation" is generally a corporation (other than a private corporation) resident in Canada and controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts).

Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

### *Disposing of Palisades Shares*

Generally, on a disposition or deemed disposition of a Palisades Share (other than in a tax deferred transaction or a disposition to Palisades that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market), a Resident Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder of the Palisades Share immediately before the disposition or deemed disposition and any reasonable costs of disposition. For a description of the tax treatment of capital gains and capital losses, see "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*" below.

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

Subject to the Capital Gains Proposals (as defined below), a Resident Holder will generally be required to include in computing income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in that taxation year. Subject to the Capital Gains Proposals a Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in that taxation year (subject to and in accordance with rules contained in the Tax Act). Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years to the extent and under the circumstances specified by the Tax Act.

Proposed Amendments related to the capital gains inclusion rate (the "**Capital Gains Proposals**") would increase a Resident Holder's capital gains inclusion rate for a taxation year ending after June 24, 2024, from one-half to two-thirds, subject to a transitional rule applicable for taxation years beginning on or before June 24, 2024 and ending on or after June 25, 2024 that would reduce the capital gains inclusion rate for that taxation year to, in effect, be one-half for net capital gains realized before June 25, 2024. The Capital Gains Proposals also include provisions that would generally offset the increase in the capital gains inclusion rate for up to \$250,000 of net capital gains realized (or deemed to be realized) by Resident Holders that are individuals (including certain trusts) in the year that are not offset by net capital losses carried back or forward from another taxation year. The Capital Gains Proposals also provide that capital losses realized prior to June 25, 2024, which are deductible against capital gains included in income for the 2024 or subsequent taxation years, will offset an equivalent capital gain regardless of the inclusion rate which applied at the time such capital losses were realized.

The foregoing summary only generally describes the considerations applicable under the Capital Gains Proposals and is not an exhaustive summary of the considerations that could arise in

respect of the Capital Gains Proposals. The Capital Gains Proposals are complex and their application to a particular Resident Holder will depend on the Resident Holder's particular circumstances. Resident Holders should consult their own tax advisors with regard to the Capital Gains Proposals.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a share may be reduced by the amount of certain dividends previously received (or deemed to be received) by the Resident Holder on such share (or another share where the share has been acquired in exchange for such other share) to the extent and under circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns a share or where a trust or partnership of which a corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such share. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

#### *Additional Refundable Tax*

A Resident Holder that: (i) throughout a relevant taxation year, is a "Canadian-controlled private corporation" (as defined in the Tax Act), or (ii) at any time in a relevant taxation year, is a "substantive CCPC" (as defined in the Tax Act), may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act), including any taxable capital gains, interest and dividends (including deemed dividends) that are not deductible in computing the Resident Holder's taxable income.

#### *Alternative Minimum Tax*

Taxable dividends received or deemed to be received and capital gains realized by a Resident Holder that is an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

#### *Eligibility for Investment*

Based on the current provisions of the Tax Act, the Palisades Shares will be qualified investments under the Tax Act for trusts governed by a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a deferred profit sharing plan, a registered education savings plan ("**RESP**"), a registered disability savings plan ("**RDSP**"), a tax-free savings account ("**TFSA**") or a first home savings account ("**FHSA**") (each as defined in the Tax Act), at any particular time, provided that, at that time, the Palisades Shares are listed on a "designated stock exchange" (which currently includes the TSXV) or Palisades is otherwise a "public corporation" other than a "mortgage investment corporation" (each as defined in the Tax Act).

Notwithstanding that Palisades Shares may be qualified investments for a trust governed by a RRSP, RRIF, TFSA, RDSP, FHSA or RESP (each a "**Registered Plan**") the annuitant, holder, or subscriber of a Registered Plan, as applicable, will be subject to a penalty tax on such shares if such shares are a "prohibited investment" (as defined in subsection 207.01(1) of the Tax Act). The Palisades Shares will generally not be a "prohibited investment" for a Registered Plan provided that (i) the annuitant, holder, or subscriber of a Registered Plan, as applicable, deals at arm's length with Palisades for purposes of the Tax Act and does not have a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in Palisades, or (ii) the Palisades Shares are "excluded property" (as defined in subsection 207.01(1) of the Tax Act) for the Registered Plan.



**Persons who intend to hold Palisades Shares in a Registered Plan or deferred profit sharing plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

### **Holders Not Resident in Canada**

This portion of the summary is generally applicable to a Holder who, at all relevant times, for the purposes of the application of the Tax Act and any applicable tax treaty or convention, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, the Common Shares or Palisades Shares in connection with a business carried on in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to certain holders that are insurers carrying on an insurance business in Canada and elsewhere or that are an "authorized foreign bank" (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors with respect to the Arrangement.

#### *Exchange of Common Shares for Palisades Shares*

Common Shares held by Non-Resident Holders, other than Dissenting Non-Resident Holders, as defined below, will be exchanged for Palisades Shares as part of the Arrangement. Such exchange will occur on a tax-deferred basis, unless the Non-Resident Holder chooses to recognize a capital gain or capital loss.

A Non-Resident Holder will generally not be subject to tax under the Tax Act on any capital gain, or be entitled to deduct any capital loss, realized on the exchange of its Common Shares for Palisades Shares pursuant to the Arrangement unless such Common Shares are (or are deemed to be) "taxable Canadian property" (as defined in the Tax Act) to the Non-Resident Holder at the time of such exchange and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

Generally, a Common Share will not constitute taxable Canadian property of a Non-Resident Holder at the time of disposition provided that such share is listed on a designated stock exchange (which includes the CSE) at that time, unless at any time during the 60-month period immediately preceding that time the following two conditions are satisfied concurrently: (i) one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder does not deal at arm's length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of Radio Fuels, and (ii) more than 50% of the fair market value of such share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act), and options in respect of, or interests in, or, for civil law, rights in, any such properties (whether or not such property exists). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares could be deemed to be taxable Canadian property to a Non-Resident Holder.

In the event the Common Shares are, or are deemed to be, "taxable Canadian property" to a Non-Resident Holder and the Non-Resident Holder is not eligible for relief pursuant to an applicable income tax treaty or convention, then the exchange of such Non-Resident Holder's Common Shares pursuant to the Arrangement will generally be subject to the same Canadian tax consequences applicable to a Resident Holder with respect to the exchange of such Resident Holder's Common Shares pursuant to the Arrangement as discussed above under the heading

*"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of Common Shares for Palisades Shares"*, including qualifying for the automatic tax-deferred rollover under section 85.1 of the Tax Act.

Non-Resident Holders who dispose of Common Shares that are, or are deemed to be, "taxable Canadian property" (as defined in the Tax Act) should consult their own tax advisors concerning the Canadian income tax consequences of the disposition in their particular circumstances, including any resulting Canadian income tax reporting obligations.

#### *Dissenting Non-Resident Holders*

A Non-Resident Holder who exercises Dissent Rights in respect of the Arrangement (a **"Dissenting Non-Resident Holder"**) and disposes of Common Shares to Radio Fuels in consideration for an entitlement to payment of the fair market value of such Common Shares from Radio Fuels will be deemed to have received a dividend from Radio Fuels equal to the amount by which the amount received for such Common Shares (other than any portion of the payment that is interest awarded by a court) exceeds the paid-up capital of the Dissenting Non-Resident Holder's Common Shares (calculated in accordance with the Tax Act).

Any deemed dividend received by a Dissenting Non-Resident Holder will be subject to Canadian withholding tax as described below under the heading *"Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dividends on Palisades Shares"*.

A Dissenting Non-Resident Holder will be considered to have disposed of such Dissenting Non-Resident Holder's Common Shares for proceeds of disposition equal to the amount received by the Dissenting Non-Resident Holder (other than any portion of the payment that is interest awarded by a court) less the amount of any deemed dividend described above. A Dissenting Non-Resident Holder will generally not be subject to income tax under the Tax Act in respect of any capital gain, or entitled to deduct any capital loss, realized on a disposition of Common Shares pursuant to the exercise of their Dissent Rights unless such Common Shares are considered to be "taxable Canadian property" to such Dissenting Non-Resident Holder and the Dissenting Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention. The same general considerations will apply as discussed above under the heading *"Certain Canadian Federal Income Tax Considerations - Holders Not Resident in Canada – Exchange of Common Shares for Palisades Shares"*.

Any interest paid or credited to a Dissenting Non-Resident Holder who deals at arm's length with Radio Fuels and Palisades for the purposes of the Tax Act should not be subject to withholding tax under the Tax Act.

**Dissenting Non-Resident Holders should consult their own tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.**

#### *Dividends on Palisades Shares*

Dividends paid or credited, or deemed to be paid or credited, on a Non-Resident Holder's Palisades Shares will be subject to withholding tax under the Tax Act at a rate of 25% of the gross amount of the dividend, unless the rate is reduced under the provisions of an applicable income tax treaty or convention. In the case of a beneficial owner of dividends who is a resident of the United States for purposes of the *Canada-US Tax Convention (1980)* and who is fully entitled to the benefits of that treaty, the rate of withholding will generally be reduced to 15% (or 5% in the

case of a company beneficially owning at least 10% of the voting stock of Palisades). The *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting* of which Canada is a signatory, affects many of Canada's income tax treaties (but not the *Canada-US Tax Convention (1980)*), including the ability to claim benefits thereunder. Non-Resident Holders should consult their own tax advisors in this regard.

### *Disposing of Palisades Shares*

A Non-Resident Holder who, following the completion of the Arrangement, disposes, or is deemed to dispose, of a Palisades Share will generally not be subject to tax under the Tax Act on any capital gain, or be entitled to deduct any capital loss, realized on a disposition or deemed disposition of a Palisades Share, unless, at the time of disposition, (i) such Palisades Share is "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act; and (ii) the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Provided that the Palisades Shares are listed on a "designated stock exchange" (as defined in the Tax Act, which currently includes the TSXV) at the time they are disposed of by a Non-Resident Holder, the Palisades Shares will be "taxable Canadian property" of the Non-Resident Holder only if, at any time during the 60-month period immediately preceding the disposition, both of the following conditions are satisfied concurrently: (a) one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder does not deal at arm's length for purposes of the Tax Act, and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of Palisades, and (b) more than 50% of the fair market value of the Palisades Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" or "timber resource properties" (each as defined in the Tax Act), or options in respect of, or interests in, or for civil law rights in, any such properties. Notwithstanding the foregoing, a Palisades Share may also be deemed to be "taxable Canadian property" in certain circumstances, subject to the detailed rules in the Tax Act.

A Palisades Share acquired by a Non-Resident Holder upon the exchange of Common Shares for Palisades Shares pursuant to the Arrangement may also be deemed to be "taxable Canadian property" of the Non-Resident Holder for a period of 60 months following the Effective Date if, at the time of such exchange, such Common Shares constituted "taxable Canadian property" of the Non-Resident Holder. Non-Resident Holders should consult their own tax advisors in this regard.

If the Palisades Shares are, or are deemed to be, "taxable Canadian property" to a Non-Resident Holder and such Non-Resident Holder is not eligible for relief pursuant to an applicable income tax treaty or convention, then the disposition of the Non-Resident Holder's Palisades Shares generally will be subject to the same Canadian tax consequences applicable to a Resident Holder with respect to the disposition of such Resident Holder's Palisades Shares as discussed above under the headings "*Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada – Disposing of Palisades Shares*"

Non-Resident Holders who dispose of Palisades Shares that are "taxable Canadian property" should consult their own tax advisors with respect to the Canadian income tax consequences of the disposition and the potential requirement to file a Canadian income tax return in respect of the disposition depending on their particular circumstances.

## CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain U.S. federal income tax considerations applicable to U.S. Holders (as defined below) with respect to the Arrangement and the ownership and disposition of Palisades Shares received pursuant to the Arrangement. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder as a result of the Arrangement or as a result of the ownership and disposition of Palisades Shares received pursuant to the Arrangement. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax considerations applicable to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any particular U.S. Holder. This summary does not address the U.S. federal alternative minimum, U.S. federal net investment income, U.S. federal estate and gift, U.S. state or local, or non-U.S. tax consequences to U.S. Holders of the Arrangement or the ownership and disposition of Palisades Shares received pursuant to the Arrangement. Except as specifically set forth below, this summary does not discuss applicable tax filing and reporting requirements. Each U.S. Holder should consult its own tax advisors regarding the U.S. federal, U.S. state and local, and non-U.S. tax consequences of the Arrangement and the ownership and disposition of Palisades Shares received pursuant to the Arrangement.

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement or the ownership and disposition of Palisades Shares received pursuant to the Arrangement. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

### Scope of this Disclosure

#### *Authorities*

This summary is based on the U.S. Tax Code, Treasury Regulations (whether final, temporary, and proposed) promulgated thereunder, U.S. court decisions, published IRS rulings and published administrative positions of the IRS, and the *Canada-US Tax Convention (1980)*, each as applicable and in effect and available as of the date of this Circular. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis, which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

#### *U.S. Holders*

For purposes of this summary, the term "**U.S. Holder**" means a beneficial owner of Common Shares (or after the Arrangement, Palisades Shares) participating in the Arrangement or exercising Dissent Rights that is: (a) a citizen or individual resident of the U.S.; (b) a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes organized under the laws of the U.S. (including any state thereof or the District of Columbia); (c) an estate whose

income is subject to U.S. federal income taxation regardless of its source; or (d) a trust that (i) is subject to the primary supervision of a court within the U.S. and with respect to which one or more persons have the authority to control all substantial decisions of such trust or (ii) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

#### *Non-U.S. Holders*

For purposes of this summary, a "**Non-U.S. Holder**" is a beneficial owner of Common Shares (or after the Arrangement, Palisades Shares) participating in the Arrangement or exercising Dissent Rights that is not a U.S. Holder or an entity or arrangement classified as a partnership. This summary does not address the U.S. federal income tax considerations applicable to Non-U.S. Holders arising from the Arrangement or the ownership and disposition of Palisades Shares received pursuant to the Arrangement. Accordingly, a Non-U.S. Holder should consult its own tax advisors regarding the U.S. federal, U.S. state and local, and non-U.S. tax consequences (including the potential application of and operation of any income tax treaties) related to the Arrangement and the ownership and disposition of Palisades Shares received pursuant to the Arrangement.

#### *Transactions Not Addressed*

This summary does not address the U.S. federal income tax consequences of transactions effected prior or subsequent to, or concurrently with, the Arrangement (whether or not any such transactions are undertaken in connection with the Arrangement), including, without limitation, the following:

- any conversion into Common Shares or Palisades Shares of any notes, debentures, or other debt instruments; and
- any transaction, other than the Arrangement, in which Common Shares or Palisades Shares are acquired.

In addition, this summary assumes that neither Radio Fuels nor Palisades is a "controlled foreign corporation" for U.S. federal income tax purposes.

#### *U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed*

This summary does not address the U.S. federal income tax considerations of the Arrangement to U.S. Holders that are subject to special provisions under the U.S. Tax Code, including U.S. Holders that: (a) are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies or that are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (c) have a "functional currency" other than the U.S. dollar; (d) own Common Shares (or after the Arrangement, Palisades Shares) as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other Palisades transaction; (e) acquired Common Shares (or after the Arrangement, Palisades Shares) in connection with the exercise of employee stock options or otherwise as compensation for services; (f) hold Common Shares (or after the Arrangement, Palisades Shares) other than as a capital asset within the meaning of section 1221 of the U.S. Tax Code (generally, property held for investment purposes); (g) are subject to the alternative minimum tax; (h) are subject to special tax accounting rules with respect to Common Shares (or after the Arrangement, Palisades Shares); (i) are partnerships or other "pass-through"

entities (and partners or other owners thereof); (j) are S corporations (and shareholders thereof); (k) are U.S. expatriates or former long-term residents of the United States subject to Section 877 or Section 877A of the U.S. Tax code; (l) hold Common Shares (or after the Arrangement, Palisades Shares) in connection with a trade or business, permanent establishment or fixed base outside the United States; or (m) own, or have owned, or will own, directly, indirectly, or by attribution, 5% or more, by voting power or value, of the outstanding Common Shares (or following the completion of the Arrangement, U.S. Holders that will own, directly, indirectly or by attribution, 5% or more of the Palisades Shares). U.S. Holders that are subject to special provisions under the U.S. Tax Code, including U.S. Holders described above, should consult their own tax advisors regarding the U.S. federal income, U.S. federal alternative minimum, U.S. net investment income, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences related to the Arrangement and the ownership and disposition of Palisades Shares received pursuant to the Arrangement.

If an entity or arrangement that is classified as a partnership (or other "pass-through" entity) for U.S. federal income tax purposes holds Common Shares (or after the Arrangement, Palisades Shares), the U.S. federal income tax consequences to such partnership and the partners of such partnership of participating in the Arrangement and the ownership and disposition of Palisades Shares received pursuant to the Arrangement generally will depend in part on the activities of the partnership and the status of such partners (or owners). Partners of entities that are classified as partnerships (and owners of "pass-through" entities) for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of Palisades Shares received pursuant to the Arrangement.

## **Certain U.S. Federal Income Tax Consequences of the Arrangement**

### *Characterization of the Arrangement*

The exchange of Common Shares for Palisades Shares pursuant to the Arrangement is intended to qualify as a tax-deferred "reorganization" within the meaning of Section 368(a) of the U.S. Tax Code (a "**Reorganization**"), provided that Dissenting Shareholders, if any, are paid by Radio Fuels for their Common Shares with Radio Fuels funds which are not directly or indirectly provided by Palisades or any affiliate of Palisades. Neither Radio Fuels nor Palisades has sought or obtained either a ruling from the IRS or an opinion of legal counsel regarding any of the tax consequences of the Arrangement. Accordingly, there can be no assurance that the IRS will not challenge the treatment of the Arrangement as a Reorganization or that the U.S. courts will uphold the status of the Arrangement as a Reorganization in the event of an IRS challenge. The tax consequences of the Arrangement qualifying as a Reorganization or as a taxable transaction are discussed below. U.S. Holders should consult their own U.S. tax advisors regarding the proper tax reporting of the Arrangement.

### *Tax Consequences if the Arrangement Qualifies as a Reorganization*

If the Arrangement qualifies as a Reorganization, and subject to the PFIC (as defined below) rules discussed below, the following U.S. federal income tax consequences should result for U.S. Holders who receive Palisades Shares pursuant to the Arrangement:

- (a) a U.S. Holder should not recognize gain or loss on the exchange of Common Shares for Palisades Shares pursuant to the Arrangement;

- (b) the aggregate tax basis of a U.S. Holder in the Palisades Shares acquired in the Arrangement should be equal to such U.S. Holder's aggregate tax basis in the Common Shares surrendered in exchange therefor; and
- (c) the holding period of a U.S. Holder for the Palisades Shares acquired in the Arrangement should include such U.S. Holder's holding period for the Common Shares surrendered in exchange therefor.

If a U.S. Holder holds different blocks of Common Shares (generally as a result of having acquired different blocks of shares at different times or at different costs), such U.S. Holder's tax basis and holding period in its Palisades Shares may be determined with reference to each block of the Common Shares surrendered in exchange therefor.

#### *Tax Consequences if the Arrangement is a Taxable Transaction*

In general, if the Arrangement does not qualify as a Reorganization, and subject to the PFIC rules discussed below, the following U.S. federal income tax consequences will result for U.S. Holders:

- (a) a U.S. Holder will recognize gain or loss on the exchange of Common Shares for Palisades Shares pursuant to the Arrangement in an amount equal to the difference, if any, between (a) the fair market value of the Palisades Shares received in exchange for the Common Shares and (b) the adjusted tax basis of such U.S. Holder in the Common Shares surrendered;
- (b) the aggregate tax basis of a U.S. Holder in the Palisades Shares acquired in the Arrangement will be equal to the fair market value of such Palisades Shares on the date of receipt; and
- (c) the holding period of a U.S. Holder for the Palisades Shares acquired in the Arrangement will begin on the day after the date of receipt.

Subject to the PFIC rules discussed below, any gain or loss described in clause (a) immediately above would be capital gain or loss, which would be long-term capital gain or loss if such Common Shares are held for more than one year on the date of the exchange. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate or trust. There are no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the U.S. Tax Code. Any capital gain or loss recognized by a U.S. Holder will generally be treated as "U.S. source" gain or loss for U.S. foreign tax credit purposes.

For these purposes, U.S. Holders must calculate gain or loss separately for each identified block of Common Shares (that is, the Common Shares acquired at the same cost in a single transaction) surrendered in exchange for Palisades Shares pursuant to the Arrangement.

#### *Passive Foreign Investment Company Rules Applicable to the Arrangement*

A U.S. Holder of Common Shares would be subject to special, adverse tax rules in respect of the Arrangement if Radio Fuels were classified as a "passive foreign investment company" under the meaning of Section 1297 of the U.S. Tax Code (a "**PFIC**") for any tax year during which such U.S. Holder holds or held Common Shares.

A non-U.S. corporation is classified as a PFIC for each tax year in which (i) 75% or more of its gross income is passive income (as defined for U.S. federal income tax purposes) ("**PFIC Income Test**") or (ii) on average for such tax year, 50% or more (by value) of its assets either produce or are held for the production of passive income ("**PFIC Asset Test**"). For purposes of the PFIC provisions, "gross income" generally includes sales revenues less cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes dividends, interest, certain royalties and rents, and gains from commodities or securities transactions.

For purposes of the PFIC Income Test and PFIC Asset Test, if Radio Fuels owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, Radio Fuels will be treated as if it (a) held a proportionate share of the assets of such other corporation; and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC Income Test and PFIC Asset Test, "passive income" does not include certain interest, dividends, rents or royalties that are received or accrued by Radio Fuels from certain "related persons" (as defined in Section 954(d)(3) of the U.S. Tax Code), to the extent such items are properly allocable to the income of such related person that is not passive income.

Radio Fuels believes that it was classified as a PFIC for its most recently completed tax year and, based on current business plans and financial expectations, Radio Fuels believes that it may be classified as a PFIC for its current tax year and may be a PFIC in future tax years. No opinion of legal counsel or ruling from the IRS concerning the status of Radio Fuels as a PFIC has been obtained or is currently planned to be requested. U.S. Holders should consult their own tax advisors regarding the classification of Radio Fuels as a PFIC for each tax year in such U.S. Holder's holding period for its Common Shares.

Section 1291(f) of the U.S. Tax Code provides that, to the extent provided in U.S. Treasury Regulations, any gain on the transfer of stock in a PFIC shall be recognized notwithstanding any other provision of the U.S. Tax Code. Under proposed U.S. Treasury Regulations, absent application of the PFIC-for-PFIC Exception (as defined below) discussed below, if Radio Fuels is classified as a PFIC for any tax year during which a U.S. Holder has held Common Shares, special rules may increase such U.S. Holder's U.S. federal income tax liability with respect to the Arrangement. Under these default PFIC rules:

- (a) the Arrangement would be treated as a taxable exchange in which gain (but not loss) would be recognized by a U.S. Holder even if such transaction qualifies as a Reorganization;
- (b) any gain on the exchange of Common Shares would be allocated ratably over such U.S. Holder's holding period;
- (c) the amount allocated to the current tax year and any year prior to the first year in which Radio Fuels was classified as a PFIC would be taxed as ordinary income in the current year;
- (d) the amount allocated to each of the other tax years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year; and
- (e) an interest charge for a deemed deferral benefit would be imposed with respect to the resulting tax attributable to each of the other tax years referred to in (d) above, which interest charge would generally not be deductible by non-corporate U.S.



Holders.

There are certain U.S. federal income tax elections that sometimes can be made to generally mitigate or avoid these PFIC tax consequences if Radio Fuels were to be classified as a PFIC for any tax year during which a U.S. Holder has held Common Shares, including a **"Mark-to-Market Election"** under Section 1296 of the U.S. Tax Code or an election to treat Radio Fuels as a "qualified electing fund" ("**QEF**") under Section 1295 of the U.S. Tax Code (a "**QEF Election**"). However, such QEF Elections are available in limited circumstances, generally would require Radio Fuels to provide certain tax-related information to U.S. Holders and must be made in a timely manner. Thus, U.S. Holders may not be able to make a QEF Election with respect to their Common Shares. The rules regarding the availability of, and procedure for making, a QEF Election or a Mark-to-Market Election are complex, and U.S. Holders should consult their own tax advisors regarding the availability of, and procedure for making, such elections.

Notwithstanding the foregoing, if (a) the Arrangement qualifies as a Reorganization, (b) Radio Fuels was classified as a PFIC for any tax year during which a U.S. Holder holds or held Common Shares, and (c) Palisades is classified as a PFIC for the tax year that includes the day after the Effective Date, then proposed U.S. Treasury Regulations generally provide for Reorganization treatment to apply to such U.S. Holder's exchange of Common Shares for Palisades Shares pursuant to the Arrangement (for a discussion of the general non-recognition treatment of a Reorganization, see the discussion above under the heading "*Tax Consequences if the Arrangement Qualifies as a Reorganization*"). For purposes of this summary, this exception will be referred to as the "**PFIC-for-PFIC Exception**". In addition, in order to qualify for the PFIC-for-PFIC Exception, proposed U.S. Treasury Regulations require a U.S. Holder to report certain information to the IRS on Form 8621 filed with such U.S. Holder's U.S. federal income tax return for the tax year in which the Arrangement occurs.

No opinion of legal counsel or ruling from the IRS concerning the status of Palisades as a PFIC has been obtained or is currently planned to be requested. If the proposed U.S. Treasury Regulations are finalized in their current form and made applicable to the Arrangement (even if this occurs after the Effective Date), and if Radio Fuels is classified as a PFIC for any tax year during a U.S. Holder's holding period for its Common Shares, then Radio Fuels anticipates that the PFIC-for-PFIC Exception would be available to U.S. Holders with respect to the Arrangement provided Palisades is classified as a PFIC for the tax year which includes the day after the Effective Date. PFIC classification is factual in nature, and generally cannot be determined until the close of the tax year in question. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurances regarding the PFIC status of Palisades during the tax year which includes the day after the Effective Date of the Arrangement or the applicability of the PFIC-for-PFIC Exception to the Arrangement in the event Radio Fuels is classified as a PFIC for any tax year during a U.S. Holder's holding period for its Common Shares.

In addition, the proposed U.S. Treasury Regulations discussed above were proposed in 1992 and have not been adopted in final form. The proposed U.S. Treasury Regulations state that they are to be effective for transactions occurring on or after April 1, 1992. However, because the proposed U.S. Treasury Regulations have not yet been adopted in final form, they are not currently effective and there is no assurance they will be finally adopted in the form and with the effective date proposed. Nevertheless, the IRS has announced that, in the absence of final U.S. Treasury Regulations, taxpayers may apply reasonable interpretations of the U.S. Tax Code provisions applicable to PFICs and that it considers the rules set forth in the proposed U.S. Treasury Regulations to be reasonable interpretations of those U.S. Tax Code provisions.

The application of the PFIC rules is complex and subject to differing interpretations. Each U.S. Holder should consult its own tax advisor regarding the potential application of the PFIC rules to the exchange of Common Shares for Palisades Shares pursuant to the Arrangement and the information reporting responsibilities in connection with the Arrangement.

Additional information regarding the PFIC rules is discussed below under "*Ownership of Palisades Shares – PFIC Rules Related to the Ownership and Disposition of Palisades Shares*".

## **U.S. Holders Exercising Dissent Rights**

Regardless of whether the Arrangement qualifies as a Reorganization, a U.S. Holder that properly exercises Dissent Rights with respect to such U.S. Holder's Common Shares will recognize taxable gain or loss based upon the difference between the amount of cash received by such U.S. Holder and the U.S. Holder's tax basis in the Common Shares. Subject to the discussion under "*Passive Foreign Investment Company Rules Applicable to the Arrangement*" above related to the possible application of the PFIC rules, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for the Common Shares exceeds the applicable holding period (currently one year). Long-term capital gains of non-corporate U.S. Holders, including individuals, currently are subject to reduced rates of U.S. federal income taxation. The deductibility of capital losses is subject to complex limitations under the U.S. Tax Code. Any capital gain or loss recognized by a U.S. Holder will generally be treated as "U.S. source" gain or loss for U.S. foreign tax credit purposes.

## **Ownership of Palisades Shares**

### *PFIC Rules Related to the Ownership and Disposition of Palisades Shares*

If Palisades is classified as a PFIC for any year during a U.S. Holder's holding period, certain potentially adverse rules may affect the U.S. federal income tax consequences to a U.S. Holder as a result of the ownership and disposition of Palisades Shares. No opinion of legal counsel or ruling from the IRS concerning the status of Palisades as a PFIC has been obtained or is currently planned to be requested. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this Circular. Accordingly, there can be no assurance that the IRS will not challenge any determination made by Palisades (or any subsidiary of Palisades) concerning its PFIC status. Each U.S. Holder should consult its own tax advisor regarding the PFIC status of Palisades and each subsidiary of Palisades.

In any year in which Palisades is classified as a PFIC, a U.S. Holder will generally be required to file an annual report with the IRS containing such information as U.S. Treasury Regulations and/or other IRS guidance may require. In addition to penalties, a failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess tax. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621.

Under certain attribution rules, if Palisades is a PFIC, U.S. Holders will generally be deemed to own their proportionate share of Palisades' direct or indirect equity interest in any company that is also a PFIC (a "**Subsidiary PFIC**"), and will generally be subject to U.S. federal income tax on their proportionate shares of (a) any "excess distributions", as described below, on the stock of a

Subsidiary PFIC and (b) a disposition or deemed disposition of the stock of a Subsidiary PFIC by Palisades or another Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. In addition, U.S. Holders may be subject to U.S. federal income tax on any indirect gain realized on the stock of a Subsidiary PFIC on the sale or disposition of Palisades Shares. Accordingly, U.S. Holders could be subject to tax under the PFIC rules even if no distributions are received and no redemptions or other dispositions of Palisades Shares are made.

#### *Default PFIC Rules Under Section 1291 of the U.S. Tax Code*

If Palisades is a PFIC for any tax year during which a U.S. Holder owns Palisades Shares, the U.S. federal income tax consequences to such U.S. Holder of the ownership and disposition of Palisades Shares will depend on whether and when such U.S. Holder makes a QEF Election or a Mark-to-Market Election. A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "**Non-Electing U.S. Holder**".

A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the U.S. Tax Code (described below) with respect to (a) any gain recognized on the sale or other taxable disposition of Palisades Shares and (b) any "excess distribution" received on the Palisades Shares. A distribution generally will be an "excess distribution" to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a U.S. Holder's holding period for the Palisades Shares, if shorter).

Any gain recognized on the sale or other taxable disposition of Palisades Shares (including an indirect disposition of the stock of any Subsidiary PFIC), and any "excess distribution" received on Palisades Shares or with respect to the stock of a Subsidiary PFIC, must be ratably allocated to each day in a Non-Electing U.S. Holder's holding period for the respective Palisades Shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or excess distribution and to years before the entity became a PFIC, if any, would be taxed as ordinary income (and not eligible for certain preferred tax rates). The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing U.S. Holder that is not a corporation must generally treat any such interest paid as "personal interest", which is not deductible.

If Palisades is classified as a PFIC for any tax year during which a Non-Electing U.S. Holder holds Palisades Shares, Palisades will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether Palisades ceases to be a PFIC in one or more subsequent tax years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which would be taxed under the rules of Section 1291 of the U.S. Tax Code discussed above), but not loss, as if such Palisades Shares were sold on the last day of the last tax year for which Palisades was a PFIC.

#### *QEF Election*

A U.S. Holder that makes a timely and effective QEF Election for the first tax year in which the holding period of its Palisades Shares begins generally will not be subject to the rules of Section 1291 of the U.S. Tax Code discussed above with respect to its Palisades Shares. A U.S. Holder that makes a timely and effective QEF Election will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of (a) the net capital gain of Palisades, which will be taxed as long-

term capital gain to such U.S. Holder, and (b) the ordinary earnings of Palisades, which will be taxed as ordinary income to such U.S. Holder. Generally, "net capital gain" is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and "ordinary earnings" are the excess of (a) "earnings and profits" over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which Palisades is a PFIC, regardless of whether such amounts are actually distributed to the U.S. Holder by Palisades. However, for any tax year in which Palisades is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, the U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If the U.S. Holder is not a corporation, any such interest paid will generally be treated as "personal interest," which is not deductible.

A U.S. Holder that makes a timely and effective QEF Election with respect to Palisades generally (a) may receive a tax-free distribution from Palisades to the extent that such distribution represents "earnings and profits" of Palisades that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder's tax basis in the Palisades Shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Palisades Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as "timely" if such QEF Election is made for the first year in the U.S. Holder's holding period for the Palisades Shares in which Palisades was a PFIC. If a U.S. Holder does not make a timely and effective QEF Election for the first year in the U.S. Holder's holding period for the Palisades Shares, the U.S. Holder may still be able to make a timely and effective QEF Election in a subsequent year if such U.S. Holder meets certain requirements and makes a "purging" election to recognize gain (which will be taxed under the rules of Section 1291 of the U.S. Tax Code discussed above) as if such Palisades Shares were sold for their fair market value on the day the QEF Election is effective. If a U.S. Holder makes an untimely or ineffective QEF Election, then such U.S. Holder will not be subject to the QEF Election rules and will be subject to tax under the rules of Section 1291 of the U.S. Tax Code discussed above with respect to its Palisades Shares. If a U.S. Holder owns PFIC stock indirectly through another PFIC, separate QEF Elections must be made for the PFIC in which the U.S. Holder is a direct shareholder and the Subsidiary PFIC for the QEF rules to apply to both PFICs.

A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, Palisades ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which Palisades is not a PFIC. Accordingly, if Palisades becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which Palisades qualifies as a PFIC.

U.S. Holders should be aware that there can be no assurances that Palisades will satisfy the record keeping requirements that apply to a QEF, or that Palisades will supply U.S. Holders with information that such U.S. Holders are required to report under the QEF rules, in the event that Palisades is a PFIC. Thus, U.S. Holders may not be able to make a QEF Election with respect to

their Palisades Shares. Palisades also can provide no assurances that Palisades will provide any such information relating to any Subsidiary PFIC and, as a result, a QEF Election may not be available with respect to any Subsidiary PFIC. Because Palisades may own shares in one or more Subsidiary PFICs at any time, U.S. Holders will continue to be subject to the rules discussed above with respect to the taxation of gains and excess distributions with respect to any Subsidiary PFIC for which the U.S. Holders do not obtain such required information. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a QEF Election with respect to Palisades and any Subsidiary PFIC.

A U.S. Holder makes a QEF Election by attaching a completed IRS Form 8621, including a PFIC Annual Information Statement, to a timely filed United States federal income tax return. However, if Palisades does not provide the required information with regard to Palisades or any of its Subsidiary PFICs, U.S. Holders will not be able to make a QEF Election for such entity and will continue to be subject to the rules of Section 1291 of the U.S. Tax Code discussed above that apply to Non-Electing U.S. Holders with respect to the taxation of gains and excess distributions.

### *Mark-to-Market Election*

A U.S. Holder may make a Mark-to-Market Election only if the Palisades Shares are marketable stock. The Palisades Shares generally will be "marketable stock" if the Palisades Shares are regularly traded on (a) a national securities exchange that is registered with the SEC, (b) the national market system established pursuant to Section 11A of the U.S. Exchange Act, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure and surveillance requirements, and meets other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange effectively promote active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be "regularly traded" for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Each U.S. Holder should consult its own tax advisor in this matter.

A U.S. Holder that makes a Mark-to-Market Election with respect to its Palisades Shares generally will not be subject to the rules of Section 1291 of the U.S. Tax Code discussed above with respect to such Palisades Shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder's holding period for the Palisades Shares for which Palisades is a PFIC and such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the U.S. Tax Code discussed above will apply to certain dispositions of, and distributions on, the Palisades Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which Palisades is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Palisades Shares, as of the close of such tax year over (b) such U.S. Holder's adjusted tax basis in such Palisades Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (a) such U.S. Holder's adjusted tax basis in the Palisades Shares, over (b) the fair market value of such Palisades Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally will adjust such U.S. Holder's tax basis in the Palisades Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Palisades Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years). Losses that exceed this limitation are subject to the rules generally applicable to losses provided in the U.S. Tax Code and U.S. Treasury Regulations.

A U.S. Holder makes a Mark-to-Market Election by attaching a properly completed IRS Form 8621 to a timely filed United States federal income tax return. A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the Palisades Shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the Palisades Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning, because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to avoid the application of the default rules of Section 1291 of the U.S. Tax Code described above with respect to deemed dispositions of Subsidiary PFIC stock or excess distributions from a Subsidiary PFIC to its shareholder.

#### *Other PFIC Rules*

Under Section 1291(f) of the U.S. Tax Code, the IRS has issued proposed U.S. Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Palisades Shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Palisades Shares are transferred.

Certain additional adverse rules may apply with respect to a U.S. Holder if Palisades is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the U.S. Tax Code, a U.S. Holder that uses Palisades Shares as security for a loan will, except as may be provided in U.S. Treasury Regulations, be treated as having made a taxable disposition of such Palisades Shares.

In addition, a U.S. Holder who acquires Palisades Shares from a decedent will not receive a "step up" in tax basis of such Palisades Shares to fair market value unless such decedent had a timely and effective QEF Election in place.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules related to distributions by a PFIC and their eligibility for the foreign tax credit are complicated.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisor regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the ownership and disposition of Palisades Shares.

### *Distributions with Respect to Palisades Shares*

Subject to the PFIC rules described above, a U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Palisades Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any non-U.S. income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of Palisades, as computed for U.S. federal income tax purposes. A dividend generally will be taxed to a U.S. Holder at ordinary income rates if Palisades is a PFIC for the tax year of such distribution or the preceding tax year. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of Palisades, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Palisades Shares and thereafter as gain from the sale or exchange of such Palisades Shares (see "*Sale or Other Taxable Disposition of Palisades Shares*" below). However, Palisades may not maintain the calculations of its earnings and profits in accordance with U.S. federal income tax principles and each U.S. Holder may therefore need to assume that any distribution by Palisades with respect to the Palisades Shares will constitute ordinary dividend income. Dividends received on Palisades Shares generally will not be eligible for the dividends received deduction. Subject to applicable limitations and provided Palisades is eligible for the benefits of the *Canada-US Tax Convention (1980)* or the Palisades Shares are readily tradable on a United States securities market, dividends paid by Palisades to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that Palisades not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

### *Sale or Other Taxable Disposition of Palisades Shares*

Subject to the PFIC rules described above, a U.S. Holder will recognize gain or loss on the sale or other taxable disposition of Palisades Shares in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder's tax basis in such Palisades Shares sold or otherwise disposed of. Any such gain or loss will be capital gain or loss, which will be long-term capital gain or loss if, at the time of the sale or other disposition, such Palisades Shares are held for more than one year.

Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate or trust. There are no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the U.S. Tax Code.

## **Other Considerations**

### *Foreign Tax Credit*

Dividends paid on the Palisades Shares will be treated as foreign-source income, and generally will be treated as "passive category income" or "general category income" for U.S. foreign tax credit purposes. The U.S. Tax Code applies various complex limitations on the amount of foreign taxes that may be claimed as a result by U.S. taxpayers. In addition, Treasury Regulations that apply to taxes paid or accrued (the "**Foreign Tax Credit Regulations**") impose additional requirements for Canadian withholding taxes to be eligible for a foreign tax credit, and there can be no assurance that those requirements will be satisfied.

Subject to the PFIC rules and the Foreign Tax Credit Regulations discussed above, a U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to the Arrangement or in connection with dividends paid on Palisades Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income that is subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year. The foreign tax credit rules are complex, and involve the application of rules that depend on a U.S. Holder's particular circumstances. Accordingly, each U.S. Holder should consult its own U.S. tax advisors regarding the foreign tax credit rules.

### *Foreign Currency*

The amount of any payment to a U.S. Holder in connection with the exercise of Dissent Rights or any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of Palisades Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. Each U.S. Holder should consult its own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning and disposing of foreign currency.

### *Information Reporting; Backup Withholding Tax*

Under U.S. federal income tax law and Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a non-U.S. corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a non-U.S. entity. U.S. Holders may be subject to these reporting requirements unless their Common Shares or Palisades Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

Payments made within the U.S. or by a U.S. payor or U.S. middleman of: (a) distributions on the Palisades Shares; (b) proceeds arising from the sale or other taxable disposition of Palisades Shares; or (c) any payments received in connection with the Arrangement (including, but not limited to, U.S. Holders exercising Dissent Rights under the Arrangement) generally will be subject to information reporting and backup withholding tax, currently at the rate of 24%, if a U.S. Holder: (i) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on IRS Form W-9); (ii) furnishes an incorrect U.S. taxpayer identification number; (iii) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup



withholding tax; or (iv) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax and, under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

**THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO U.S. HOLDERS WITH RESPECT TO THE ARRANGEMENT OR THE OWNERSHIP AND DISPOSITION OF PALISADES SHARES RECEIVED PURSUANT TO THE ARRANGEMENT. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN LIGHT OF THEIR OWN PERSONAL CIRCUMSTANCES.**

#### **RISK FACTORS**

In evaluating the Arrangement, Shareholders should carefully consider the following risk factors relating to the Arrangement, including the fact that the Arrangement may not be completed, if among other things, the Arrangement Resolution is not approved at the Meeting or if any of the conditions precedent to the completion of the Arrangement are not satisfied or waived, as applicable. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by Palisades and Radio Fuels, individually or collectively, may also adversely affect the trading price of the shares of any of the companies or the business outstanding price of the shares following the Arrangement. If any of the risk factors materialize, the expectations, and the predictions based on them, may need to be re-evaluated.

*The Arrangement may not be completed.*

Each of the Parties has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Parties provide any assurance, that the Arrangement Agreement will not be terminated before the completion of the Arrangement.

In addition, the completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of the Parties, including obtaining approval of Shareholders of the Arrangement Resolution, approval of the TSXV, approval of the CSE and approval of the Court. There is no certainty, nor can the Parties provide any assurance, that these conditions will be satisfied, or if satisfied, when they will be satisfied.

There are a number of material risks to which the Parties are subject relating to the Arrangement not being completed, including the following:

- (a) if the Arrangement is not completed, the market price and future salability of the

Common Shares may be adversely affected; and

- (b) if the Arrangement Agreement is terminated and either party chooses to seek another merger or business combination, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the price to be paid pursuant to the Arrangement and, under certain circumstances, Palisades or Radio Fuels may be required to pay the Termination Fee.

*The value of the Palisades Shares that Shareholders receive or will be entitled to receive, as applicable, under the Arrangement, may be less than the value of the Common Shares, as of the date of the Arrangement or the date of the Meeting.*

The consideration payable to Shareholders pursuant to the Arrangement is based on an exchange ratio that is not subject to adjustment for changes in the market price of Palisades Shares or Common Shares prior to the consummation of the Arrangement. None of the Parties are permitted to terminate the Arrangement and abandon the Arrangement solely because of changes in the market price of the Palisades Shares or Common Shares.

There may be a significant amount of time between the date when Shareholders vote at the Meeting and the date on which the Arrangement is completed. As a result, the relative or absolute prices of the Palisades Shares or the Common Shares may fluctuate significantly between the dates of the Arrangement, this Circular, the Meeting and completion of the Arrangement.

These fluctuations may be caused by, among other factors, changes in the businesses, operations, results and prospects of the companies, market expectations of the likelihood that the Arrangement will be completed and the timing of its completion, the prospects for the Combined Company's post-combination operations, the effect of any conditions or restrictions imposed on or proposed with respect to the Combined Company by governmental authorities and general market and economic conditions.

As a result of such fluctuations, historical market prices are not indicative of future market prices or the market value of the Palisades Shares that Shareholders will receive or shall be entitled to receive, as applicable, on completion of the Arrangement. There can be no assurance that the market value of the Palisades Shares that Shareholders will receive or shall be entitled to receive, as applicable, on completion of the Arrangement will equal or exceed the market value of the Common Shares held by such Shareholders prior to such time. In addition, there can be no assurance that the trading price of the Palisades Shares will not decline following completion of the Arrangement.

*The Termination Fee provided under the Arrangement may discourage other parties from attempting to acquire Radio Fuels.*

Under the Arrangement, Radio Fuels would be required to pay the Termination Fee in the event the Arrangement is terminated in certain circumstances. This Termination Fee may discourage other parties from attempting to acquire Common Shares or otherwise make an Acquisition Proposal to Radio Fuels, even if those parties would otherwise be willing to offer greater value than that offered under the Arrangement.

Additionally, Radio Fuels may be required to pay the Termination Fee in certain circumstances. Payment of this amount could have an adverse effect on the Party's financial condition following any such termination of the Arrangement.

*The integration of Palisades and Radio Fuels may not occur as planned.*

The ability to realize the benefits of the Arrangement including, among other things, those set forth in this Circular under the heading "*The Arrangement – Reasons for the Recommendation of the Radio Fuels Special Committee*", will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as on the Combined Company's ability to realize the anticipated growth opportunities and synergies, efficiencies and cost savings from integrating Palisades and Radio Fuels' businesses following completion of the Arrangement. This integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities following completion of the Arrangement and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business and employee relationships that may adversely affect the ability of the Combined Company to achieve the anticipated benefits of the Arrangement.

#### *Conflicts of Interest*

In considering the recommendation of the Radio Fuels Board with respect to the Arrangement, Shareholders should be aware that certain members of Radio Fuels' senior management and the Radio Fuels Board have certain interests in connection with the Arrangement that may present them with actual or potential conflicts of interest in connection with the Arrangement. See "*Securities Law Considerations – Interests of Certain Persons and Companies in the Matters to be Acted Upon*".

Additionally, certain of the directors and officers of the Combined Company may have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Combined Company may participate or may wish to participate, the directors of the Combined Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with the Combined Company for the acquisition of mineral property rights. In the event that any such conflict of interest arises, a director or officer who has such a conflict will disclose the conflict to a meeting of the directors of the Combined Company and, if the conflict involves a director, the director will abstain from voting for or against the approval of such a participation or such terms. In appropriate cases, the Combined Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the Combined Company making the assignment. In accordance with the provisions of the BCBCA, the directors and officers of the Combined Company are required to act honestly in good faith, with a view to the best interests of the Combined Company. In determining whether or not the Combined Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Combined Company, the degree of risk to which the Combined Company may be exposed and its financial position at that time.

### *Risks Related to the Businesses of Radio Fuels and Palisades*

The businesses of Radio Fuels and Palisades are subject to significant risks. See the risk factors set out in this Circular and incorporated by reference. While the Parties have completed due diligence investigations, including reviewing technical, environmental, legal, tax accounting, financial and other matters, on each other, certain risks either may not have been uncovered or are not known at this time. Such risks may have an adverse impact on the assets of the Combined Company following the Arrangement and may have a negative impact on the value of the Palisades Shares.

### *Radio Fuels expects to incur significant costs associated with the Arrangement.*

Radio Fuels will incur significant direct transaction costs in connection with the Arrangement. While such costs were anticipated, actual direct transaction costs incurred in connection with the Arrangement may be higher than expected. Moreover, certain of Radio Fuels' 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.

### *While the Arrangement is pending, Radio Fuels is restricted from taking certain actions.*

The Arrangement Agreement restricts Radio Fuels from taking specified actions until the Arrangement is completed without the consent of Palisades which may adversely affect the ability of Radio Fuels to execute certain business strategies. These restrictions may prevent either Party from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement.

### *Income Tax*

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 "*Certain Canadian Federal Income Tax Considerations*" and "*Certain United States Federal Income Tax Considerations*".

### *Dissent Rights*

Registered Shareholders have the right to exercise certain dissent and appraisal rights and demand payment of the fair value of their Common Shares in cash in connection with the Arrangement in accordance with the CBCA, as modified and supplemented by the Interim Order, the Plan of Arrangement and the Final Order. If there are a significant number of Dissenting Shareholders, a substantial cash payment may be required to be made to such Shareholders that could have an adverse effect on the financial condition and cash resources if the Arrangement is completed. See "*Rights of Dissenting Shareholders*".

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Definitions**

For the purpose of the below Statement of Executive Compensation, in this section:

- (a) "**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

- (b) **"compensation securities"** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units, and restricted stock units granted or issued by Radio Fuels or one of its subsidiaries for services provided or to be provided, directly or indirectly, to Radio Fuels or any of its subsidiaries;
- (c) **"named executive officer"** or **"NEO"** means each of the following individuals:
- (i) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;
  - (ii) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;
  - (iii) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (i) and (ii) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year;
  - (iv) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;
- (d) **"plan"** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation, securities, or any other property may be received, whether for one or more persons; and
- (e) **"underlying securities"** means any securities issuable on conversion, exchange, or exercise of compensation securities.

### **Director and Named Executive Officer Compensation**

During the financial year ended November 30, 2023, based on the definition above, the NEOs of Radio Fuels were: (a) Cejay Kim, who served as President, Chief Executive Officer and a Director of Radio Fuels; (b) Arvin Ramos, who served as Chief Financial Officer of Radio Fuels until his resignation on August 31, 2023; and Bassam Moubarak, who served as Chief Financial Officer of Radio Fuels from August 31, 2023 to October 31, 2024. Individuals serving as Directors of Radio Fuels who were not NEOs during the financial year ended November 30, 2023, were Jack Campbell, Denis Laviolette and Collin Kettell.

#### **Director and named executive officer compensation, excluding compensation securities**

The following table sets forth all compensation, excluding compensation securities, paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by Radio Fuels, or a subsidiary of Radio Fuels, for the two most recently completed financial years, to each NEO and director of Radio Fuels, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO

or director of Radio Fuels for services provided and for services to be provided, directly or indirectly, to Radio Fuels or a subsidiary of Radio Fuels.

Table of Compensation Excluding Compensation Securities							
Name and position	Year ended (November 30)	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Cejay Kim</b> <sup>(1)</sup> Former President, CEO and Director	2023	140,000	Nil	Nil	Nil	Nil	140,000
	2022	344,000	Nil	Nil	Nil	Nil	344,000
<b>Jack Campbell</b> <sup>(2)</sup> Director and Chairman	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Collin Kettell</b> <sup>(3)</sup> Former Director	2023	84,000	Nil	Nil	Nil	Nil	84,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Bassam Moubarak</b> <sup>(4)</sup> Chief Financial Officer and Corporate Secretary	2023	15,000	Nil	Nil	Nil	Nil	15,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Denis Laviolette</b> <sup>(5)</sup> Former Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Arvin Ramos</b> <sup>(6)</sup> Former Chief Financial Officer and Former Director	2023	45,000	Nil	Nil	Nil	Nil	45,000
	2022	60,000	Nil	Nil	Nil	Nil	60,000

**NOTES:**

- (1) Cejay Kim served as President CEO and Director of Radio Fuels from December 16, 2021 to February 1, 2024.
- (2) Jack Campbell has served as a Director since December 16, 2021.
- (3) Collin Kettell served as a Director of Radio Fuels from May 15, 2023 to May 3, 2024. Notz Capital Corp, a related entity to Collin Kettell, was paid \$84,000 for providing management consulting services to Radio Fuels.
- (4) Bassam Moubarak served as Chief Financial Officer and Corporate Secretary from August 31, 2023 to October 31, 2024.
- (5) Denis Laviolette served as a Director from December 16, 2021 to September 8, 2023.
- (6) Arvin Ramos resigned as a Director on December 16, 2021 and resigned as CFO on August 31, 2023.

**Stock Options and Other Compensation Securities**

There were no compensation securities granted or issued to any NEO or director by Radio Fuels or one of its subsidiaries during the financial year ended November 30, 2023.

As at November 30, 2023, the total amount of compensation securities and underlying securities held by each NEO or director was as follows: (i) Cejay Kim held 2,500,000 Radio Fuels Options each exercisable at \$0.40 until March 7, 2027; (ii) Jack Campbell held 600,000 Radio Fuels Options each exercisable at \$0.40 until March 7, 2027; and (iii) Denis Laviolette held 600,000 Radio Fuels Options each exercisable at \$0.40 until March 7, 2027.

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

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

No exercises of compensation securities by any NEO or director of Radio Fuels occurred during the financial year ended November 30, 2023.

## Radio Fuels Stock Option Plans and Other Incentive Plans

Radio Fuels has adopted the Radio Fuels Stock Option Plan, a rolling up to 10% stock option plan for directors, officers, employees and consultants of Radio Fuels, which was adopted by the Radio Fuels Board on May 25, 2020, and subsequently approved by Shareholders on June 29, 2020. The Radio Fuels Stock Option Plan was last approved by the Shareholders on December 29, 2023. Capitalized terms used in the below summary but not defined herein shall have the respective meanings given to them in the Radio Fuels Stock Option Plan.

The purpose of the Radio Fuels Stock Option Plan is to attract, retain and motivate directors, officers, employees and other service providers of Radio Fuels by providing them with the opportunity, through share options, to acquire a proprietary interest in Radio Fuels and benefit from its growth. Radio Fuel Options may be granted under the Radio Fuels Stock Option Plan only to directors, officers, employees and consultants of Radio Fuels and its subsidiaries and other designated persons as designated from time to time by the Radio Fuels Board.

The following is a summary of the material terms of the Radio Fuels Stock Option Plan:

- the Radio Fuels Stock Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of Common Shares equal to 10% of the issued Common Shares at the time of any stock option grant;
- if a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of which the stock option expired or terminated shall again be available for the purposes of the Radio Fuels Stock Option Plan;
- persons eligible to be granted stock options under the Radio Fuels Stock Option Plan are directors, officers, and bona fide employees and consultants of Radio Fuels or a subsidiary of Radio Fuels;
- the Radio Fuels Board may, in its sole discretion, grant the majority of the stock options to insiders of Radio Fuels;
- at no time will stock options be issued under the Radio Fuels Stock Option Plan, together with all of Radio Fuels' previously established and outstanding stock option plans or grants which could permit at any time:
  - the aggregate number of Common Shares reserved for issuance under stock options granted to Insiders (as a group), at any point in time exceeding 10% of the issued Common Shares;
  - the grant to Insiders (as a group), within a 12-month period, of an aggregate number of stock options exceeding 10% of the issued Common Shares calculated at the date a stock option is granted to any Insider; or
  - the aggregate number of stock options granted to any one person (including companies wholly owned by that person) in any 12-month period exceeding 5% of the issued Common Shares at the time of the grant;

- the aggregate number of stock options granted to any one consultant in any 12-month period must not exceed 2% of the issued Common Shares at the time of the grant;
- the aggregate number of Common Shares that may be purchased pursuant to stock options together with any other share compensation arrangement granted to all persons conducting Investor Relations Activities in any 12-month periods must not exceed 2% of the issued Common Shares at the time of the grant;
- stock options fully vest on date of grant or as determined by the Radio Fuels Board except for stock options issued to persons conducting Investor Relations Activities which must vest in stages over a minimum period of 12 months with no more than  $\frac{1}{4}$  of the stock options vesting in any three-month period;
- the exercise price per Common Share for a stock option may not be less than the Discounted Market Price;
- stock options shall have a term not exceeding 10 years from the date of grant, subject to a provision allowing for the automatic extension to the expiry date of a stock option if such expiry date falls within a blackout period during which Radio Fuels prohibits option holders from exercising stock options, provided that the (i) blackout period must be formally imposed by Radio Fuels pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, (ii) blackout period must expire upon the general disclosure of the undisclosed material information, (iii) expiry date of the affected stock options can be extended to no later than ten (10) business days after the expiry of the blackout period, and (iv) automatic extension of an option holder's stock options will not be permitted where the option holder or Radio Fuels is subject to a cease trade order (or similar order under applicable securities laws) in respect of Common Shares;
- if an option holder is terminated for Cause, each stock option held by such person shall terminate upon such termination for Cause;
- if an option holder dies while holding stock options, each stock option held by such person shall terminate no later than the earlier of the expiry date of the stock options and the date which is six months after the date of death, provided that the Radio Fuels Board may extend the date of such termination to a date not exceeding the expiry date and the date which is 12 months after the date of death;
- if an option holder ceases to be an eligible person, other than by termination for cause or death, each stock option held by such person shall terminate no later than the earlier of the expiry date and the date which is 30 days after such event, provide that the Radio Fuels Board may extend the date of such termination to a date not exceeding the earlier of the expiry date and the date which is 12 months after such event;
- upon the occurrence of an Accelerated Vesting Event, the Radio Fuels Board will have the power, except pertaining to stock options granted to persons conducting investor relations activities, to make such changes to the terms of stock options, including but not limited to (i) accelerating the vesting of stock options, conditionally or unconditionally, (ii) terminating every stock option if under the transaction giving rise to the Accelerated Vesting Event, stock options in replacement of the stock options are proposed to be granted to or exchanged with the option holders, (iii) otherwise modifying the terms of any stock option to assist the option holders to tender into any take-over bid or other



transaction constituting an Accelerated Vesting Event, or (iv) following the successful completion of such Accelerated Vesting Event, terminating any stock option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event;

- in connection with the exercise of a stock option, as a condition to such exercise Radio Fuels shall require the optionee to pay, as applicable, to Radio Fuels an amount as necessary so as to ensure that Radio Fuels is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such stock option;
- Disinterested shareholder approval is required of any amendment to stock options held by Insiders that would have the effect of decreasing the exercise price of a stock option or extending the term of a stock option;
- stock options are non-assignable and non-transferable; and
- the Radio Fuels Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable on exercise of stock options in the event of a share consolidation, subdivision, conversion, exchange, reclassification or any substitution.

The above summary is qualified in its entirety by the full text of the Radio Fuels Stock Option Plan, which is attached to Radio Fuels' management information circular dated November 16, 2023 and available under Radio Fuels' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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

There are no compensatory plans, contracts or arrangements in place with the named executive officers resulting from the resignation, retirement or any other termination of employment of the named executive officers with Radio Fuels or from a change in control of Radio Fuels, or a change in the named executive officers' responsibilities following a change in control.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### *Compensation of Directors*

Radio Fuels does not pay its directors a fee for acting as directors of Radio Fuels. They are, however, entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors of Radio Fuels and discretionary bonuses. Radio Fuels does, from time to time, grant the directors of Radio Fuels Radio Fuels Options pursuant to the Radio Fuels Stock Option Plan.

### *Compensation of Named Executive Officers*

#### *Principles of Executive Compensation*

Radio Fuels believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of Radio Fuels as a whole. The primary components of Radio Fuels' executive compensation are base salary and option-based awards. The Radio Fuels Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the

shareholders. The following principles form the basis of Radio Fuels' executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of Radio Fuels and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced Radio Fuels' long-term value; and
5. connect, if possible, Radio Fuels' employees into principles 1 through 4 above.

The Radio Fuels Board is responsible for Radio Fuels' compensation policies and practices. The Radio Fuels Board has the responsibility to review and make recommendations concerning the compensation of the directors of Radio Fuels and the named executive officers. The Radio Fuels Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Radio Fuels Stock Option Plan. The Radio Fuels Board also reviews and approves the hiring of executive officers.

#### *Base Fees*

The Radio Fuels Board approves the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for Radio Fuels' peer group is also accumulated from a number of external sources including independent consultants. Radio Fuels' policy for determining salary for executive officers of Radio Fuels is consistent with the administration of salaries for all other employees.

#### *Annual Incentives*

Radio Fuels is not currently awarding any annual incentives by way of cash bonuses. However, Radio Fuels, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Radio Fuels Board approves annual incentives.

The success of named executive officers in achieving their individual objectives and their contribution to Radio Fuels in reaching its overall goals are factors in the determination of their annual bonus. The Radio Fuels Board assesses each named executive officers' performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of Radio Fuels that arise on a day-to-day basis. This assessment is used by the Radio Fuels Board in developing its recommendations with respect to the determination of annual bonuses for the named executive officers.

#### *Compensation and Measurements of Performance*

It is the intention of the Radio Fuels Board to approve targeted amounts of annual incentives for each NEO during each financial year. The targeted amounts will be determined by the Radio

Fuels Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities, will trigger the award of a cash bonus to the NEOs. The NEOs will receive a partial or full cash bonus depending on the number of the predetermined targets met and the Radio Fuels Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Radio Fuels Board and the Radio Fuels Board reserves the right to make positive or negative adjustments to any cash bonus payment if they consider them to be appropriate.

#### *Long Term Compensation*

Radio Fuels currently has no long-term incentive plans, other than Radio Fuels Options granted from time to time by the Radio Fuels Board under the provisions of the Radio Fuels Stock Option Plan.

#### Pension Disclosure

Radio Fuels does not have any pension, retirement, defined benefit, defined contribution or deferred compensation plans that provides for payments or benefits to its directors and NEOs at, following, or in connection with retirement and none are proposed at this time.

### **AUDIT COMMITTEE**

NI 52-110 requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. Such disclosure is set forth below.

#### **Audit Committee Charter**

The primary function of the Audit Committee of Radio Fuels is to assist the Radio Fuels Board in fulfilling its financial oversight responsibilities. The Audit Committee will review and consider in consultation with the auditor the financial reporting process, the system of internal control and the audit process.

Radio Fuels' Audit Committee Charter is attached to this Appendix J to this Circular. Capitalized terms used in this section but not defined herein shall have the respective meanings given to them in the Audit Committee Charter.

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

As at the date of this Circular, the Audit Committee is comprised of three directors, namely Philip O'Neill, Jack Campbell and William de Jong.

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with Radio Fuels, which could, in the view of the Radio Fuels Board, reasonably interfere with the exercise of the member's independent judgment. As Radio Fuels is a venture issuer, Radio Fuels is exempt from the audit committee composition requirements in NI 52-110 which require all audit committee members to be independent. Mr.

O'Neill is not considered to be independent as he also serves in the capacity as an executive officer of Radio Fuels. Messrs. Campbell and de Jong are considered to be independent.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Radio Fuels' financial statements. All of the members of Radio Fuels' audit committee are financially literate as that term is defined.

### **Relevant Education and Experience**

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

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

#### *Philip O'Neill*

Mr. O'Neill is the Chief Executive Officer and a director of the Company. He is currently the President and founder of MP1 Capital, a Calgary based investment company created to invest in the mining and mineral exploration sectors. Mr. O'Neill is currently the Chief Executive Officer and a Director of private West Nile Nickel Corp. Mr. O'Neill was a Director and Chief Operations Officer of Palisades Goldcorp Ltd. from 2019 to 2021. He was also President and Director of Nevada King Mining Corp. ahead of its go-public transaction in 2021. In 2010, Mr. O'Neill founded Canadian-listed Sunward Resources where he held the positions of Chief Executive Officer and Director ahead of negotiating Sunward Resources' acquisition by NovaCopper Inc., now Trilogy Metals Inc., in 2015. Mr. O'Neill has also held directorship roles for several Toronto Stock Exchange, TSXV, and Australian Securities Exchange listed companies. He holds a Bachelor of Applied Science degree from the University of Guelph.

#### *Jack Campbell*

Mr. Campbell is President, Chief Executive Officer and Director of Mexican Gold Mining Corp. Mr. Campbell participated as an investor in the uranium cycle of the early 2000s. Subsequently, he worked as the Head of Corporate Communications for Concentric Energy, which was acquired by Uranium Energy Corp. (UEC) in 2011. He brings over 15 years of experience in the financial analysis of public companies within the mineral resource sector. Mr. Campbell is a Professional Engineer and holds a B.Sc. (2005) from the University of Maryland.

## William de Jong

Mr. de Jong is well versed in the public markets and also serves as a director and corporate secretary for multiple private, public and not-for-profit companies. Mr. de Jong advises in matters relating to financings, mergers/acquisitions, corporate governance, continuous disclosure, stock exchange listings and other matters.

### **Audit Committee Oversight**

At no time since the commencement of Radio Fuels' most recently completed financial year ended November 30, 2023, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Radio Fuels Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of Radio Fuels' most recently completed financial year ended November 30, 2023, has Radio Fuels relied on the exemption in section 2.4 of NI 52-110 - *Audit Committees (De Minimis Non-audit Services)*, the exemption in section 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption, in whole or in part, granted under Part 8 of NI 52-110.

As Radio Fuels is a "Venture Issuer" pursuant to relevant securities legislation, Radio Fuels is relying on the exemption in section 6.1 of NI 52-110 - *Audit Committees*, from the requirement of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

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

The Audit Committee must approve all non-audit and non-tax services to be provided to Radio Fuels or its subsidiary entities, unless such non-audit and non-tax services are reasonably expected to constitute not more than twenty (20) percent of the total fees paid by Radio Fuels to the external auditor during the particular fiscal year. The Audit Committee shall have the authority to delegate approval-granting authority to pre-approve non-audit services by the external auditor to one or more of its members.

### **External Auditor Service Fees (By Category)**

The aggregate fees billed by Radio Fuels' external auditor in each of the last two financial years with respect to Radio Fuels, by category, are as follows:

<b>Financial Year Ended November 30</b>	<b>Audit Fees <sup>(1)</sup> (\$)</b>	<b>Audit Related Fees <sup>(2)</sup> (\$)</b>	<b>Tax Fees <sup>(3)</sup> (\$)</b>	<b>All Other Fees <sup>(4)</sup> (\$)</b>
2023	33,735	Nil	5,500	Nil
2022	12,135	Nil	1,000	13,135

#### **NOTES:**

- (1) "**Audit Fees**" include fees necessary to perform the annual audit and quarterly reviews of Radio Fuels' consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related

services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

- (3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "**All Other Fees**" include all other non-audit services.

## **CORPORATE GOVERNANCE**

### **General**

Pursuant to NI 58-101, Radio Fuels is required to disclose its corporate governance practices. Corporate governance relates to the policies, structure and activities of a board of directors of a corporation, the members of which are elected by and are accountable to the shareholders of the corporation and takes into account the role of the individual members of management who are appointed by the Radio Fuels Board and who are charged with the day-to-day management of the corporation.

National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**") establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Radio Fuels Board is committed to sound corporate governance practices and believes Radio Fuels' corporate governance practices are appropriate and effective for Radio Fuels given its current size.

Corporate governance encourages establishing a reasonable degree of independence of the Radio Fuels Board from executive management and the adoption of policies to ensure the Radio Fuels Board recognizes the principles of good management. The Radio Fuels Board is committed to sound corporate governance practices, as such practices are both in the interests of Shareholders and help to contribute to effective and efficient decision-making and believes Radio Fuels' corporate governance practices are appropriate and effective for Radio Fuels given its current size.

The following disclosure is required by NP 58-201 and describes Radio Fuels' approach to governance and outlines the various procedures, policies and practices that Radio Fuels and the Radio Fuels Board have implemented.

### **Board of Directors**

The Radio Fuels Board is currently composed of three (3) directors. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Radio Fuels Board facilitates its exercise of independent supervision over management of Radio Fuels by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Radio Fuels Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer. Accordingly, of the proposed nominees, Philip O'Neill, the Chief Executive Officer of Radio Fuels is considered not to be "independent". The remaining proposed directors, Messrs. Campbell

and de Jong, are considered by the Radio Fuels Board to be "independent" within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the Radio Fuels Board has examined the circumstances of each director in relation to a number of factors.

## Directorships

Certain of Radio Fuels' directors are also directors of other reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other Reporting Issuer (or the equivalent)
Jack Campbell	Mexican Gold Mining Corp.
William de Jong	Max Power Mining Corp. (CSE)

### NOTES:

- (1) The information in the table above as to other directorships is not within the knowledge of management of Radio Fuels and has been furnished by the respective directors.

## Orientation and Continuing Education

The Radio Fuels Board does not have a formal orientation or education program for its members. The legal counsel of Radio Fuels advises the Radio Fuels Board on a regular basis on any changes in laws or regulations relevant to the duties and responsibilities of directors. Each of the directors of Radio Fuels has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a director.

Due to the size of the Radio Fuels Board, no formal program currently exists for the orientation of new directors. Historically, board members who are familiar with Radio Fuels and the nature of its business have been nominated. Each new director brings a different skill set and professional background, and with this information, the Radio Fuels Board is able to determine what orientation regarding (a) the role of the Radio Fuels Board, its committees and its directors, and (b) the nature and operations of the business of Radio Fuels will be necessary and relevant to each new director.

## Position Descriptions

The Radio Fuels Board has not adopted written position descriptions for the Chief Executive Officer or the Chair of the Audit Committee delineating the roles and responsibilities inherent to the position being fulfilled. Generally, the Chair of the Audit Committee is charged with fulfilling the mandate as contained in the Audit Committee Charter and is given the specific written authority to execute the business of the Audit Committee as outlined and approved by the Radio Fuels Board. The Audit Committee Chair is charged with the responsibility of reviewing and, if necessary, changing and adapting the Audit Committee Charter to respond to developing issues and presenting the changed charter to the Radio Fuels Board for approval. The Audit Committee Chair organizes the meetings of the Audit Committee, develops and circulates agendas, conducts the meetings, records minutes, and follows-up on outstanding Audit Committee business. The Audit Committee Chair reports to the Radio Fuels Board on each meeting of the Audit Committee and makes recommendations for specific actions and decisions. The Chief Executive Officer's primary role is to manage Radio Fuels in an effective, efficient and forward-looking way and to fulfil the priorities, goals and objectives determined by the Radio Fuels Board in the context of Radio Fuels' strategic plans, budgets and responsibilities specifically detailed with a view to increasing shareholder value.

## **Ethical Business Conduct**

The Radio Fuels Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct designed to promote integrity and to deter wrongdoing through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having a majority of its Board members independent of corporate matters.

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of Radio Fuels and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and to disclose to the Radio Fuels Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of Radio Fuels or an affiliate of Radio Fuels, (ii) is for indemnity or insurance for the benefit of the director in connection with Radio Fuels, or (iii) is with an affiliate of Radio Fuels. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to Radio Fuels at the time it was entered into, the contract or transaction is not invalid, and the director is not accountable to Radio Fuels for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to Radio Fuels and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

## **Nomination of Directors**

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Radio Fuels Board. Prior to standing for election, new nominees to the Radio Fuels Board are reviewed by the entire Board.

## **Diversity of the Board and Senior Management**

As a federal distributing corporation, incorporated under the CBCA, Radio Fuels is required to disclose information annually to its shareholders and Corporations Canada on the diversity of its Board and senior management on the representation of women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities, members of visible minorities or otherwise self-represent as being within designated groups (as that term is defined in the Employment Equity Act (Canada)) (the "**Designated Groups**").



### Diversity of the Board and Senior Management

Radio Fuels has not adopted a formal written policy regarding the diversity of the Radio Fuels Board or senior management. Radio Fuels does not believe a formal policy would increase the representation of Designated Groups beyond how Radio Fuels currently nominates and appoints individuals to the Radio Fuels Board and senior management. Radio Fuels considers all qualified individuals for each position that may arise.

While Radio Fuels believes that nominations to the Radio Fuels Board and appointments to senior management should be based on merit, Radio Fuels recognizes that diversity supports balanced debate and discussion which, in turn, enhances decision-making and the level of representation of members of the Designated Groups is one factor taken into consideration during the search process for directors and members of the senior management.

In assessing potential directors and members of the senior management, Radio Fuels focuses on the skills, expertise, experience and independence which Radio Fuels requires to be effective. Due to the small size of the Radio Fuels Board and the management team, and the stage of development of Radio Fuels' business, the Radio Fuels Board believes that the qualifications and experience of proposed new directors and members of senior management should remain the primary consideration in the selection process. Radio Fuels will include diversity (including the level of representation of members of Designated Groups) as a factor in its future decision-making when identifying and nominating candidates for election or re-election to the Radio Fuels Board and for senior management positions.

### Director Term Limits and Other Mechanism of Board Renewal

Radio Fuels has not adopted term restrictions for directors or other mechanism of Board renewal that would limit the time an individual could serve on the Radio Fuels Board. Imposing a term limit would require Radio Fuels to remove an individual that has acquired an extensive knowledge and understanding of the operations of Radio Fuels. Accordingly, Radio Fuels believes that removing an individual solely on length of service would not benefit the shareholders of Radio Fuels. Each member of the Radio Fuels Board is put forth, for election or re-election, to shareholders annually.

### Quotas or Targets for Representation of Designated Groups on the Board and among Senior Management

Radio Fuels has not established quotas or targets for representation of individuals from the Designated Groups to the Radio Fuels Board or senior management. Radio Fuels believes that focusing on a quota or target rather than on skills and experience would limit Radio Fuels' ability to provide shareholders with a Board or senior management that meets the qualifications and needs of Radio Fuels and its shareholders.

### Representation of Designated Groups among Board and Senior Management

As of the date hereof, there are no members of a Designated Group that hold a position on the Radio Fuels Board or among senior management.

### **Board Committees**

The Radio Fuels Board has no committees other than the Audit Committee. See "*Audit Committee*" for additional information concerning the Audit Committee.

## Assessments

The Radio Fuels Board monitors but does not formally assess the effectiveness and contribution of the Radio Fuels Board, its committees and individual Board members. To date, the Radio Fuels Board has satisfied itself, through informal discussions that the Radio Fuels Board, its committees and individual Board members are performing effectively.

The Radio Fuels Board believes its corporate governance practices are appropriate and effective for Radio Fuels, given its size and operations. Radio Fuels' corporate governance practice allows Radio Fuels to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

## OTHER INFORMATION

### Securities Authorized for Issuance under Equity Compensation Plans

Radio Fuels has adopted the Radio Fuels Stock Option Plan, which was adopted by the Radio Fuels Board on May 25, 2020, and subsequently approved by Shareholders on June 29, 2020.

The following table sets forth information with respect to all compensation plans, being the Radio Fuels Stock Option Plan, under which equity securities were authorized for issuance as at November 30, 2023:

Plan Category	Type of Plan	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders <sup>(1)(2)</sup>	Radio Fuels Stock Option Plan	10,500,000	\$0.40	3,350,428 Radio Fuels Options
Equity compensation plans not approved by securityholders	N/A	N/A	N/A	N/A
<b>Totals</b>		<b>10,500,000</b>	<b>\$0.40</b>	<b>3,350,428</b>

#### NOTES:

- (1) As at November 30, 2023, the Radio Fuels Stock Option Plan reserved Common Shares equal to a maximum of 10% of the issued and outstanding Common Shares. As at November 30, 2023, the Company had 138,504,285 Common Shares issued and outstanding.
- (2) As of the date of this Circular, all outstanding Radio Fuels Options granted under the Radio Fuels Stock Option Plan have been cancelled.

### Indebtedness of Directors and Executive Officers

Other than "routine indebtedness" as defined in applicable securities legislation, since the beginning of the financial year ended November 30, 2023, none of:

- (a) the executive officers, directors, employees and former executive officers, directors and employees of the Company or any of its subsidiaries;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associates of the foregoing persons;

is or has been indebted to the Company or any of its subsidiaries or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, and which was not entirely repaid on or before the date of this Circular.

### **Interest of Informed Persons in Material Transactions**

Other than as set forth in this Circular or as disclosed in the Company's financial statements, no informed person of the Company, or proposed director of the Company, or any associate or affiliate of any informed person or proposed director, had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its Shares.

### **Management Contracts**

Since the beginning of the Company's most recently completed financial year ended November 30, 2023, management functions of the Company are not, and have not been, to any substantial degree performed by any person other than the executive officers and directors of the Company. See "*Statement of Executive Compensation – Employment, Consulting and Management Agreements.*"

### **Additional Information**

The final due date by which the Company must receive a proposal for including in its next annual general meeting circular (other than in respect of the nomination of persons for election to the Board) under paragraph 137(5)(a) of the CBCA is November 1, 2025. Shareholders wishing to make a proposal should refer to the relevant sections of the CBCA for a description of the procedures to be followed. For information concerning the deadlines for nomination of persons for election to the Board and the Advance Notice Provisions, see the section entitled "*Particulars of Matters to be Acted Upon at the Meeting – Election of Directors.*"

Financial information about the Company is included in the Company's comparative annual financial statements, as well as management's discussion and analysis, for the financial year ended November 30, 2023, which have been electronically filed with regulators and are available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Copies may be obtained without charge upon request to the Company at 217 Queen St. West, Suite 401, Toronto, Ontario, M5V 0R2 - telephone 778-886-1826.

You may also access the Company's other public disclosure documents on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Company's profile. Additional information about the Company can be found on the Company's website at <https://radiofuels.ca/>.

## **Request for Financial Statements**

NI 51-102 sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format.

### **DIRECTORS' APPROVAL**

The contents and the sending of this Circular have been approved by the Radio Fuels Board.

The information concerning Palisades contained in this Circular, including the appendices attached hereto and the information incorporated by reference herein, has been provided by Palisades. The Radio Fuels Board has relied upon this information without having made any independent inquiry as to the accuracy thereof. Radio Fuels assumes no responsibility for the accuracy or completeness of such information, nor for any omission on the part of Palisades to disclose facts or events which may affect the accuracy of any such information.

**DATED** this 20th day of December, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF RADIO FUELS ENERGY CORP.**

*"Philip O'Neill"*

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Name: **Philip O'Neill**

Title: **Chief Executive Officer and Director**

## CONSENT OF FORT CAPITAL PARTNERS

DATED: December 20, 2024.

To the Board of Directors of Radio Fuels Energy Corp.

We refer to the fairness opinion dated December 9, 2024, which we prepared for the special committee of the board of directors and the board of directors of Radio Fuels Energy Corp. ("**Radio Fuels**") in connection with the arrangement involving the acquisition by Palisades Goldcorp Ltd. of all of the outstanding common shares of Radio Fuels.

We hereby consent to the filing of our fairness opinion with the securities regulatory authorities, and to the references in this Circular dated December 20, 2024 to our firm name and to our fairness opinion dated December 9, 2024 contained under the headings, "*Summary – Reasons for the Recommendation of the Radio Fuels Special Committee*", "*Summary – Fairness Opinion*", "*The Arrangement – Background to the Arrangement*", "*The Arrangement – Reasons for the Recommendation of the Radio Fuels Special Committee*", "*The Arrangement – Fairness Opinion*" and "*Glossary of Defined Terms*" and the inclusion of the fairness opinion as Appendix E to this Circular dated December 20, 2024.

Our fairness opinion was given as at December 9, 2024 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the board of directors of Radio Fuels shall be entitled to rely upon our fairness opinion, nor do we permit any such reliance.

(Signed) "*Fort Capital Partners*"

## GLOSSARY OF DEFINED TERMS

The following terms used in this Circular have the meanings set forth below.

**"Acquisition Proposal"** means, other than the transactions contemplated by the Arrangement Agreement, any offer, proposal or inquiry from any person or group of persons acting jointly or in concert, whether or not in writing and whether or not delivered to the shareholders of Radio Fuels, after the date hereof relating to: (a) any acquisition or purchase, direct or indirect, of: (i) the assets of Radio Fuels and/or one or more of its subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of that Party and its subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of Radio Fuels and its subsidiaries, taken as a whole (or any lease, long-term supply or off-take agreement, hedging arrangement or other transaction having the same economic effect as a sale of such assets), or (ii) 20% or more of the issued and outstanding voting or equity securities of Radio Fuels or any one or more of its subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the consolidated assets of Radio Fuels and its subsidiaries, taken as a whole; (b) any take-over bid, tender offer or exchange offer that, if consummated, would result in such person or group of persons beneficially owning 20% or more of the issued and outstanding voting or equity securities of any class of voting or equity securities of that Party; (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving Radio Fuels or any of its subsidiaries whose assets or revenues, individually or in the aggregate, constitute 20% or more of the consolidated assets or revenues, as applicable, of Radio Fuels and its subsidiaries, taken as a whole (in each case, determined based upon the most recently publicly available consolidated financial statements of Radio Fuels); or (d) any other similar transaction or series of transactions involving Radio Fuels or any of its subsidiaries, and, in all cases, whether in a single transaction or in a series of related transactions.

**"affiliate"** has the meaning ascribed to it in the Securities Act.

**"Arrangement"** means the arrangement under Section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto in accordance with Section 8.3 of the Arrangement Agreement or the Plan of Arrangement or at the direction of the Court in the Final Order.

**"Arrangement Agreement"** means the arrangement agreement dated as of December 9, 2024 between Palisades and Radio Fuels as amended, amended and restated or supplemented or otherwise modified from time to time in accordance with the terms thereof.

**"Arrangement Resolution"** means the special resolution of the Shareholders approving the Arrangement to be considered at the Meeting, substantially in the form and content of Appendix A hereto.

**"Articles of Arrangement"** means the articles of arrangement of Radio Fuels in respect of the Arrangement required by the CBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to Radio Fuels and Palisades, each acting reasonably.

**"associate"** has the same meaning as ascribed to the term "associated entity" in MI 61-101.

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

"**Business Day**" means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Toronto, Ontario and Vancouver, British Columbia are open for the conduct of business.

"**Canada-US Tax Convention (1980)**" means the Convention between Canada and the United States with respect to Taxes on Income and on Capital, signed September 26, 1980, as amended.

"**CBCA**" means the *Canada Business Corporations Act*.

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement.

"**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum.

"**Combined Company**" means Palisades after completion of the Arrangement, whereby Radio Fuels is a subsidiary of Palisades as the parent company.

"**Combined Company Board**" means the board of directors of the Combined Company following completion of the Arrangement.

"**Common Shares**" means common shares in the capital of Radio Fuels.

"**Consideration Shares**" means the Palisades Shares to be issued to the Shareholders pursuant to the Plan of Arrangement.

"**Court**" means the Supreme Court of British Columbia.

"**CSE**" means the Canadian Securities Exchange.

"**Depository**" means Capital Transfer Agency, ULC in its role as depository for the purpose of, among other things, exchanging certificates representing Common Shares for certificates representing Consideration Shares pursuant to the Arrangement.

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA.

"**Dissent Rights**" means the rights of dissent in respect of the Arrangement provided under Section 190 of the CBCA, as set out Appendix H to this Circular, as modified by the Plan of Arrangement, the Interim Order and any other order of the Court.

"**Dissent Shares**" means Common Shares held by a Dissenting Shareholder and in respect of which the Dissenting Shareholder has duly and validly exercised the Dissent Rights in accordance with the dissent procedures in the Interim Order.

"**Dissenting Non-Resident Holder**" means a Non-Resident Holder who exercises Dissent Rights in respect of the Arrangement and who disposes of Common Shares to Radio Fuels in consideration for cash payment from Radio Fuels.

"**Dissenting Resident Holder**" means a Resident Holder who exercises Dissent Rights in respect of the Arrangement and who disposes of Common Shares to Radio Fuels in consideration for a cash payment from Radio Fuels.

**"Dissenting Shareholder"** means a registered holder of Common Shares who duly and validly dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who is ultimately entitled to be paid fair value for their Common Shares.

**"Eco Ridge Project"** means Radio Fuels' 100% owned Elliot Lake project, as more particularly described in the Eco Ridge Project Report.

**"Eco Ridge Project Report"** means the NI 43-101 Technical Report on the Eco Ridge Project, Elliott Lake Area, Ontario, Canada, prepared by Tudorel Ciuculescu, M. Sc., P.Geo. dated effective August 19, 2021.

**"Effective Date"** means the date designated by Palisades and Radio Fuels by notice in writing as the effective date of the Arrangement, after all of the conditions to the completion of the Arrangement as set out in the Arrangement Agreement and the Final Order have been satisfied or waived.

**"Effective Time"** means 12:01 a.m. on the Effective Date.

**"Fairness Opinion"** means the fairness opinion of Fort Capital Partners dated December 9, 2024 attached to this Circular as Appendix E.

**"FHSA"** has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*".

**"Final Order"** means the final order of the Court pursuant to Section 192 of the CBCA, approving the Arrangement, in form and substance acceptable to both Radio Fuels and Palisades, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both Radio Fuels and Palisades, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended on appeal (provided that any such amendment is acceptable to both Radio Fuels and Palisades, each acting reasonably).

**"Former Shareholders"** means the holders of Common Shares immediately prior to the Effective Time.

**"Governmental Entity"** means any applicable (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, whether domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

**"Holder"** has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations*".

**"IFRS"** means IFRS Accounting Standards as issued by the International Accounting Standards Board.

**"Interested Parties"** means, collectively Palisades, Radio Fuels or any of their respective associates or affiliates.



**"Interim Order"** means the interim order of the Court made following the applicable to the Court pursuant to subsection 192 of the CBCA, in form and substance acceptable to Palisades and Radio Fuels, each acting reasonably, as contemplated by Section 2.2 of the Arrangement Agreement, providing for, among other things, declarations and directions in respect of the notice to be given in respect of, and the calling and holding of the Meeting, as the same may be amended, modified, supplemented or varied by the Court with the consent of Radio Fuels and Palisades, each acting reasonably.

**"Iron Point Project"** means Radio Fuels' 100% owned Iron Point project in north-central Nevada, as more particularly described in the Iron Point Project Report.

**"Iron Point Project Report"** means the NI 43-101 Technical Report on the Iron Point Vanadium Deposit, Humboldt County, Nevada, effective March 22, 2023.

**"IRS"** means the U.S. Internal Revenue Service.

**"Key Regulatory Approvals"** means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an order prohibiting closing being made) required from any Governmental Entity to proceed with the Arrangement, the failure of which to obtain would reasonably be expected to have a Material Adverse Effect on such Party.

**"Key Third Party Consents"** means those consents and approvals required to be obtained by a Party from any third party under any of its material contracts in order to proceed with the Arrangement, the failure of which to obtain would reasonably be expected to have a Material Adverse Effect on such Party.

**"Letters of Transmittal"** means the letters of transmittal sent to Shareholders that accompany this Circular for use by Registered Shareholders.

**"Liens"** has the meaning ascribed to it in the Arrangement Agreement.

**"Lock-Up Agreements"** means the voting support agreements (including all amendments thereto) between Palisades and the Locked-Up Shareholders.

**"Locked-Up Shareholders"** means the holders of Common Shares subject to the Lock-Up Agreements.

**"Material Adverse Effect"** has the meaning ascribed to it in the Arrangement Agreement.

**"Meeting"** means the annual general and special meeting of the Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and any other matters as may be set out in this Circular and agreed to in writing by Palisades, acting reasonably.

**"MI 61-101"** means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

**"Named Executive Officer"** or **"NEO"** has the meaning given to it under the heading "*Statement of Executive Compensation – Definitions*."

**"New Found Gold"** means New Found Gold Corp., a company existing under the BCBCA.

**"NI 43-101"** means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

**"NI 45-102"** means National Instrument 45-102 – *Resale of Securities*.

**"NI 51-102"** means National Instrument 51-102 – *Continuous Disclosure Obligations*.

**"NI 52-110"** means National Instrument 52-110 – *Audit Committees*.

**"NI 54-101"** means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

**"NI 58-101"** means National Instrument 58-101 - *Disclosure of Corporate Governance Practices*.

**"Non-Electing U.S. Holder"** has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Tax Consequences if Radio Fuels is Classified as a PFIC*".

**"Non-Registered Shareholder"** has the meaning ascribed to it under the heading "*General Information Concerning the Meeting and Voting – Advice to Non-Registered Shareholders*".

**"Non-Resident Holder"** has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*".

**"Non-U.S. Holder"** has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Scope of this Disclosure*".

**"Notice of Dissent"** means a notice of dissent duly and validly given by a Registered Shareholder exercising Dissent Rights as contemplated in the Plan of Arrangement and the Interim Order.

**"Notice of Meeting"** means the notice of annual general and special meeting of Shareholders accompanying this Circular.

**"OTCQB"** means the U.S. OTCQB Venture Market.

**"Outside Date"** means April 10, 2025 or such later date as may be agreed to in writing by the Parties;

**"Palisades"** means Palisades Goldcorp Ltd., a company existing under the BCBCA.

**"Palisades Board"** means the board of directors of Palisades as the same is constituted from time to time.

**"Palisades Options"** means options to acquire Palisades Shares pursuant to the Palisades Stock Option Plan.

**"Palisades Shareholders"** means the holders of outstanding Palisades Shares.

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

**"Palisades Special Committee"** means the special committee of independent directors of Palisades.

**"Palisades Stock Option Plan"** means the stock option plan of Palisades adopted by the Palisades Board on May 21, 2022, and most recently approved by the Palisades Shareholders on September 16, 2024.

**"Parties"** means Palisades and Radio Fuels and **"Party"** means either of them.

**"Petition"** means the Notice of Hearing of Petition for the Final Order.

**"Plan of Arrangement"** means the plan of arrangement, substantially in the form of Appendix B hereto, and any amendments or variations thereto made in accordance with Section 8.3 of the Arrangement Agreement or the Plan of Arrangement or at the direction of the Court.

**"Proposed Amendments"** has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations*".

**"QEF"** has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Tax Consequences if Radio Fuels is Classified as a PFIC*".

**"QEF Election"** has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Tax Consequences if Radio Fuels is Classified as a PFIC*".

**"Radio Fuels"** means Radio Fuels Energy Corp., a company existing under the CBCA.

**"Radio Fuels Board"** means the board of directors of Radio Fuels as the same is constituted from time to time.

**"Radio Fuels Options"** means options to acquire Common Shares pursuant to the Radio Fuels Stock Option Plan.

**"Radio Fuels Special Committee"** means the special committee of independent directors of Radio Fuels.

**"Radio Fuels Stock Option Plan"** means the stock option plan of Radio Fuels adopted by the Radio Fuels Board on May 25, 2020, and most recently approved by the Shareholders on December 29, 2023.

**"Radio Fuels Warrantholders"** means the holders of Radio Fuels Warrants.

**"Radio Fuels Warrants"** means outstanding common share purchase warrants to purchase Common Shares.

**"RDSP"** has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada - Eligibility for Investment*".

**"Record Date"** means December 17, 2024.

**"Registered Plan"** has the meaning ascribed to it under the heading *"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment"*.

**"Registered Shareholder"** means a Shareholder whose Common Shares are registered in the name of such Shareholder in the records of Radio Fuels.

**"Regulation S"** means Regulation S adopted by the SEC under the U.S. Securities Act.

**"Regulation S-K 1300"** means Subpart 1300 of Regulation S-K adopted by the SEC under the U.S. Securities Act.

**"Resident Holder"** has the meaning ascribed to it under the heading *"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada"*.

**"RESP"** has the meaning ascribed to it under the heading *"Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada - Eligibility for Investment"*.

**"RRIF"** has the meaning ascribed to it under the heading *"Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada - Eligibility for Investment"*.

**"RRSP"** has the meaning ascribed to it under the heading *"Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada - Eligibility for Investment"*.

**"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 by Section 3(a)(10) thereof.

**"Securities Laws"** means the *Securities Act* (British Columbia) and the U.S. Securities Act, together with all other applicable state, federal and provincial securities laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time.

**"SEDAR+"** means the System for Electronic Document Analysis and Retrieval +, described in National Instrument 13-103 – *System for Electronic Document Analysis and Retrieval +* and available for public view at [www.sedarplus.ca](http://www.sedarplus.ca).

**"Shareholder Approval"** means 66 <sup>2</sup>/<sub>3</sub>% of the votes cast on the Arrangement Resolution by Shareholders present in person or represented by proxy at the Meeting.

**"Shareholders"** means, at any time, the holders of Common Shares.

**"Subsidiary PFIC"** has the meaning ascribed to it under the heading *"Certain United States Federal Income Tax Considerations – Ownership of Palisades Shares – PFIC Rules Related to the Ownership and Disposition of Palisades Shares"*.

**"Superior Proposal"** means any unsolicited bona fide Acquisition Proposal made in writing by a third party or third parties acting jointly or in concert with one another, who deal at arm's length to Radio Fuels after the date hereof that to acquire all of the outstanding Common Shares or all or substantially all of the assets of Radio Fuels and its subsidiaries on a consolidated basis that: (i) is reasonably capable of being completed in accordance with its terms without undue delay, taking

into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; (ii) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available to the satisfaction of the Radio Fuels Board, acting reasonably in good faith and after receipt of advice from its outside counsel and financial advisor; (iii) is not subject to a due diligence or access condition; (iv) did not result from a material breach of Section 7.2 of the Arrangement Agreement, by Radio Fuels or its representatives; (v) complies with Securities Laws; (vi) in the case of a transaction that involves the acquisition of the Common Shares, is made available to all Shareholders on the same terms and conditions; and (viii) the Radio Fuels Board determines, in its good faith judgment, after receiving the advice of its outside legal counsel and financial advisors, that (A) failure to recommend such Acquisition Proposal to the Shareholders, would be inconsistent with its fiduciary duties and (B) taking into account all of the terms and conditions of such Acquisition Proposal, if consummated in accordance with its terms (but not assuming away any risk of non-completion), would result in a transaction more favourable to the Shareholders from a financial point of view, than the Arrangement (after taking into account any adjustment to the terms and conditions of the Arrangement proposed by Palisades pursuant to Section 7.3(b) of the Arrangement Agreement).

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

**"Taxes"** mean any and all taxes, imposts, levies, withholdings, duties, fees, premiums, assessments and other charges of any kind, however denominated and instalments in respect thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Entity, including for greater certainty all income or profits taxes (including Canadian federal, provincial and territorial income taxes), payroll and employee withholding taxes, employment taxes, unemployment insurance, disability taxes, social insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, goods and services taxes, harmonized sales taxes, franchise taxes, gross receipts taxes, capital taxes, business license taxes, mining royalties, alternative minimum taxes, estimated taxes, abandoned or unclaimed (escheat) taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, severance taxes, workers' compensation, Canada and other government pension plan premiums or contributions and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which a Party or any of its subsidiaries is required to pay, withhold or collect, together with any interest, penalties or other additions to tax that may become payable in respect of such taxes, and any interest in respect of such interest, penalties and additions whether disputed or not.

**"Termination Fee"** has the meaning ascribed to it in Section 7.4(c)(ii) of the Arrangement Agreement.

**"TFSA"** has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada - Eligibility for Investment*".

**"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*, as amended, and the rules and regulations promulgated thereunder.

**"U.S. Holder"** has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Scope of this Disclosure*".

**"U.S. Securities Act"** means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder.

**"U.S. Tax Code"** means the United States Internal Revenue Code of 1986, as amended.

**"VIF"** means voting instruction form.

**APPENDIX A  
ARRANGEMENT RESOLUTION**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving Radio Fuels Energy Corp. ("**Radio Fuels**") and Palisades Goldcorp. Ltd. ("**Palisades**") and shareholders of Radio Fuels, all as more particularly described and set forth in the management information circular (the "**Circular**") of Radio Fuels accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted;
2. the arrangement agreement (the "**Arrangement Agreement**") between Radio Fuels and Palisades dated December 9, 2024 and all the transactions contemplated therein, the full text of which is attached as a schedule to the Circular, the actions of the directors of Radio Fuels in approving the Arrangement and the actions of the directors and officers of Radio Fuels in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved;
3. the plan of arrangement (the "**Plan of Arrangement**") of Radio Fuels implementing the Arrangement, the full text of which is set out in Schedule "A" to the Arrangement Agreement (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted;
4. notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of Radio Fuels or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Radio Fuels are hereby authorized and empowered, without further notice to, or approval of, the shareholders of Radio Fuels to:
  - (a) amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
  - (b) subject to the terms of the Arrangement Agreement, not proceed with the Arrangement;
5. any director or officer of Radio Fuels is hereby authorized and directed for and on behalf of Radio Fuels to execute, whether under corporate seal of Radio Fuels or otherwise, and to deliver such other documents as are necessary or desirable in accordance with the Arrangement Agreement for filing; and
6. any one or more directors or officers of Radio Fuels is hereby authorized, for and on behalf and in the name of Radio Fuels, to execute and deliver, whether under corporate seal of Radio Fuels or otherwise, all such agreements, forms, waivers, notices, certificate, confirmations and other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

- (a) all actions required to be taken by or on behalf of Radio Fuels, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
- (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Radio Fuels; such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.



**APPENDIX B  
PLAN OF ARRANGEMENT**

**UNDER SECTION 192 OF THE CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

“**affiliate**” shall have the meaning ascribed thereto in the *Securities Act* (British Columbia);

“**Arrangement**” means the arrangement under section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto in accordance with Section 8.3 of the Arrangement Agreement, the Interim Order, or at the direction of the Court in the Final Order provided, however, that any such amendment or variation must be acceptable to Palisades and Radio Fuels, each acting reasonably;

“**Arrangement Agreement**” means the arrangement agreement dated December 9, 2024 between Palisades and Radio Fuels, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

“**Arrangement Resolution**” means the special resolution of the Radio Fuels Shareholders approving the Arrangement to be considered and, if thought fit, passed at the Radio Fuels Meeting, substantially in the form and content of Schedule B to the Arrangement Agreement;

“**Articles of Arrangement**” means the articles of arrangement of Radio Fuels in respect of the Arrangement, to be sent to the Director pursuant to the CBCA after the Final Order is made, which shall be in form and substance satisfactory to Palisades and Radio Fuels, each acting reasonably;

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

“**Business Day**” means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Toronto, Ontario and Vancouver, British Columbia are open for the conduct of business;

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

“**Certificate of Arrangement**” means the certificate or other confirmation of filing giving effect to the Arrangement to be issued by the Director pursuant to section 192(7) of the CBCA after the Articles of Arrangement have been filed;

“**Consideration Shares**” means the Palisades Shares to be issued to the Radio Fuels Shareholders pursuant to this Plan of Arrangement;

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

“**Depository**” means any trust company, bank or financial institution agreed to in writing between the Parties for the purpose of, among other things, exchanging certificates representing Radio Fuels Shares for certificates representing the Consideration Shares pursuant to the Arrangement;

**“Director”** means the Director appointed pursuant to Section 260 of the CBCA;

**“Dissent Rights”** shall have the meaning ascribed thereto in Section 4.1 of this Plan of Arrangement;

**“Dissenting Shareholder”** means a registered holder of Radio Fuels Shares as of the record date of the Radio Fuels Meeting that has duly and validly exercised their Dissent Rights in strict compliance with the dissent procedures set out in Section 190 of the CBCA, as modified by Section 4.1 of this Plan of Arrangement, the Interim Order and the Final Order and that who not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

**“DRS”** shall have the meaning ascribed thereto in Section 3.3;

**“Effective Date”** means the date upon which the Arrangement becomes effective, as shown on the Certificate of Arrangement;

**“Effective Time”** means 12:01 a.m. (Vancouver time) on the Effective Date;

**“Exchange Ratio”** means 0.060538 Palisades Shares for each Radio Fuels Share;

**“Final Order”** means the final order of the Court in form and substance acceptable to Palisades and Radio Fuels, each acting reasonably, pursuant to section 192 of the CBCA, approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of Palisades and Radio Fuels, each acting reasonably) at any time prior to the Effective Date, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to Palisades and Radio Fuels, each acting reasonably) on appeal;

**“final proscription date”** shall have the meaning ascribed thereto Section 5.6;

**“Former Radio Fuels Shareholders”** means the holders of Radio Fuels Shares immediately prior to the Effective Time;

**“Interim Order”** means the interim order of the Court following the application to the Court pursuant to section 192 of the CBCA, in form and substance acceptable to Palisades and Radio Fuels, each acting reasonably, as contemplated by Section 2.2 of the Arrangement Agreement, providing for, among other things, declarations and directions in respect of the notice to be given in respect of, and the calling and holding of the Radio Fuels Meeting, as the same may be amended, modified, supplemented or varied by the Court with the consent of Radio Fuels and Palisades, each acting reasonably;

**“Liens”** means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, royalties, encumbrances and adverse rights or claims, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

**“Palisades”** means Palisades Goldcorp Ltd., a company existing under the BCBCA;

**“Palisades Shares”** means the common shares of Palisades, as constituted on the date hereof;

**“Parties”** means, Palisades and Radio Fuels and **“Party”** means any of them;

**“Plan of Arrangement”** means this plan of arrangement and any amendments or variations hereto made in accordance with Section 8.3 of the Arrangement Agreement or Section 6.1 of this Plan of Arrangement or at the direction of the Court;

**“Radio Fuels”** means Radio Fuels Energy Corp., a company existing under the CBCA;

**“Radio Fuels Meeting”** means the meeting of the Radio Fuels Shareholders, including any adjournment or postponement thereof, held to consider and, if thought fit, approve, among other things, the Arrangement Resolution;

**“Radio Fuels Shareholders”** means the holders of the Radio Fuels Shares;

**“Radio Fuels Shares”** means the common shares in the capital of Radio Fuels as constituted on the date hereof;

**“Radio Fuels Warrants”** means the outstanding warrants to purchase Radio Fuels Shares issued under the Radio Fuels Warrant Indenture;

**“Radio Fuels Warrant Indenture”** means the warrant indenture dated December 6, 2021 between Radio Fuels and Capital Transfer Agency, ULC;

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

**“Transmittal Letter”** means the letter of transmittal sent to holders of Radio Fuels Shares for use in connection with the Arrangement; and

**“U.S. Securities Act”** means the United States Securities Act of 1933, as amended.

Any capitalized terms used, but not otherwise defined herein, shall have the meanings ascribed to them in the Arrangement Agreement. In addition, words and phrases used herein and defined in the CBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the CBCA unless the context otherwise requires.

## **1.2 Interpretation Not Affected by Headings**

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto. Unless the contrary intention appears, references in this Plan of Arrangement to an Article or Section, by number or letter or both refer to the Article or Section, respectively, bearing that designation in this Plan of Arrangement.

## **1.3 Number, Gender and persons**

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

#### **1.4 Date for any Action**

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

#### **1.5 Statutory References**

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

#### **1.6 Currency**

Unless otherwise stated, all references herein to amounts of money are expressed in lawful money of Canada.

#### **1.7 Governing Law**

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

#### **1.8 Binding Effect**

This Plan of Arrangement and Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement will become effective at the Effective Time and shall be binding upon Palisades, Radio Fuels, Radio Fuels Shareholders, the registrar and transfer agent of Radio Fuels and the Depositary at and after the Effective Time, in each case without further act or formality required on the part of any person, except as expressly provided in this Plan of Arrangement.

#### **1.9 No Liens**

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

### **ARTICLE 2 ARRANGEMENT AGREEMENT**

#### **2.1 Arrangement Agreement**

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein.

### **ARTICLE 3 ARRANGEMENT**

At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order without any further act or formality:

#### **3.1 Arrangement**

- (a) each Radio Fuels Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part,

free and clear of all Liens, claims and encumbrances, to Radio Fuels in accordance with, and for the consideration contemplated in Section 4.1 hereof, and: (i) such Dissenting Shareholder shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign each such Radio Fuels Share; and (ii) the name of such holder shall be removed from the central securities register as a holder of Radio Fuels Shares and such Radio Fuels Shares shall be cancelled and cease to be outstanding and such Dissenting Shareholders will have only the rights set out in Article 4 hereof; and

- (b) each Radio Fuels Share (other than a Radio Fuels Share held by a Dissenting Shareholder or a Radio Fuels Share held by Palisades) shall be deemed to be transferred to Palisades and, in exchange for and in consideration therefor, Palisades shall issue the Consideration Shares for each Radio Fuels Share, subject to Section 3.4 and Article 5, and upon such exchange:
  - (i) each such holder of Radio Fuels Shares shall cease to be the holder thereof and to have any rights as a Radio Fuels Shareholder other than the right to be paid the Consideration Shares for their Radio Fuels Shares in accordance with this Plan of Arrangement;
  - (ii) Palisades shall be the transferee of such Radio Fuels Shares free and clear of all Liens, and shall be entered in the register of the Radio Fuels Shares maintained by or on behalf of Radio Fuels; and
  - (iii) each holder of such exchanged Radio Fuels Shares shall be entered in Palisades' central securities register in respect of the Palisades Shares which such holder is entitled to receive in accordance with this Section 3.1(b).

### **3.2 Warrants**

In accordance with the terms of each Radio Fuels Warrant and not as part of the Arrangement, each Radio Fuels Warrant outstanding immediately prior to the Effective Time will be automatically adjusted such that upon the subsequent exercise of such Radio Fuels Warrants, in accordance with their terms, the holders of such Radio Fuels Warrants shall receive, and shall accept, in lieu of each Radio Fuels Shares to which such holders were theretofore entitled upon such exercise (including payment of the same aggregate consideration), such number of Palisades Shares as the holders of the Radio Fuels Warrants would have been entitled to receive if they had exercised their Radio Fuels Warrants immediately prior to the Effective Time.

### **3.3 Effective Time Procedures**

- (a) Following the receipt of the Final Order and prior to or concurrently with the filing of the Articles of Arrangement with the Director, Palisades shall deliver or arrange to be delivered to the Depository certificates or direct registration ("**DRS**") advice-statements representing the Palisades Shares required to be issued to Former Radio Fuels Shareholders in accordance with the provisions of Section 3.1, which certificates or DRS advice-statements shall be held by the Depository as agent and nominee for such Former Radio Fuels Shareholders for distribution to such Former Radio Fuels Shareholders in accordance with the provisions of Article 5.

- (b) Subject to the provisions of Article 5, and upon return of a properly completed Transmittal Letter by a registered Former Radio Fuels Shareholder together with certificates representing Radio Fuels Shares and such other documents as the Depository may require, Former Radio Fuels Shareholders shall be entitled to receive delivery of certificates or DRS advice-statements representing the Palisades Shares to which they are entitled pursuant to Section 3.1.

### **3.4 Palisades Shares**

- (a) No fractional Palisades Shares shall be issued to Former Radio Fuels Shareholders. The number of Palisades Shares to be issued to Former Radio Fuels Shareholders shall be rounded down to the nearest whole Palisades Share in the event that a Former Radio Fuels Shareholder is entitled to a fractional share representing less than a whole Palisades Share and no Former Radio Fuels Shareholder shall be entitled to any compensation in respect of a fractional Palisades Share.
- (b) All Palisades Shares issued pursuant hereto shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for the purposes of the *Business Corporations Act* (British Columbia).

## **ARTICLE 4 DISSENT RIGHTS**

### **4.1 Dissent Rights**

Registered Radio Fuels Shareholders as of the record date of the Radio Fuels Meeting may exercise dissent rights with respect to Radio Fuels Shares held by such Dissenting Shareholders (“**Dissent Rights**”) in connection with the Arrangement pursuant to and in the manner set forth in Section 190 of the CBCA, as modified by the Interim Order, the Final Order and this Section 4.1; provided that the written notice contemplated by Section 190(5) of the CBCA setting forth the objection of such registered Radio Fuels Shareholder to the Arrangement Resolution must be received by Radio Fuels not later than 5:00 p.m. (Vancouver time) on the day that is two Business Days immediately preceding the date of the Radio Fuels Meeting (as it may be adjourned or postponed from time to time) and provided further that a Dissenting Shareholder who:

- (a) is ultimately entitled to be paid fair value for its Radio Fuels Shares, such Dissenting Shareholder: (i) shall be deemed not to have participated in the transactions in Article 3 (other than Section 3.1(a)); (ii) will be entitled to be paid the fair value of such Radio Fuels Shares, less applicable withholding Taxes in accordance with Section 5.5, by Radio Fuels (using its own funds and not funds provided directly or indirectly by Palisades), which fair value, notwithstanding anything to the contrary contained in section 190 of the CBCA, shall be determined as of the close of business on the Business Day immediately preceding the date on which the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement if such Dissenting Shareholder had not exercised its Dissent Rights in respect of such Radio Fuels Shares; or
- (b) is ultimately not entitled, for any reason, to be paid fair value for its Radio Fuels Shares, such Dissenting Shareholder shall be deemed to have participated in the Arrangement on the same basis as a Radio Fuels Shareholder that has not exercised Dissent Rights and shall be entitled to receive only the Consideration

Shares contemplated by Section 3.1(b) that such Dissenting Shareholder would have received pursuant to the Arrangement if such Dissenting Shareholder had not exercised its Dissent Rights.

#### **4.2 Recognition of Dissenting Holders**

- (a) In no circumstances shall Palisades, Radio Fuels or any other person be required to recognize a person exercising Dissent Rights unless such person (i) is the registered holder of the Radio Fuels Shares as of the record date of the Radio Fuels Meeting in respect of which such Dissent Rights are purported to be exercised; (ii) is the registered holder of the Radio Fuels Shares as of the deadline for exercising Dissent Rights in respect of which such Dissent Rights are purported to be exercised; and (iii) has strictly complied with the procedures for exercising Dissent Rights and has not withdrawn such dissent prior to the Effective Time.
- (b) For greater certainty, in no case shall Palisades, Radio Fuels or any other person be required to recognize any Dissenting Shareholder as a holder of Radio Fuels Shares after the completion of the transfer under Section 3.1(a) and each such Dissenting Shareholder will cease to be entitled to the rights of a Radio Fuels Shareholder in relation to the Radio Fuels Shares in respect of which such Dissenting Shareholder has exercised Dissent Rights, and the name of such Dissenting Shareholder shall be removed from the register of Radio Fuels Shareholders to reflect that such former holder of Radio Fuels Shares is no longer the holder of such Radio Fuels Shares as of and at the same time as the event described in Section 3.1(a) occurs. In addition to any other restrictions under section 190 of the CBCA or the Interim Order, no Radio Fuels Shareholder who votes or has instructed a proxyholder to vote such Radio Fuels Shareholder's Radio Fuels Shares in favour of the Arrangement Resolution shall be entitled to exercise Dissent Rights.
- (c) Radio Fuels Shareholders who withdraw, or are deemed to withdraw, their right to exercise Dissent Rights shall be deemed to have participated in the Arrangement, as of the Effective Time, and shall be entitled to receive the Consideration Shares to which such Radio Fuels Shareholders who have not exercised Dissent Rights are entitled under Section 3.1(b).
- (d) In addition to any other restrictions under the Interim Order or Section 190 of the CBCA, none of the following shall be entitled to exercise Dissent Rights: (i) holders of Radio Fuels Warrants (in their capacity as holders of such securities); (ii) Radio Fuels Shareholders who voted or instructed a proxyholder to vote Radio Fuels Shares in favour of the Arrangement Resolution; (iii) Palisades and any of its affiliates; and (iv) any person who is not a registered holder of Radio Fuels Shares.

### **ARTICLE 5 DELIVERY OF RADIO FUELS SHARES**

#### **5.1 Deposit with Respect to Issue of Palisades Shares**

Palisades will, following receipt of the Final Order and prior to or concurrently with the filing of the Articles of Arrangement with the Director, issue and deliver to the Depositary: an irrevocable treasury order authorizing the Depositary, as the registrar and transfer agent for the Palisades Shares, to issue certificates or DRS advice statements representing the aggregate number of

Palisades Shares to which the Radio Fuels Shareholders are entitled in accordance with the terms of the Arrangement.

## **5.2 Delivery of Radio Fuels Securities**

Upon surrender to the Depositary for cancellation of a certificate or DRS advice-statement that immediately before the Effective Time represented one or more outstanding Radio Fuels Shares that were exchanged for Palisades Shares in accordance with Section 3.1, together with a duly completed Transmittal Letter and such other documents and instruments as would have been required to effect the transfer of the Radio Fuels Shares formerly represented by such certificate or DRS advice-statement under the CBCA and the constating documents of Radio Fuels and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, a certificate or DRS advice-statement representing the Palisades Shares that such holder is entitled to receive in accordance with Section 3.1.

After the Effective Time and until surrendered for cancellation as contemplated by this Section 5.2, each certificate or DRS advice-statement that immediately prior to the Effective Time represented one or more Radio Fuels Shares shall be deemed at all times to represent only the right to receive in exchange therefor a certificate or DRS advice-statement representing Palisades Shares that the holder of such certificate is entitled to receive in accordance with Section 3.1.

## **5.3 Lost Certificates**

If any certificate that immediately prior to the Effective Time represented one or more outstanding Radio Fuels Shares that were exchanged in accordance with Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, a certificate representing Palisades Shares that such holder is entitled to receive in accordance with Section 3.1. When authorizing such delivery of a certificate representing Palisades Shares that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom a certificate representing such Palisades Shares is to be delivered shall, as a condition precedent to the delivery of such Palisades Shares, give a bond satisfactory to Palisades and the Depositary in such amount as Palisades and the Depositary may direct, or otherwise indemnify Radio Fuels and the Depositary in a manner satisfactory to Palisades and the Depositary, against any claim that may be made against Palisades or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the constating documents of Radio Fuels.

## **5.4 Distributions with Respect to Unsurrendered Certificates**

No dividend or other distribution declared or made after the Effective Time with respect to Palisades Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate or DRS advice-statement that, immediately prior to the Effective Time, represented outstanding Radio Fuels Shares unless and until the holder of such certificate or DRS advice-statement shall have complied with the provisions of Section 5.2 or Section 5.3. Subject to applicable Law and to Section 5.5, at the time of such compliance, there shall, in addition to the delivery of a certificate representing Palisades Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Palisades Shares.



## **5.5 Withholding Rights**

Palisades, Radio Fuels, the Depositary and their respective agents, as applicable (in this Section 5.5, the “**payor**”), shall each be entitled to deduct and withhold from any consideration payable (whether in cash or in kind) or otherwise deliverable to any person hereunder (including any payment to Radio Fuels Shareholders who have validly exercised their Dissent Rights and from all dividends or other distributions otherwise payable to any Former Radio Fuels Shareholders) such amounts as the relevant payor is required to deduct or withhold therefrom under any applicable Law in respect of Taxes. For the purposes hereof and the Arrangement Agreement, all such deducted or withheld amounts shall be treated as having been paid to the person in respect of which such deduction or withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity when required by Law by, or on behalf of, the payor. Each payor is hereby authorized, subject to having received Palisades’ prior written consent, to sell or otherwise dispose of, on behalf of such person in respect of which a deduction or withholding was made, such portion of any Consideration Shares or other security deliverable to such person as is necessary to provide sufficient funds (after deducting commissions payable, fees and other reasonable costs and expenses) to the payor to enable it to comply with such deduction or withholding requirement and the payor shall notify such person thereof and remit the applicable portion of the net proceeds of such sale to the appropriate Governmental Entity and, if applicable, any portion of such net proceeds that is not required to be so remitted shall be paid to such person. Any such sale will be made in accordance with applicable Laws and at prevailing market prices, and no payor shall be under any obligation to obtain a particular price, or indemnify any person, in respect of a particular price, for the portion of the Consideration Shares or other securities, as applicable, so sold. No payor will be liable for any loss arising out of any sale arising under this Section 5.5.

## **5.6 Limitation and Proscription**

To the extent that a Former Radio Fuels Shareholder shall not have complied with the provisions of Section 5.2 or Section 5.3 on or before the date that is six years after the Effective Date (the “**final proscription date**”), then the Palisades Shares that such Former Radio Fuels Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the certificates or DRS advice-statements representing such Palisades Shares shall be delivered to Palisades by the Depositary and the share certificates shall be cancelled by Palisades, and the interest of the Former Radio Fuels Shareholder in such Palisades Shares shall be terminated as of such final proscription date.

# **ARTICLE 6 AMENDMENTS**

## **6.1 Amendments to Plan of Arrangement**

- (a) Palisades and Radio Fuels reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by Palisades and Radio Fuels, (iii) filed with the Court and, if made following the Radio Fuels Meeting, approved by the Court, and (iv) communicated to holders or former holders of Radio Fuels Shares if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Radio Fuels or Palisades at any time prior to the Radio Fuels Meeting provided that Palisades and Radio Fuels, acting reasonably, shall have consented

thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the Radio Fuels Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

- (c) Radio Fuels and Palisades may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Radio Fuels Meeting and prior to the Effective Time with the approval of the Court, and, if and only if: (i) it is consented to in writing by each of Palisades and Radio Fuels, each acting reasonably; and (ii) if required by the Court, it is consented to by the Radio Fuels Shareholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Radio Fuels Meeting shall be effective only if: (i) it is consented to in writing by each of Palisades and Radio Fuels; and (ii) if required by the Court, it is consented to by the Radio Fuels Shareholders voting in the manner directed by the Court.
- (e) Notwithstanding anything to the contrary contained herein, prior to the Effective Time, Radio Fuels and Palisades may, and following the Effective Time, Palisades and Radio Fuels may unilaterally, amend, modify and/or supplement this Plan of Arrangement at any time and from time to time without the approval of the Court, the Radio Fuels Shareholders or any other persons, provided that each such amendment, modification and/or supplement (i) must concern a matter which, in the reasonable opinion of each of Radio Fuels and Palisades, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement, and (ii) is not adverse to the interests of any Radio Fuels Shareholders or, to the extent the amendment, modification and/or supplement is made following the Effective Time, Participating Former Radio Fuels Shareholders.

## **6.2 Termination**

This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

## **ARTICLE 7 FURTHER ASSURANCES**

### **7.1 Further Assurances**

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

**ARTICLE 8**  
**U.S. SECURITIES LAW MATTERS**

**8.1 U.S. Securities Law Matters**

Notwithstanding any provision herein to the contrary, this Plan of Arrangement will be carried out with the intention that all Palisades Shares to be issued to Radio Fuels Shareholders in exchange for their Radio Fuels Shares pursuant to this Plan of Arrangement, as applicable, will be issued and exchanged in reliance on the exemption from the registration requirements of the U.S. Securities Act as provided by section 3(a)(10) thereof and pursuant to the terms, conditions and procedures set forth in the Arrangement Agreement.

**APPENDIX C  
INTERIM ORDER**

Please see attached.



No. S-248763  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 192 OF THE  
CANADA BUSINESS CORPORATIONS ACT, RSC 1985, c 44, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING  
RADIO FUELS ENERGY CORP. AND  
PALISADES GOLDCORP LTD.

RADIO FUELS ENERGY CORP.

PETITIONER

ORDER MADE AFTER APPLICATION  
(INTERIM ORDER)

)  
)  
BEFORE ) ~~THE HONOURABLE~~ ASSOCIATE JUDGE ) 19/December/2024  
) *BUAWKH* )

ON THE APPLICATION of the Petitioner, Radio Fuels Energy Corp. ("**Radio Fuels**") for an Interim Order under section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, (the "**CBCA**") pursuant to its Petition filed on December 17, 2024, in connection with an arrangement under section 192 of the CBCA, without notice and coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on December 20, 2024; AND ON HEARING Kasey Campbell, counsel for Radio Fuels, AND UPON READING the Affidavit No. 1 of Natalia Samartseva made December 17, 2024 (the "**Samartseva Affidavit**"); AND UPON BEING ADVISED that the staff of the Director appointed under the CBCA has determined that the Director does not need to appear or be heard on this application; AND UPON BEING FURTHER ADVISED that it is the intention of Radio Fuels and Palisades Goldcorp Ltd. ("**Palisades**") to rely upon Section 3(a)(10) of the United States *Securities Act of 1933*, as amended (the "**1933 Act**"), as a basis for an exemption from the registration requirements of the 1933 Act with respect to common shares in the capital of Palisades to be issued pursuant to the Arrangement based on the Court's approval of the Arrangement, as such term is defined in this Interim Order, which approval through the issuance of the Final Order will constitute its determination of the fairness of the Arrangement;

THIS COURT ORDERS that:

**DEFINITIONS**

- 1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters shall have the respective meanings set out in the notice of meeting relating to the special meeting of the holders of Common Shares of Radio Fuels (the "**Notice**") and accompanying

management information circular of Radio Fuels (the "**Information Circular**"), attached as Exhibit "B" to the Samartseva Affidavit.

#### **SPECIAL MEETING**

2. Pursuant to section 192 of the CBCA, Radio Fuels is authorized and directed to call, hold and conduct a special meeting (the "**Meeting**") of the holders of Common Shares (collectively, the "**RF Shareholders**"), to be held at 666 Burrard Street, Suite 1700, Vancouver BC V6C 2X8 on January 30, 2025 at 10:00 a.m. (Pacific Standard Time), and more particularly described in the Information Circular to, *inter alia*: (a) consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**", substantially in the form attached as Appendix "A" to the Information Circular, approving a plan of arrangement (the "**Arrangement**") under Section 192 of the CBCA (the "**Plan of Arrangement**"); and (b) transact such other business as may properly come before the Meeting or any adjournment thereof .
3. The Meeting shall be called, held and conducted in accordance with the CBCA, the Notice, the Information Circular, the constating documents of Radio Fuels and applicable securities laws, subject to the terms of this Interim Order and any further Order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order, and to the extent of any inconsistency (including any inconsistency between this Interim Order and the terms of any instrument creating or governing or collateral to the Common Shares) this Interim Order shall govern or, if not specified in the Interim Order, the Information Circular shall govern.

#### **AMENDMENTS**

4. Radio Fuels is authorized to make such amendments, modifications or supplements to the Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Information Circular and the Notice as it may determine in accordance with the Arrangement Agreement without any additional notice to or authorization of the RF Shareholders or further orders of this Court. The Arrangement, the Plan of Arrangement, the Arrangement Agreement and the Notice as so amended, modified or supplemented, shall be the Arrangement, the Plan of Arrangement, the Arrangement Agreement and the Notice to be submitted to RF Shareholders at the Meeting, as applicable, and the subject of the Arrangement Resolution.

#### **ADJOURNMENTS AND POSTPONEMENTS**

5. Notwithstanding the provisions of the CBCA and the articles of Radio Fuels, the board of directors of Radio Fuels (the "**Radio Fuels Board**"), subject to the Arrangement Agreement, shall be entitled to adjourn or postpone the Meeting by resolution on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the RF Shareholders respecting the adjournment or postponement, and without the need for approval of this Court. Notice of any such adjournment or postponement shall be given by news release, newspaper advertisement or notice sent to the RF Shareholders by one of the methods specified in paragraph 8 of this Interim Order, as determined to be the most appropriate method of communication by the Radio Fuels Board.

#### **RECORD DATE**

6. The record date for determining RF Shareholders entitled to receive the Notice, the Information Circular, and the form of proxy for use by the RF Shareholders, in substantially the form attached as Exhibits "B", and "C" the Samartseva Affidavit (collectively, the "**Meeting Materials**") and entitled to attend and vote at the Meeting shall be the close of business on December 17, 2024 (the "**Record Date**"). The Record Date shall remain the same despite any adjournments or postponements of the Meeting unless a change to the date is required by law.

## NOTICE OF SPECIAL MEETING

7. The Notice and Information Circular are hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 192 of the CBCA, and Radio Fuels shall not be required to send to the RF Shareholders, the holders of warrants to acquire Common Shares (the “RF Warrantholders”) or the CBCA Director any other or additional statement pursuant to Section 192 of the CBCA.
8. The Meeting Materials, with such amendments or additional documents as counsel for Radio Fuels may advise are necessary or desirable, and as are not inconsistent with the terms of this Interim Order, shall be sent:
  - a. to Registered RF Shareholders, determined as at the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or delivery, by prepaid ordinary mail or by delivery in person or by recognized courier service, addressed to the Registered RF Shareholder at its address as it appears in Radio Fuels’ central securities register as at the Record Date;
  - b. to non-registered (beneficial) RF Shareholders, by providing copies of the Meeting Materials to intermediaries and registered nominees for sending to both non-objecting beneficial owners and objecting beneficial owners in accordance with National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators;
  - c. to facilitate the delivery of the Meeting Materials to non-registered (beneficial) RF Shareholders in the case of the Canada Post strike having interrupted delivery of the Meeting Materials to such shareholders, Radio Fuels shall also file on Radio Fuels’ profile on SEDAR+ at <http://www.sedarplus.ca> and disseminate a press release stating:
    - i. the Meeting Materials have been filed on Radio Fuels’ profile on SEDAR+ at <http://www.sedarplus.ca>; and
    - ii. Radio Fuels will deliver, by email, a copy of the Meeting Materials to each non-registered (beneficial) RF Shareholders or registered RF Shareholder who requests the Meeting Materials by sending such a request to Radio Fuels by email;
  - d. at any time by email or facsimile transmission to any RF Shareholder who identifies himself or herself to the satisfaction of Radio Fuels (acting through its representatives), who requests such email or facsimile transmission and, if required by Radio Fuels, agrees to pay the charges related to such transmission;
  - e. to the directors and auditor of Radio Fuels by prepaid ordinary mail or by delivery in person or by recognized courier service or by email or facsimile transmission at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmission; and
  - f. to the Director appointed pursuant to the CBCA, by prepaid ordinary mail, or by email or facsimile transmission at least twenty-one (21) days prior to the date of the Meeting;

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

9. Radio Fuels shall also deliver to the RF Warranholders at least twenty-one (21) days prior to the date of the Meeting, copies of the Notice and the Information Circular in substantially the form as attached as Exhibit "B" to the Samartseva Affidavit (collectively, the "Receipt Holder Materials") by either:
  - a. email transmission;
  - b. certified mail or prepaid ordinary mail or delivery by person or by recognized courier to the addresses for such RF Warranholders set out in the register of RF Warranholders maintained by Capital Transfer Agency ULC as warrant agent for the Warrants; or
  - c. if such person is also an RF Shareholder or director, in a manner set out in paragraph 8 of this Interim Order.
10. The Meeting Materials need not be sent to Registered RF Shareholders where mail previously sent to such holders by Radio Fuels or its registrar and transfer agent has been returned to Radio Fuels or its registrar and transfer agent on at least two previous consecutive occasions.
11. Accidental failure of, or omission, or delay by Radio Fuels to give notice to any one or more RF Shareholders or RF Warranholders or the non-receipt of such notice, or any failure, or omission, or delay to give such notice as a result of events beyond the reasonable control of Radio Fuels (including, without limitation, any inability to use postal services) shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Radio Fuels, then it shall use commercially reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

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

12. The Meeting Materials and Receipt Holder Materials and any amendments, modifications, updates or supplements to the Meeting Materials or the Receipt Holder Materials, and any notice of adjournment or postponement of the Meeting, shall be deemed to have been received for the purposes of this Order:
  - a. in the case of mailing or courier, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
  - b. in the case of delivery in person, the day following personal delivery;
  - c. in the case of any means of transmitted, recorded or electronic communication, upon the transmission thereof;
  - d. in the case of a news release or newspaper advertisement, at the time of publication of the release or advertisement; and
  - e. in the case of the non-registered RF Shareholders, three (3) days after delivery thereof to intermediaries and registered nominees.

#### **UPDATING MEETING MATERIALS**

13. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Meeting Materials or the Receipt Holder Materials may be communicated, at any time prior to the Meeting, to the RF Shareholders or RF Warranholders by news release, newspaper advertisement or by notice sent by any of the means set forth in paragraph 8 or 9



of this Interim Order, as determined to be the most appropriate method of communication by the Radio Fuels Board.

#### **PERMITTED ATTENDEES**

14. The only persons entitled to attend the Meeting shall be:
- a. the RF Shareholders as at 5:00 p.m. (Pacific Standard time) on the Record Date, or their respective proxyholders;
  - b. directors, officers, auditors and advisors of Radio Fuels;
  - c. directors, officers and advisors of Palisades; and
  - d. the CBCA Director;
  - e. other persons with the prior permission of the Chair of the Meeting;

and the only persons entitled to vote at the Meeting shall be the Registered RF Shareholders or their respective proxyholders.

#### **SOLICITATION OF PROXIES**

15. Radio Fuels is authorized to use the form of proxy in substantially the same form as is attached as Exhibit "C" to the Samartseva Affidavit, subject to Radio Fuels' ability to insert dates and other relevant information in the final form thereof and to make other non-substantive changes and changes legal counsel advise are necessary or appropriate. Radio Fuels is authorized, at its expense, to solicit proxies directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose and by mail, telephone or such other form of personal or electronic communication as it may determine.
16. The procedures for the use of proxies at the Meeting and revocation of proxies shall be as set out in the Meeting Materials.
17. Radio Fuels may in its discretion generally waive the time limits for the deposit of proxies by RF Shareholders if Radio Fuels deems it advisable to do so, such waiver to be endorsed on the proxy by the initials of the Chair of the Meeting.

#### **QUORUM AND VOTING**

18. A quorum at the Meeting shall be two (2) persons who are, or represent by proxy, RF Shareholders holding, in the aggregate, at least 5% of the issued Common Shares entitled to be voted at the Meeting.
19. At the Meeting, votes shall be taken on the following bases:
- a. each Registered RF Shareholder whose name is entered on the central securities register of Radio Fuels, determined as at 5:00 p.m. (Pacific Standard Time) on the Record Date, is entitled to one (1) vote for each Common Share registered in his/her/its name; and
  - b. the requisite and sole approvals required to pass the Arrangement Resolution shall be the affirmative vote of at least two-thirds of the total votes cast by RF Shareholders on the Arrangement Resolution, present in person or by proxy and entitled to vote at the

Meeting (excluding from the count of total votes cast any spoiled, illegible and/or defective ballots and abstentions).

20. In all other respects, the terms, restrictions and conditions of the articles and bylaws of Radio Fuels will apply in respect of the Meeting

#### SCRUTINEER

21. The scrutineer for the Meeting shall be Janet Francis (or such other representative of Radio Fuels or Capital Transfer Agency, ULC as the Chair may determine). The duties of the scrutineer shall include:
- a. reviewing and reporting to the Chair on the deposit and validity of proxies;
  - b. reporting to the Chair on the quorum of the Meeting;
  - c. reporting to the Chair on the polls taken or ballots cast, if any, at the Meeting; and
  - d. providing to Radio Fuels and to the Chair written reports on matters related to their duties.

#### DISSENT RIGHTS

22. Each registered RF Shareholder as of the Record Date shall have the right to dissent in respect of the Arrangement Resolution in accordance with the provisions of section 190 of the CBCA, as modified by the terms of this Order, the Plan of Arrangement, and any further order of this Court (the “**Dissent Rights**”).
23. Registered RF Shareholders as of the Record Date will be the only RF Shareholders entitled to exercise Dissent Rights. A beneficial holder of Common Shares registered in the name of a broker, custodian, trustee, nominee or other intermediary who wishes to dissent must make arrangements for the registered RF Shareholder to dissent on behalf of the beneficial holder of Common Shares or, alternatively, make arrangements to become a registered RF Shareholder.
24. In order for an RF Shareholder to exercise such Dissent Rights:
- a. a dissenting RF Shareholder shall deliver a written objection to Radio Fuels c/o Stikeman Elliott LLP, at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, Canada, V6C 2X9, Attention: Victor Gerchikov, or by email to VGerchikov@stikeman.com not later than 10:00 a.m. (Vancouver time) on January 28, 2025, or two business days prior to any postponed or adjourned Meeting;
  - b. a dissenting RF Shareholder shall not have voted his, her or its Common Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
  - c. a dissenting RF Shareholder shall have been a registered RF Shareholder as of the Record Date of the Meeting and as of the deadline for exercising Dissent Rights;
  - d. a dissenting RF Shareholder must dissent with respect to all of the Common Shares held by such person; and
  - e. the exercise of such Dissent Rights must otherwise comply with the requirements of Section 190 of the CBCA, as modified by the Plan of Arrangement, this Interim Order and any other order of the Court.

25. Subject to further order of this Court, the Dissent Rights shall constitute full and sufficient rights of dissent for the RF Shareholders with respect to the Arrangement.
26. Notice to the RF Shareholders of their Dissent Rights with respect to the Arrangement Resolution and to receive, subject to the provisions of the CBCA and the Arrangement, the fair value of their Common Shares shall be given by including information with respect to this right in the Circular to be sent to RF Shareholders in accordance with this Order.

#### APPLICATION FOR FINAL ORDER

27. Radio Fuels shall include in the Information Circular a copy of the Notice of Hearing of Petition herein, in substantially the form attached as **Exhibit "D"** to the Samartseva Affidavit, and the text of this Interim Order (collectively, the "**Court Materials**"), and such Court Materials shall be deemed to have been served at the times specified in accordance with paragraph 12 of this Interim Order, whether such persons reside within British Columbia or within another jurisdiction.
28. The form of Notice of Hearing of Petition attached as **Exhibit "D"** to the Samartseva Affidavit is hereby approved as the form of notice for the hearing of the application for the Final Order.
29. Upon the approval by the RF Shareholders of the Arrangement Resolution, in the manner set forth in this Interim Order, Radio Fuels may apply to this Court (the "**Application**") for an Order:
  - a. pursuant to section 192 of the CBCA approving the Arrangement; and
  - b. pursuant to section 192 of the CBCA declaring that the terms and condition of the Arrangement and the exchange of securities to be effected by the Arrangement, are procedurally and substantively fair and reasonable to those who will receive securities in the exchange;

(the "**Final Order**")

and the hearing of the Application shall be held on February 3, 2025 at 9:45 a.m. (Pacific Standard time) at the courthouse at 800 Smithe Street, Vancouver, British Columbia or as soon thereafter as the Application can be heard or at such other date and time as this Court may direct.

30. The persons entitled to appear and be heard at the Application or any hearing to sanction and approve the Arrangement, shall be only:
  - a. Radio Fuels;
  - b. Palisades; and
  - c. RF Shareholders, RF Warranholders, and other persons who have served and filed a Response to Petition and have otherwise complied with the Supreme Court Civil Rules and paragraph 31 of this Interim Order.
31. Any RF Shareholder, RF Warranholders, or creditor of Radio Fuels seeking to appear at the hearing of the Application shall:
  - a. file a Response to Petition, in the form prescribed by the Supreme Court Civil Rules, together with any evidence or material which is to be presented to the Court at the hearing of the Application; and

- b. deliver the filed Response to Petition together with a copy of any evidence or material which is to be presented to the Court at the hearing of the Application, to Radio Fuels' counsel at:

Stikeman Elliott LLP  
 Barristers and Solicitors  
 1700 – 666 Burrard Street  
 Vancouver, British Columbia  
 V6C 2X8

Attention: Jonathan Buysen

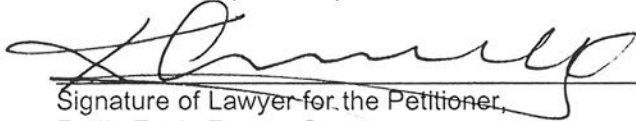
by or before 4:00 p.m. (Pacific Standard time) on January 30, 2025, or as the Court may otherwise direct.

- 32. The sending of the Court Materials with the Meeting Materials and the Receipt Holder Materials in the manner contemplated by paragraphs 8 and 9 shall constitute good and sufficient service and no other form of service need be effected and no other material need be served on such 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.
- 33. In the event that the hearing of the Application is adjourned, then only those persons who filed and delivered a Response to Petition in accordance with paragraph 31 of this Interim Order need be served and provided with notice of the adjourned hearing date.

**VARIANCE**

- 34. Radio Fuels shall be entitled, at any time, to apply to vary this Interim Order.
- 35. Rules 8-1 and 16-1(8) – (12) shall not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

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

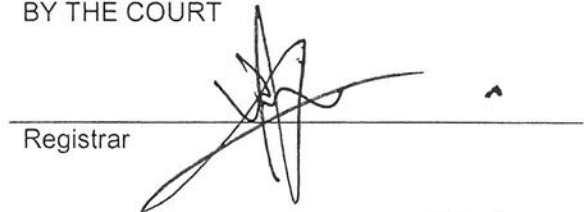


Signature of Lawyer for the Petitioner,  
 Radio Fuels Energy Corp.

Lawyer: Kasey Campbell



BY THE COURT



Registrar



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

Please see attached.

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 192 OF THE CANADA BUSINESS CORPORATIONS ACT,  
RSC. 1985, c.44, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT  
RADIO FUELS ENERGY CORP. AND  
PALISADES GOLDCORP LTD.

RADIO FUELS ENERGY CORP.

PETITIONER

NOTICE OF HEARING OF PETITION

TO: The holders (the “**RF Shareholders**”) of common shares (the “**Common Shares**”) in the capital of Radio Fuels Energy Corp. (“**Radio Fuels**”), the holders of warrants to purchase the Common Shares (the “**RF Warrantholders**”) (collectively the “**RF Securityholders**”).

AND TO: Palisades Goldcorp Ltd.

NOTICE IS HEREBY GIVEN that a Petition to the Court has been filed by Radio Fuels in the Supreme Court of British Columbia for approval, pursuant to section 192 of the *Canada Business Corporations Act*, RSC 1985, c 44, and amendments thereto, of an arrangement by way of a statutory plan of arrangement contemplated in an arrangement agreement dated December 9, 2024, involving Radio Fuels and Palisades Goldcorp Ltd. (“**Palisades**”) (the “**Arrangement**”).

NOTICE IS FURTHER GIVEN that by Order of an Associate Judge Bilawich Supreme Court of British Columbia, dated December 19, 2024, the Court has given directions by means of an interim order (the “**Interim Order**”) on the calling of a special meeting (the “**Meeting**”) of the RF Shareholders for the purpose of, among other things, considering and voting upon a special resolution to approve the Arrangement.

NOTICE IS FURTHER GIVEN that if the Arrangement is approved at the Meeting, the Petitioner intends to apply to the Supreme Court of British Columbia for a final order (the “**Final Order**”) approving the Arrangement and declaring that the Arrangement is procedurally and substantively fair and reasonable to the RF Shareholders, which application is expected to be heard at the courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia or as the Court may direct on February 3, 2025 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard or at such other date and time as the board of Radio Fuels or the Court may direct.

NOTICE IS FURTHER GIVEN that the Final Order approving the Arrangement will, if made, serve as the basis of an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof with respect to common shares of Palisades to be issued under the Arrangement.

IF YOU WISH TO BE HEARD AT THE HEARING OF THE APPLICATION FOR THE FINAL ORDER OR WISH TO BE NOTIFIED OF ANY FURTHER PROCEEDINGS, 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 or as the Court may direct and YOU MUST ALSO DELIVER a copy of the Response to Petition and any other evidence or materials to Radio Fuels' address for delivery, which is set out below, on or before January 30, 2025 at 4:00 p.m. (Vancouver time).

YOU OR YOUR SOLICITOR may file the Response to Petition. You may obtain a form of Response to Petition at the Registry or online from the BC Supreme Court website. The address of the Registry is 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

IF YOU DO NOT FILE A RESPONSE TO PETITION AND ATTEND EITHER IN PERSON (OR AS DIRECTED BY THE COURT) OR BY COUNSEL at the time of the hearing of the application for the Final Order, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court deems fit, all without further notice to you. If the Arrangement is approved, it will affect the rights of the RF Securityholders.

A copy of the Petition to the Court and the other documents that were filed in support of the Interim Order and will be filed in support of the Final Order will be furnished to any RF Securityholder upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out below.

The Petitioner's address for delivery is:

Stikeman Elliott LLP  
Barristers and Solicitors  
1700 – 666 Burrard Street  
Vancouver, BC V6C 2X8  
Attention: Kasey Campbell

DATED this 19th day of December, 2024.



Counsel for the Petitioner,  
Radio Fuels Energy Corp.

Kasey Campbell

**APPENDIX E  
FAIRNESS OPINION**

Please see attached.



December 9, 2024

The Special Committee of the Board of Directors and the Board of Directors  
Radio Fuels Energy Corp.  
Suite 401 – 217 Queen Street West  
Toronto, ON M5V 0R2

To the Members of the Special Committee of the Board of Directors and the Board of Directors:

Fort Capital Partners (“**Fort Capital**”, “**we**” or “**us**”) understands that Radio Fuels Energy Corp. (“**Radio Fuels**”, or the “**Company**”) proposes to enter into an arrangement agreement to be dated December 9, 2024 (the “**Arrangement Agreement**”) with Palisades Goldcorp Ltd. (“**Palisades**”) pursuant to which, among other things, Palisades will acquire all of the issued and outstanding common shares (the “**Shares**”) of Radio Fuels (the “**Transaction**”). In accordance with the Arrangement Agreement, each holder of Shares (each, a “**Shareholder**”) will be entitled to receive, in exchange for each Share held by such holder, 0.060538 of a Palisades common share (collectively, the “**Consideration**”).

Fort Capital also understands that the Transaction is proposed to be implemented by way of statutory plan of arrangement under Section 192 of the *Canada Business Corporations Act* (the “**Arrangement**”). The above description is a summary in nature and the specific terms and conditions of the Arrangement shall be set forth in the Arrangement Agreement.

A special committee (the “**Special Committee**”) comprised of independent directors of the board of directors of Radio Fuels (the “**Board**”) was formed to, among other matters, review the strategic options of the Company, including the Transaction; supervise the negotiations of any proposed transactions; and report and provide a recommendation with respect to the Transaction to the Board as to whether Radio Fuels should enter into the Arrangement Agreement and whether the Board should recommend the Transaction to the Shareholders.

### ***Background and Engagement of Fort Capital***

Fort Capital was formally retained by the Special Committee on November 5, 2024 pursuant to an engagement letter (the “**Engagement Agreement**”) to provide the Special Committee with various advisory services in connection with the Transaction, including, among other things, an opinion as to the fairness, from a financial point of view, of the Consideration to be received by Shareholders under the Transaction. On December 9, 2024, the Special Committee requested that Fort Capital provide a fairness opinion, which we issued that day (the “**Opinion**”).

The terms of the Engagement Agreement provide that Fort Capital be paid a fixed fee upon delivery of the Opinion. There are no fees payable to Fort Capital under the Engagement Agreement that are contingent

upon the conclusion reached by Fort Capital under the Opinion, or upon the successful completion of the Transaction or any other transaction. In addition, Fort Capital is to be reimbursed for our reasonable out-of-pocket expenses and to be indemnified by Radio Fuels in certain circumstances.

The Special Committee has not instructed Fort Capital to prepare, and Fort Capital has not prepared, a formal valuation or appraisal of Radio Fuels or any of its securities or assets, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the securities of Radio Fuels may trade at any time. Fort Capital has, however, conducted such analyses as we considered necessary in the circumstances to prepare and deliver the Opinion. While the Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Canadian Investment Regulatory Organization ("**CIRO**"), Fort Capital is not a member of CIRO and CIRO has not been involved in the preparation or review of the Opinion.

### ***Credentials and Independence of Fort Capital***

Fort Capital is an independent investment banking firm which provides financial advisory services to corporations, business owners, and investors. Members of Fort Capital are professionals that have been financial advisors in a significant number of transactions involving public and private companies in North America and have experience in preparing fairness opinions and valuations. The opinions expressed herein are the opinions of Fort Capital, and the form and content hereof has been approved for release by Fort Capital.

Neither Fort Capital, nor any of our affiliates, is an insider, associate, or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of Radio Fuels, Palisades, or any of their respective associates or affiliates (collectively, the "**Interested Parties**"). Fort Capital is not acting as an advisor to Radio Fuels or any Interested Party in connection with any matter, other than acting as advisor to the Special Committee as described herein.

Other than our engagement by the Special Committee on behalf of Radio Fuels pursuant to the Engagement Agreement, Fort Capital has not been engaged to provide any financial advisory services nor have we participated in any financings involving the Interested Parties within the past two years.

Fort Capital does not have a financial interest in the completion of the Transaction and the fees paid to Fort Capital in connection with our engagement do not give Fort Capital any financial incentive in respect of the conclusion reached in the Opinion or in the outcome of the Transaction. There are no understandings, agreements or commitments between Fort Capital and any of the Interested Parties with respect to any future financial advisory or investment banking business. Fort Capital is of the view that we have no relationship with Interested Parties that would reasonably represent a conflict with its independence status as defined under part 6 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

### ***Scope of Review***

In preparing the Opinion, Fort Capital has, among other things, reviewed, considered and relied upon, without attempting to verify independently the completeness or accuracy thereof, the following:

- (a) a draft of the Arrangement Agreement as of December 9, 2024, including select supporting schedules thereto;
- (b) an executed Letter of Intent between the Company and Palisades dated November 18, 2024;
- (c) security holding statements including the shares and warrants of publicly listed securities for Radio Fuels and Palisades, as provided by the Company and Palisades, respectively;
- (d) the NI 43-101 Technical Report on the Eco Ridge Project, Elliot Lake Area, Ontario, Canada effective August 19, 2021;
- (e) the NI 43-101 Technical Report on the Atlanta Property, Lincoln County, Nevada effective October 6, 2020;
- (f) the notice of meeting and management information circular for a special meeting of the shareholders of NV King Goldlands Inc. concerning an arrangement involving NV King Goldlands Inc. and Radio Fuels dated October 8, 2024;
- (g) the notice of meeting and management information circular for the annual general and special meeting of the shareholders of Nevada King Gold Corp. including the consideration of an arrangement involving the distribution of shares of NV King Goldlands Inc. dated June 14, 2024;
- (h) the Atlanta Royalty Agreement between Desert Hawk Resources Ltd. and NV King Goldlands Inc. dated July 31, 2024;
- (i) management's discussion and analysis of the results of operations and financial condition for the Company as at fiscal year end November 30, 2022 and 2023;
- (j) management's discussion and analysis of the results of operations and financial condition for the Company for the quarters ended August 31, 2024, May 31, 2024, February 29, 2024, August 31, 2023 and May 31, 2023;
- (k) certain internal financial, operational, corporate and other information with respect to the Company prepared by management of Radio Fuels;
- (l) certain publicly available information relating to the business, operations, financial condition and trading history of the Company and other selected public companies that Fort Capital considered relevant;
- (m) public information with respect to selected precedent transactions we considered relevant;
- (n) various research publications prepared by industry and equity research analysts regarding selected entities we considered relevant;
- (o) representations contained in separate certificates dated as of December 9, 2024 addressed to Fort Capital from senior officers of the Company as to the completeness, accuracy and fair presentation of the information upon which the Opinion is based;

- (p) discussions with senior management of the Company with respect to the information referred to above and relating to Palisades' current business, plans financial condition and prospects; and
- (q) such other information, investigations, analyses and discussion as we considered necessary or appropriate in the circumstances.

Fort Capital has not, to the best of our knowledge, been denied access by Radio Fuels to any information we requested.

### ***Prior Valuations***

Two senior officers of Radio Fuels have represented to Fort Capital that, to the best of their knowledge, there have been no prior valuations (as defined for the purposes of MI 61-101) of Radio Fuels or any of its material assets or subsidiaries prepared within the past twenty-four (24) months.

### ***Assumptions and Limitations***

The Opinion is subject to the assumptions, explanations and limitations set forth below.

Fort Capital has, subject to the exercise of our professional judgment, relied, without independent verification, upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions and representations we obtained from public sources, or that was provided to us by Radio Fuels and its respective associates, affiliates and advisors (collectively, the "Information"), and we have assumed that the Information did not contain any misstatement of a material fact or omit to state any material fact or any fact necessary to be stated therein to make that information not misleading. The Opinion is conditional upon the completeness, accuracy and fair presentation of such Information. With respect to operating and financial projections provided to Fort Capital by management of Radio Fuels and used in the analysis supporting the Opinion, we have assumed that they have been reasonably prepared on bases reflecting the reasonable estimates and judgments of management of Radio Fuels, at the time and in the circumstances in which the projection or forecast was prepared, as to the matters covered thereby, and in rendering the Opinion we express no view as to the reasonableness of such estimates or judgments or the assumptions on which they are based.

In preparing the Opinion, Fort Capital has assumed that the Arrangement will be consummated in accordance with the terms of the Arrangement Agreement without any additional waiver of, or amendment to, any term or condition that is in any way material to Fort Capital's analysis.

Senior management of Radio Fuels have represented to Fort Capital in certificates delivered as of the date hereof that, among other things and to their knowledge: (a) they have no information or knowledge of any facts not contained in or referred to in the Information provided to Fort Capital by Radio Fuels which would reasonably be expected to affect the Opinion; (b) with the exception of forecasts, projections, estimates and budgets, the Information provided orally by, or in the presence of, an officer or employee of Radio Fuels or in writing by Radio Fuels or any of its subsidiaries or their respective agents to Fort Capital for the purposes of preparing the Opinion was, at the date the Information was provided to Fort Capital, or, in the case of historical Information, was, at the date of preparation, to the best of their knowledge, information and belief after due inquiry, complete, true and correct in all material respects, and does not or, in the case of historical Information, did not, contain a misrepresentation; (c) since the dates on which the Information

was provided to Fort Capital, except as disclosed in writing to Fort Capital, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Radio Fuels, or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion; and (d) any portions of the Information provided to Fort Capital which constitute forecasts, projections, estimates or budgets were reasonably prepared on bases reflecting the best then currently available assumptions, estimates and judgments of management of Radio Fuels and its subsidiaries and were not, as of the date they were prepared, in the reasonable belief of management of Radio Fuels, misleading in any respect.

The Opinion is rendered on the basis of the securities markets, and economic, financial and general business conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of Radio Fuels and its subsidiaries and affiliates, and Palisades and its subsidiaries and affiliates, as they were reflected in the Information. In our analyses and in preparing the Opinion, Fort Capital made numerous assumptions with respect to industry performance, general business and economic conditions and other matters which we believe to be reasonable and appropriate in the exercise of our professional judgment, many of which are beyond the control of Fort Capital or any party involved in the Arrangement.

For the purposes of rendering the Opinion, Fort Capital has also assumed that: (a) the representations and warranties of each party to be contained in the Arrangement Agreement shall be true and correct in all material respects; (b) each party will perform all of the covenants and agreements required to be performed by it under the Arrangement Agreement; (c) Radio Fuels will be entitled to fully enforce its rights under the Arrangement Agreement; and (d) the Shareholders will receive the Consideration in accordance with the terms of the Arrangement Agreement.

The Opinion has been provided for the sole use and benefit of the Special Committee and the Board in connection with, and for the purpose of, its consideration of the Transaction and making its recommendation to the Board with respect thereto, and may not be relied upon by any other person. The Opinion does not constitute a recommendation to any Shareholder as to how such Shareholder should vote or act with respect to the Arrangement. The Opinion is given as of the date hereof, and Fort Capital disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of Fort Capital after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, Fort Capital reserves the right to change, modify or withdraw the Opinion.

The Opinion does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available with respect to Radio Fuels or Radio Fuels' underlying business decision to effect the Arrangement. Fort Capital was not requested to solicit, and did not solicit, interest from other parties with respect to an acquisition of, or other business combination transaction with, Radio Fuels or any other alternative transaction. At the direction of the Special Committee and the Board, we have not been asked to, nor do we, offer any opinion as to the material terms (other than the Consideration) of the Arrangement Agreement or the structure of the Transaction.

Fort Capital believes that our analyses must be considered as a whole, and that selecting portions of the analyses or the factors considered by us, without considering all factors and analyses together, could

create a misleading view of the process underlying the Opinion. The preparation of an Opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

***Conclusion***

Based upon and subject to the foregoing and such other matters as we considered relevant, Fort Capital is of the opinion that, as of the date hereof, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.

Yours very truly,

*"(signed) Fort Capital Partners"*

**FORT CAPITAL PARTNERS**

## APPENDIX "F"

### INFORMATION RELATING TO THE COMBINED COMPANY

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***The following is a summary of the Combined Company, its business, and operations, which should be read together with the detailed information and financial data and statements contained elsewhere in this Circular. This section only includes information respecting the Combined Company after completion of the Arrangement that is materially different from information provided elsewhere in this Circular. The information contained in this Appendix "F", unless otherwise indicated, is given as of the date of this Circular. See the disclosures in this Circular and in "Appendix "G" – Information Relating to Palisades" to this Circular for additional information regarding Palisades.***

All capitalized terms used in this Appendix "F" and not defined herein have the meaning ascribed to such terms in the "Glossary of Defined Terms" or elsewhere in this Circular. The following contains significant amounts of forward-looking information. Readers are cautioned that actual results may vary. See also in this Circular, "Forward-Looking Statements".

In this Appendix "F", references to "\$" are to Canadian dollars. Certain totals, subtotals and percentages throughout this Appendix "F" may not reconcile due to rounding.

## **CORPORATE STRUCTURE**

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

Following completion of the Arrangement, the Combined Company will continue under the name "Palisades Goldcorp Ltd.", a company existing under the BCBCA. On completion of the Arrangement, Palisades will acquire all of the issued and outstanding common shares of Radio Fuels (the "**Radio Fuels Shares**"), and Radio Fuels will become a wholly-owned subsidiary of Palisades.

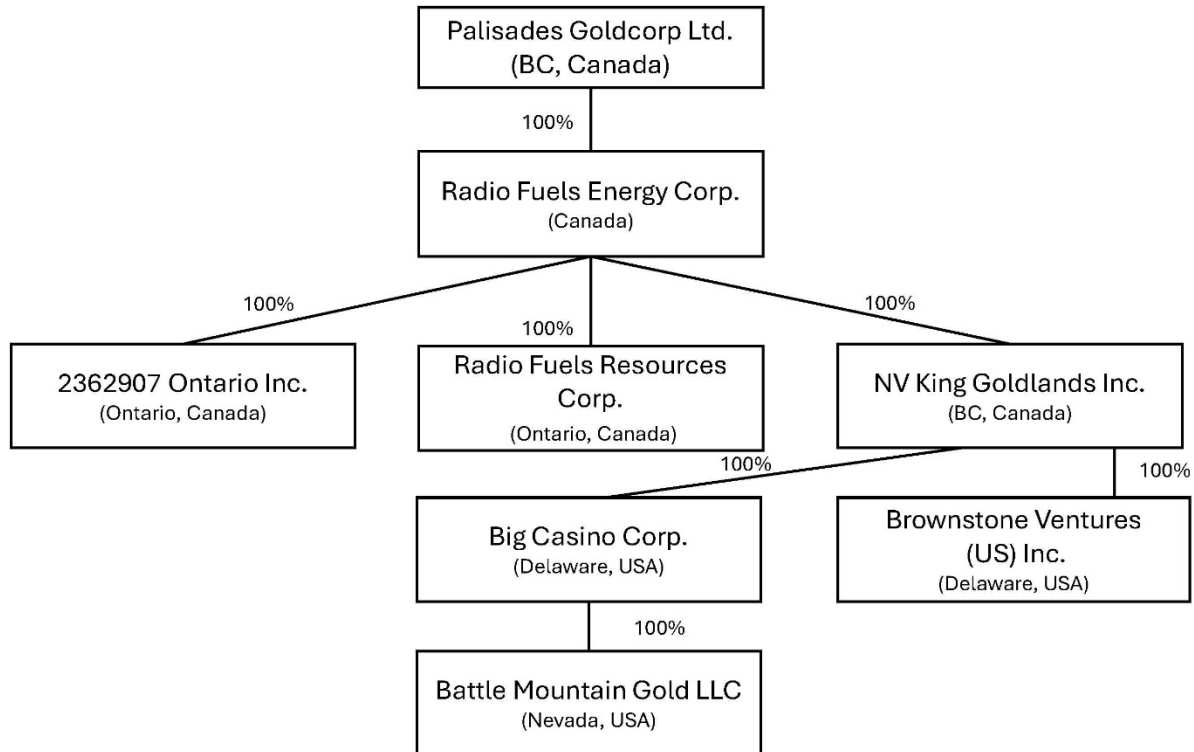
Following completion of the Arrangement, the Combined Company will continue to have its head office address at 555 Burrard Street, P.O. Box 272, Vancouver, British Columbia V7X 1M8. and its registered and records office at 25th Floor, 700 West Georgia St., Vancouver, British Columbia V7Y 1B3, Canada.

### **Intercorporate Relationships**

Prior to completion of the Arrangement, Palisades had no subsidiaries. Following completion of the Arrangement, the Combined Company will hold a 100% direct or indirect interest in seven (7) subsidiaries, being Radio Fuels, NV King Goldlands Inc. ("**NV King**"), Brownstone (U.S.) Inc., Big Casino Corp. and Battle Mountain Gold LLC, 2362907 Ontario Inc. and Radio Fuels Resources Corp. (collectively, the "**Subsidiaries**").

The following chart sets forth the intercorporate relationship between the Combined Company and the Subsidiaries following completion of the Arrangement, as well as each Subsidiary's respective jurisdiction of incorporation.





## DESCRIPTION OF THE BUSINESS

### Overview

Following completion of the Arrangement, the Combined Company will have a portfolio of assets and investments anchored by Palisades' and Radio Fuels' diverse portfolios of securities and derivatives, including an approximately 21.82% interest in New Found. The Combined Company will also continue to benefit from Radio Fuels' 100% ownership of the Eco Ridge Project and Iron Point Project as well as its portfolio of district-scale exploration projects in the heart of the Battle Mountain Trend including Horse Mountain-Mill Creek, Lewis, Hilltop South, Buffalo Valley, Cedars-Carico Lake, Kobeh Valley, and Evana. These projects have seen significant historic exploration by numerous major mining companies and in many cases, are nearby or adjacent to large gold resources or operating mines. Additionally, the Combined Company will have a strong balance sheet with approximately \$120 million in cash and marketable securities to advance key projects through the exploration and development stages, while continuing to pursue equity investments in pre-initial public offering and early-stage public resource companies with undeveloped or undervalued high-quality projects.

Upon completion of the Arrangement, it is expected that the Combined Company will continue to be a reporting issuer in the provinces of British Columbia and Alberta and will become a reporting issuer in Saskatchewan, Manitoba and Ontario and the Combined Company will continue to trade on the TSXV under the ticker symbol "PALI".

See "*General Development and Business of Palisades*" in Appendix "G" to this Circular for additional information concerning the Combined Company.

## **Portfolio of Assets**

The Combined Company will have a portfolio of assets and investments anchored by Palisades' and Radio Fuels' diverse portfolios of securities and derivatives. As of September 30, 2024, Palisades' investment in New Found represented 21.82% of New Found's issued and outstanding common shares. The carrying value of the investment in New Found was \$159,974,915 at September 30, 2024. The remainder of the Combined Company's investment portfolio consists of investments in marketable securities and warrants which had a fair value of \$7,821,243 as of September 30, 2024. The Combined Company will also include Radio Fuels' current 100% ownership of the Eco Ridge Project and Iron Point Project, as well as Radio Fuels' portfolio of district-scale exploration projects in the heart of the Battle Mountain Trend including Horse Mountain-Mill Creek, Lewis, Hilltop South, Buffalo Valley, Cedars-Carico Lake, Kobeh Valley, and Evana.

Following the Arrangement, no mineral project on a property will be material to the Combined Company within the meaning of NI 43-101.

For further information regarding the value of the Combined Company's investments, please see "*Unaudited Pro Forma Financial Information*".

## **Production and Operations**

Following the Arrangement, the Combined Company plans to continue with the exploration of the Eco Ridge Project and the Iron Point Project (together, the "**Projects**") as well as the portfolio of district-scale exploration projects in the Battle Mountain Trend, with hopes to unlock additional investment opportunities through the joint venturing, optioning or sale of these assets. The Combined Company will be an exploration stage company with regard to the Projects, and consequently is not expected to have operating income, cash flow or revenues from the Projects. There is no assurance that commercially viable mineral deposits exist on the Projects.

## **Specialized Skills and Knowledge**

All aspects of the business of the Combined Company require specialized skills, knowledge and technical expertise. Such skills and knowledge include, but are not limited to, expertise related to the acquisition of equity investments in entities that own or operate mines or mineral properties, understanding of junior resource companies, expertise in the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs, mine construction, mine operation, finance and accounting, and legal compliance. Following the Arrangement, the Combined Company will retain executive officers and consultants with relevant experience in mining, geology, exploration, development and accounting experience. The Combined Company also expects to rely upon various legal and financial advisors, consultants and others in the operation and management of its business. See "*Risk Factors – Risks Relating to Palisades – Dependence on Key Personnel*" in Appendix "G" to this Circular.

## **Competitive Conditions**

As a North American investment company and merchant bank in the junior resource company space, the Combined Company will compete with other entities, that have greater financial resources to invest in junior resource companies through various aspects such as: (a) seeking out and acquiring mineral exploration and development properties to unlock future investment

opportunities; (b) attracting and retaining qualified service providers and employees; and (c) raising the capital necessary to fund its investment strategy. The ability of the Combined Company to invest in junior resource companies in the future will depend on its success with its existing portfolio, including the existing properties of the Combined Company, its success in identifying and its ability to enter into future earn-in, joint venture, option, royalty and other similar agreements and its ability to obtain additional financing to fund further investment opportunities. Competition could adversely affect the Combined Company's ability to enter into these agreements in the future or to raise the capital necessary to continue with operations.

Global resource companies have access to numerous sources of capital to fund their activities. The Combined Company competes with other providers of capital to resource companies, including equity investors, debt investors, royalty companies and streaming companies. See "*Risk Factors – Risks Relating to Palisades – Future Financing; Future Securities Issuances*" in Appendix "G" to this Circular.

### **Components**

Over the past several years, increases in raw materials and services has increased costs and expenditures for junior resource companies. It is possible that delays or increased costs may be experienced in order to proceed with drilling activities for the Combined Company and companies which comprise its portfolio. Such delays and increased costs could significantly affect the Combined Company if, for example, commodity prices fall significantly, thereby potentially reducing the portfolio's value through the decrease in value of the companies' securities in which the Combined Company is invested in.

### **Cycles and Seasonality**

At this time, issues of seasonality or market fluctuations have a minor impact on the expenditure patterns of the Combined Company, although the majority of North American companies' exploration costs are incurred in the months of June through November. The mineral exploration business, and these companies' share prices, are subject to mineral price cycles.

The marketability of minerals and mineral concentrates and the ability to finance the Combined Company's ongoing investment activities on favourable terms will also be affected by worldwide economic cycles.

### **Economic Dependence and Changes to Contracts**

Following the Arrangement, the Combined Company's business is not dependent on any contract to sell major parts of its products or to purchase a major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends. It is not expected that the Combined Company's business will be affected in the current financial year by the renegotiation, amendment or termination of any contracts or subcontracts.

As an investment company that invests in junior resource and mining companies, the Combined Company is subject to mineral price cycles, as fluctuations may impact the value of the securities that comprise its portfolio.

## **Foreign Operations**

The Combined Company's portfolio will be largely comprised of companies operating in Canada and the United States, or subject to Canadian and American regulatory requirements. The Combined Company's mineral projects will be located in Canada and the United States. As such, the Combined Company's operations and investments may be affected by local political and economic developments, including expropriation, invalidation of government orders, permits or agreements pertaining to mineral or property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of nearby countries affecting foreign trade, investment and taxation.

## **Employees**

Following completion of the Arrangement, it is expected that the Combined Company will have no employees, two (2) consultants that provide management services and three (3) consultants that provide day-to-day operational services. See "*Executive Compensation – Employment, Consulting and Management Agreements*" in Appendix "G" to this Circular.

## **Environmental Protection**

All aspects of the Combined Company's field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. The Combined Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties.

The Combined Company will conduct its mineral exploration activities in compliance with applicable environmental protection legislation. If needed, the Combined Company will make and will continue to make expenditures to ensure compliance with applicable laws and regulations. New environmental laws and regulations, amendments to existing laws and regulations, or more stringent implementations of existing laws and regulations could have a material adverse effect on the Combined Company by potentially increasing capital and/or operating costs. The Combined Company is not aware of any existing environmental problems related to any of its properties that may result in material liability to the Combined Company. See "*Risk Factors – Risks Related to Mines and Mining Operations – Government Regulation, Permits and Authorizations*" and "*Risk Factors – Risks Related to Mines and Mining Operations – Environmental Risks*" in Appendix "G" to this Circular.

## **Reorganizations**

The purpose of the Arrangement is to effect the combination of the businesses of Palisades and Radio Fuels. The Arrangement will result in the acquisition by Palisades of all of the issued and outstanding Radio Fuels Shares.

On completion of the Arrangement, former Radio Fuels Shareholders will hold 24% of the Combined Company and Palisades Shareholders will hold 76% of the Combined Company. As at the date hereof, there are 47,903,977 Palisades Shares issued and outstanding. If the

Arrangement were completed as of the date hereof, Radio Fuels Shareholders would receive an aggregate of 15,127,411 Palisades Shares representing an exchange ratio of approximately 0.060538 Palisades Shares for each Radio Fuels Share held.

For a detailed description of the effects of the Arrangement see "*The Arrangement – Description of the Arrangement*" in this Circular.

## **DIVIDENDS OR DISTRIBUTIONS**

The payment of dividends on the Palisades Shares, being the only authorized share capital of the Combined Company following the Arrangement, will be at the discretion of the board of directors of the Combined Company. Other than the Reduction of Capital Transactions (as described in Appendix "G" to this Circular), Palisades has not, since the date of its incorporation, declared or paid any dividends or other distributions on the Palisades Shares, except in connection with the Reduction of Capital Transactions. The payment of dividends in the future will depend upon, among other factors, the Combined Company's net asset value, earnings, capital requirements and operating financial conditions.

## **COMBINED COMPANY SECURITY DATA**

### **Combined Company Shares**

Following the Arrangement, the share capital of the Combined Company will be comprised of the share capital of Palisades prior to the Arrangement. The share capital of Palisades will remain unchanged as a result of the completion of the Arrangement, other than for the issuance of the Palisades Shares as Consideration Shares as contemplated by the Arrangement. For additional information concerning the Palisades Shares, see "*Description of Share Capital – Palisades Shares*" in Appendix "G" to this Circular.

The Combined Company will be authorized to issue an unlimited number of Palisades Shares.

After giving effect to the Arrangement, it is anticipated that there will be 63,031,388 Palisades Shares issued and outstanding.

Holders of Palisades Shares will be entitled to receive notice of and to attend and to vote at all meetings of shareholders of the Combined Company ("**Palisades Shareholders**"). Each Palisades Share carries the right to one vote. In the event of the liquidation, dissolution or winding up of the Combined Company or any other distribution of the assets of the Combined Company among the Palisades Shareholders for the purpose of winding up its affairs, the Palisades Shareholders will be entitled to receive, on a *pro rata* basis, all remaining property and assets of the Combined Company. The Palisades Shareholders are entitled to receive dividends as and when declared by the board of directors of the Combined Company in respect of the Palisades Shares on a *pro rata* basis.

### **Combined Company Options and Combined Company Option Plan**

As of the date of this Circular, there are 4,201,000 Palisades Options outstanding and no Radio Fuels Options outstanding.

Following completion of the Arrangement, the Palisades Stock Option Plan will be the stock option plan of the Combined Company. No Palisades Options will be issued pursuant to the

Arrangement. After the Effective Time, each outstanding Palisades Option will remain outstanding, on and subject to the terms of the Palisades Stock Option Plan.

See "*Executive Compensation – Palisades Stock Option Plan*" in Appendix "G" to this Circular for additional information concerning the Palisades Stock Option Plan.

### **Combined Company Warrants**

As of the date of this Circular, there are no warrants to acquire Palisades Shares outstanding and there are 31,903,511 Radio Fuels Warrants outstanding to acquire the same number of Radio Fuels Shares.

Following completion of the Arrangement, all Radio Fuels Warrants outstanding at the Effective Time, which have not been exercised prior to the Effective Time, will remain in full force and effect and all terms and conditions of such Radio Fuels Warrants will remain the same except that such Radio Fuels Warrants will be automatically, in accordance with their terms, adjusted such that upon exercise of such Radio Fuels Warrant, the former Radio Fuels Warrantholders will receive, in lieu of each Radio Fuels Share, such number of Palisades Shares as the Radio Fuels Warrantholder would have been entitled to receive if they had exercised their Radio Fuels Warrant immediately prior to the completion of the Arrangement, see "*The Arrangement – Treatment of Radio Fuels Warrants*" in this Circular.

If the Arrangement were completed as of the date hereof, each Radio Fuels Warrant would be exercisable for 0.060538 of a Palisades Share.

The Radio Fuels Warrants currently trade on the CSE under the symbol "CAKE.WT". It is a condition of closing of the Arrangement that Radio Fuels will have obtained conditional approval of the CSE to delist the Radio Fuels Warrants upon the Effective Time, subject only to Radio Fuels providing the CSE such required documentation and confirmations as is customary in the circumstances.

Palisades has applied to the TSXV to list the Radio Fuels Warrants (on a post-adjustment basis) on the TSXV. There can be no assurance that the TSXV will grant final approval for the listing of the Radio Fuels Warrants after completion of the Arrangement.

### **UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following selected unaudited pro forma consolidated financial information of the Combined Company after giving effect to the Arrangement has been derived from the condensed consolidated interim financial statements of Radio Fuels for the three and nine months ended August 31, 2024 and 2023 (the "**Radio Fuels Interim Financial Statements**"), the condensed interim financial statements of Palisades for the three and nine months ended September 30, 2024 and 2023 (the "**Palisades Interim Financial Statements**") and the combined carve out condensed interim financial statements of NV King for the three months ended June 30, 2024 and 2023 (the "**NV King Financial Statements**" and together with the Radio Fuels Interim Financial Statements and the Palisades Interim Financial Statements, the "**Reference Financial Statements**") and is presented for illustrative purposes only and is not necessarily indicative of the results expected in future periods.

The unaudited pro forma consolidated financial information combines the Radio Fuels Interim Financial Statements, the Palisades Interim Financial Statements and NV King Financial

Statements. You should read the unaudited pro forma consolidated financial information set forth below together with the Reference Financial Statements.

Radio Fuels completed the NV King acquisition on November 20, 2024. For the purposes of the Reference Financial Statements, the Arrangement is deemed to be an asset transaction.

### Statement of Financial Position

<i>Expressed in Canadian Dollars</i>	<b>Palisades as at September 30, 2024</b>	<b>Combined Company as at September 30, 2024 (after Giving Effect to the Arrangement)</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	282,654	645,579
Investments	7,821,243	33,777,719
Accounts receivable	-	18,275
Prepaid expenses	32,699	69,244
<b>Total current assets</b>	<b>8,136,596</b>	<b>34,510,817</b>
Non Current assets		
Investment in New Found Gold Corp.	159,974,915	159,974,915
Mineral properties	-	3,967,901
Property, plant and equipment	-	197,852
Reclamation bonds	-	557,903
Other assets	-	19,714
<b>Total Assets</b>	<b>168,111,511</b>	<b>199,229,102</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	82,456	202,850
Margin overdraft	-	1,904,810
<b>Total current liabilities</b>	<b>82,456</b>	<b>2,107,660</b>
Deferred tax liability	36,280,978	36,280,978
<b>Total liabilities</b>	<b>36,363,434</b>	<b>38,388,638</b>
<b>Equity</b>		
Share capital	32,520,798	61,613,185
Contributed surplus	46,803,829	46,803,829
Retained earnings	52,423,450	52,423,450
<b>Total equity</b>	<b>131,748,077</b>	<b>160,840,464</b>
<b>Total liabilities and equity</b>	<b>168,111,511</b>	<b>199,229,102</b>

## POST-ARRANGEMENT CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Palisades as at September 30, 2024, being the last day of Palisades' most recently completed financial period, before giving effect to the Arrangement and of the Combined Company after giving effect to the Arrangement.

Description	Authorized Amount	Amount Outstanding as of September 30, 2024	Amount Outstanding after giving effect to the Arrangement
Palisades Shares	Unlimited	47,903,977	63,031,388 <sup>(1)</sup>
Palisades Options	10% of issued and outstanding Palisades Shares	4,201,000	4,201,000
Warrants	N/A	356,983 <sup>(2)</sup>	31,903,511 <sup>(3)</sup>

**NOTES:**

- (1) Assuming the issuance of 15,127,411 Palisades Shares in connection with the Arrangement.
- (2) Warrants to purchase Palisades Shares, which expired on October 11, 2024.
- (3) The Radio Fuels Warrants, after giving effect to the Arrangement, will be exercisable for Palisades Shares pursuant to the terms thereof at the Exchange Ratio. As of the date hereof, the Radio Fuels Warrants would be exercisable into an aggregate of 1,931,374 Palisades Shares. For additional information see "*Combined Company Warrants*" in this Appendix "F".

## PRINCIPAL HOLDERS OF PALISADES SHARES

To the knowledge of the directors and executive officers of Palisades, no person or company is expected to beneficially own or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of outstanding voting securities of Palisades immediately following the Effective Time, other than as set forth as follows:

Name of Shareholder	Number of Shares Owned Following Completion of the Arrangement	Percentage of Outstanding Palisades Shares <sup>(1)</sup>
Collin Kettell <sup>(2)(3)(4)(5)</sup>	15,792,148	25.05%
Michael Parker <sup>(6)</sup>	9,984,361	15.84%

**NOTES:**

- (1) After giving effect to the Arrangement, based on 63,031,388 Palisades Shares issued and outstanding as at the date of this Circular, and assuming the issuance of 15,127,411 Palisades Shares in connection with the Arrangement.
- (2) In connection with the Arrangement, it is expected that Mr. Collin Kettell will acquire 2,249,342 Palisades Shares, bringing the total number of Palisades Shares owned by him, both of record and beneficially, to 15,792,148.
- (3) As of the date of this Circular, Mr. Collin Kettell owns 28.27% of the issued and outstanding Palisades Shares.
- (4) Mr. Collin Kettell was a director of Radio Fuels between May 15, 2023 and May 3, 2024.
- (5) Mr. Collin Kettell is the current CEO and a director of Palisades.
- (6) In connection with the Arrangement, it is expected that Mr. Michael Parker will acquire 1,628,470 Palisades Shares, bringing the total number of Palisades Shares owned by him, both of record and beneficially, to 9,984,361.



## **ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER**

Following completion of the Arrangement, the Escrowed Palisades Shares (as defined in Appendix "G" to this Circular) will be held in escrow. For additional information with respect to the Escrowed Palisades Shares, see "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*" in Appendix "G" to this Circular.

## **DIRECTORS AND EXECUTIVE OFFICERS**

Following the completion of the Arrangement, Collin Kettell will be the Chief Executive Officer and Bassam Moubarak will be the Chief Financial Officer of the Combined Company. The Board of Directors will consist of Collin Kettell, Gregor Gregersen and Elizabeth Harrison. For additional information concerning the directors and executive officers of the Combined Company, including their names, country and state or province of residence, present position(s) and offices with Radio Fuels, and principal occupations during the last five years, see "*Directors and Executive Officers*" in Appendix "G" to this Circular.

Immediately following the completion of the Arrangement (and after giving effect to the Arrangement, assuming the issuance of 15,127,411 Palisades Shares to Radio Fuels Shareholders), the directors and senior officers of the Combined Company are expected to beneficially own, directly or indirectly, or exercise control or direction over approximately: (i) 17,047,687 Palisades Shares or 27.05% of the issued and outstanding Palisades Shares; (ii) 4,201,000 Palisades Options; and (iii) no Radio Fuels Warrants.

The directors of the Combined Company will hold office until the next annual meeting of the Palisades Shareholders or until their successor is duly appointed and the directors of the Combined Company will thereafter be elected by the Palisades Shareholders at each annual general meeting of shareholders and hold office until the next annual general meeting of the Combined Company or until their successors are elected or until such director's earlier death, resignation or removal.

Gregor Gregersen and Elizabeth Harrison are expected to be considered independent of the Combined Company.

For additional information concerning the proposed directors and officers of the Combined Company, see "*Directors and Executive Officers*" in Appendix "G" to this Circular.

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

For information related to the indebtedness of directors and executive officers of the Combined Company, see "*Other Information – Indebtedness of Directors and Executive Officers*" in Appendix "G" to this Circular.

## **EXECUTIVE COMPENSATION**

Following completion of the Arrangement, the Combined Company will maintain the policies of Palisades with respect to its executive compensations structure. For information with respect to Palisades' executive compensation program, see "*Executive Compensation*" in Appendix "G" to this Circular.

## **AUDIT COMMITTEE**

Following completion of the Arrangement, the Combined Company will maintain the policies of Palisades with respect to its audit committee. For information with respect to Palisades' audit committee, see "*Audit Committee*" in Appendix "G" to this Circular.

## **CORPORATE GOVERNANCE**

Following completion of the Arrangement, the Combined Company will adopt the policies of Palisades with respect to corporate governance and does not intend to make any material changes to its corporate governance practices upon completion of the Arrangement. For further information on the corporate governance policies, see "*Statement on Corporate Governance*" in Appendix "G" to this Circular.

## **RISK FACTORS**

The business of the Combined Company will be subject to the risks currently affecting the business of both Palisades and Radio Fuels. For a discussion of the business of Palisades and Radio Fuels, together with the factors to consider in connection with those businesses, please see, the risk factors set forth under the heading "*Risk Factors*" in Appendix "G" to this Circular and "*Risk Factors*" in this Circular. Ultimately, there are risks that could have a material adverse effect on, among other things, the operating results, earnings, properties, business and condition (financial or otherwise) of the Combined Company. These risk factors, together with all the other information included in or incorporated by reference in this Circular, should be carefully reviewed and considered before a decision concerning the Arrangement is made.

### *Profitability Cannot be Assured*

The Combined Company has no history of producing ore or other minerals. There can be no assurance that the Combined Company will successfully establish mining operations or profitably produce uranium, gold or other metals from the Projects, or any other project.

The Projects are both in the exploration and evaluation stage and as a result, the Combined Company is subject to all of the risks associated with establishing new mining operations and business enterprises including: (i) the availability of capital to finance construction and development activities is uncertain, may not be available, or may not be available at a cost which is economic to construct and develop a mine; (ii) the timing and cost, which can be considerable, to construct mining and processing facilities is uncertain and subject to increase; (iii) the availability and cost of skilled labour, consultants, mining equipment and supplies; (iv) the timing to receive any outstanding documentation, including permits, tax exemptions and fiscal guarantees required to commence construction and/or draw down on any loan facility that may be entered into by the Combined Company in the future; and (v) the costs, timing and complexities of mine construction and development may be increased with the Projects.

It is common in new mining operations to experience unexpected problems and delays during construction, development and mine start-up. Accordingly, there are no assurances that the Combined Company's activities will result in profitable mining operations or that the Combined Company will successfully establish mining operations or profitably produce minerals at the Projects or any of its future projects.

*The pro-forma financial information is presented for illustrative purposes only and may not be an indication of the Combined Company's financial conditions or results of operations following the Arrangement*

The pro-forma financial information contained in this Appendix are presented for illustrative purposes only as of the respective dates and may not be an indication of the financial condition or results of operations of the Combined Company following the Arrangement for several reasons. For example, the pro-forma financial information has been derived from the respective historical financial statements of Palisades, Radio Fuels and NV King, and certain adjustments and assumptions made as of the dates indicated therein have been made to give effect to the Arrangement and the other respective relevant transactions. The information upon which these adjustments and assumptions have been made is preliminary and these kinds of adjustments and assumptions are difficult to make with complete accuracy. Moreover, the pro-forma financial information does not reflect all costs expected to be incurred by Palisades and Radio Fuels in connection with the Arrangement.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

Other than as set out under the heading "*Legal Proceedings and Regulatory Actions*" in Appendix "G" to this Circular, there are no legal proceedings that the Combined Company is expected to be party to, or that, since the beginning of the most recently completed financial years of Palisades and Radio Fuels, being January 1, 2023 and December 1, 2022, respectively, Palisades or Radio Fuels were a party to or any of their respective property was the subject of.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as disclosed elsewhere in this Circular, no director, executive officer or shareholder that is expected to beneficially own, or control or direct, directly or indirectly, more than 10% of the issued Palisades Shares following completion of the Arrangement, or any of their respective associates or affiliates, has had any material interest, direct or indirect, in any transaction within the three (3) years before the date of this Circular which can reasonably be expected to materially affect the Combined Company.

### **MATERIAL CONTRACTS**

Other than as disclosed elsewhere in this Circular, there are no contracts to which the Combined Company is expected to be a party following completion of the Arrangement that can reasonably be regarded as material to a potential investor, other than contracts entered into by Palisades or Radio Fuels in the ordinary course prior to completion of the Arrangement.

### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

Following completion of the Arrangement, it is expected that the auditor of the Combined Company will be Deloitte LLP, located at 410 West Georgia Street, Vancouver, British Columbia.

Following completion of the Arrangement, it is expected that the transfer agent and registrar for the Combined Company will be Odyssey Trust Company at its principal offices in Vancouver, British Columbia.

## APPENDIX "G"

### INFORMATION RELATING TO PALISADES

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***The following information reflects the current business, financial and share capital position of Palisades on a pre-Arrangement basis. For more information about Palisades see Palisades' consolidated financial statements, management discussion and analysis, material change reports and other regulatory filings which are posted under Palisades' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).***

All capitalized terms used in this Appendix "G" and not defined herein have the meaning ascribed to such terms in the "Glossary of Defined Terms" or elsewhere in this Circular.

In this Appendix "G", references to "\$" are to Canadian dollars. Certain totals, subtotals and percentages throughout this Appendix "G" may not reconcile due to rounding.

## **CORPORATE STRUCTURE**

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

Palisades was incorporated as Palisades Acquisitions Corp. on August 30, 2019, under the BCBCA and subsequently amalgamated with 1243646 B.C. Ltd on April 14, 2020, under the BCBCA, changing its name to "Palisades Goldcorp Ltd."

Palisades' registered and records office is located at 25th Floor, 700 West Georgia St., Vancouver, British Columbia, V7Y 1B3, Canada.

### **Intercorporate Relationships**

Palisades has no subsidiaries as at the date of this Circular.

## **GENERAL DEVELOPMENT AND BUSINESS OF PALISADES**

### **Overview of Palisades**

Palisades is a resource investment company and merchant bank focused on junior companies in the resource and mining sector. Palisades is focused on providing retail and institutional investors with exposure in the junior resource space. Palisades expects to continue to make investments, pursuant to its dual investment strategy, to achieve broad sector exposure with upside in the event of appreciation in mineral commodities prices, while also providing the potential to realize appreciation in net asset values as a result of discoveries by issuers in which Palisades holds larger positions. At present, Palisades has a portfolio of equity investments, or securities convertible into equity investments, in over 60 junior resource issuers.

### ***Palisades' Investment Approach***

Palisades pursues a dual-pronged investment approach. The primary focus of Palisades' investment strategy has been as an incubator, leveraging the skillsets of management to allow shareholders to benefit from the appreciation that can occur from starting a company through to bringing it public. Management of Palisades has a demonstrated track record of success in this field and has replicated this under the Palisades umbrella on numerous occasions including New Found Gold Corp. ("**New Found**"), Nevada King Gold Corp. (formerly, Victory Metals Inc.) ("**Nevada King**"), Radio Fuels Resources Corp., GoldSpot Discoveries Corp. ("**GoldSpot**") and Golden Planet Mining Corp. ("**Golden Planet**").

Palisades' secondary investment focus is to more broadly disseminate capital across the junior resource space by identifying underperforming junior mining equities and providing them with capital on advantageous terms. Typically, Palisades tries to identify junior mining companies that have a reasonable to significant level of liquidity and negotiate private placement financings with a focus on achieving a unit financing that includes full, long-dated warrants. These positions are typically oriented to short to midterm hold periods, whereby the warrant provides the mid to long term upside potential.

Applying value investing principles, Palisades invests primarily in equity, through private placements. These are held for both longer-term capital appreciation and shorter-term gains. Palisades aims to invest in companies that will provide it with investment returns that exceed benchmark returns on the S&P/TSX Venture Composite Index. By focusing strongly on the terms received in a private placement, Palisades ensures that its investors have the best chance of meaningful upside in the event of a broad sector move or company specific catalyst.

In such instances, Palisades is a passive investor and Palisades typically seeks equity positions of between 1% and 10% in the issuers in which it invests, although Palisades' positions may from time to time reach or exceed 20% pursuant to Palisades' dual investment approach.

In the more active investments Palisades is involved in, including those where management of Palisades has taken an active role in advising and building companies, equity positions can exceed 20%. In these circumstances, Palisades will work with management of a portfolio company to help it unlock value by providing strategic counsel in areas such as financing, operations, capital structure, potential acquisitions and exit strategies.

As growth and value investors, Palisades believes in preservation of capital and being patient. Palisades makes concentrated investments in opportunities where it believes it can achieve out-sized returns while taking on appropriate amounts of risk. At times, a lack of attractive opportunities may cause Palisades to hold a significant amount of cash. Palisades' primary focus is to continue to make new investments, manage expense levels and identify tax-efficient ways to return value to Palisades Shareholders. See "*General Development and Business of Palisades – History of Palisades – Reduction of Capital Transactions*".

### **Specialized Skill and Knowledge**

The nature of Palisades' business requires specialized skills, knowledge and technical expertise. Such skills and knowledge include, but are not limited to, expertise related to the acquisition of equity investments in entities that own or operate mines or mineral properties, understanding of junior resource companies and expertise related to legal compliance, finance and accounting. Palisades expects to rely upon various legal and financial advisors, consultants and others in the operation and management of its business. See "*Risk Factors – Risks Relating to Palisades – Dependence on Key Personnel*".

### **Employees**

As of the date of this Circular, Palisades has no employees, two (2) consultants that provide management services and three (3) consultants that provide day-to-day operational services. See "*Executive Compensation – Employment, Consulting and Management Agreements*".

## Reorganizations

Other than the 2022 Reorganization (as defined herein), there has not been any material restructuring transaction of Palisades or any of its subsidiaries within the two most recently completed financial years or proposed for the current financial year. See "*General Development and Business of Palisades – History of Palisades – 2022 Reorganization*" for further information with respect to the 2022 Reorganization.

## History of Palisades

A brief description of Palisades' history during the three most recently completed fiscal years is as follows:

### Reduction of Capital Transactions

Pursuant to a final order of the Supreme Court of British Columbia granted on October 18, 2021, Palisades proceeded with a reduction of its capital, pursuant to which it distributed to all Palisades Shareholders other than Palisade's wholly-owned subsidiary at the time of the distribution, Palisade Global Investments Ltd. ("**PGIL**"), on a *pro rata* basis, 17,523,107 GoldSpot shares, 42,151,054 Mainstream Minerals Corporation shares, 57,238,388 Mexican Gold Mining Corp. shares and 89,075,602 Nevada King shares (the "**2021 Reduction of Capital**"). Palisades completed the 2021 Reduction of Capital on March 18, 2022.

On May 30, 2022, Palisades received a final order of the Supreme Court of British Columbia granting Palisades approval to proceed with a reduction of its capital, pursuant to which Palisades may distribute to all Palisades Shareholders, on a *pro rata* basis, an aggregate of 13,289,586 Golden Planet shares (the "**2022 Reduction of Capital**", together with the 2021 Reduction of Capital, the "**Reduction of Capital Transactions**"). As of the date of this Circular, the Golden Planet shares have not been distributed.

Palisades undertook the Reduction of Capital Transactions in order to return value to Palisades Shareholders in a manner which management believes was tax efficient to Palisades Shareholders.

### 2022 Reorganization

Prior to December 31, 2021, Palisades had Hook Stock (as defined herein) outstanding which was held by PGIL, at the time a wholly-owned subsidiary of Palisades. Prior to December 31, 2021, Palisades also owed PGIL the principal amount of the Upstream Loans (as defined below). Palisades decided to undertake a reorganization to cancel the Hook Stock and settle the Upstream Loans in a tax-efficient manner (the "**2022 Reorganization**"). The 2022 Reorganization entailed the following steps: (A) on December 15, 2021, Palisades incorporated 1338072 BC ULC ("**1338072**"), an unlimited liability company, under British Columbia law; (B) on December 31, 2021, PGIL transferred the Hook Stock to 1338072 in exchange for 126,567,217 common shares in the capital of 1338072 pursuant to the terms of a section 85 agreement dated December 31, 2021 between PGIL and 1338072; (C) on December 31, 2021, PGIL: (i) declared a dividend payable to Palisades equal to \$32.4 million previously owed to PGIL by Palisades (the "**Upstream Loans**"); (ii) delivered a demand promissory note in favour of Palisades equal to the dividend payable in full satisfaction of the dividend payable; and (iii) pursuant to the terms of a set off agreement dated December 31, 2021 between PGIL and Palisades, cancelled the demand promissory note as full payment of the Upstream Loans; (D) on April 14, 2022, PGIL was



dissolved under Belize law as a result of which all assets held by PGIL were transferred to Palisades; and (E) on June 22, 2022, 1338072 amalgamated with Palisades, cancelling the 25,935,149 Palisades Shares, on a pre-Consolidation (as defined below) basis ("**Hook Stock**").

#### Option Cancellation

Effective June 30, 2022, each of Collin Kettell, Palisades' CEO and director, Bassam Moubarak, Palisades' CFO and each of Palisades' directors, at that time, being Gregor Gregersen, William Hayden and Elizabeth Harrison voluntarily surrendered to Palisades certain Palisades Options previously issued to them under the Palisades Stock Option Plan cancelling an aggregate of 8,642,145 Palisades Options (the "**Option Cancellation**") and the underlying Palisades Shares reserved for issuance in connection with the surrendered Palisades Options were returned to the pool of Palisades Shares available for issuance under the Palisades Stock Option Plan and may, for the basis of future grants under the Palisades Stock Option Plan, be subject to the terms of the Palisades Stock Option Plan.

#### Consolidation

On June 30, 2022, Palisades completed a consolidation of the Palisades Shares on the basis of two pre-consolidation Palisades Shares for one post-consolidation Palisades Share (the "**Consolidation**").

#### Normal Course Issuer Bid

During the year ended December 31, 2023, Palisades acquired a number of Palisades Shares pursuant to a normal course issuer bid ("**NCIB**").

Pursuant to TSXV Policy 5.6 – *Normal Course Issuer Bids*, Palisades disclosed its intention to acquire up to 2,467,298 Palisades Shares, constituting approximately 5.0% of the issued and outstanding Palisades Shares at that time, by way of a Notice of Intention to Make a Normal Course Issuer Bid dated March 15, 2023 which was submitted to the TSXV. The NCIB commenced on April 1, 2023 and was anticipated to terminate twelve (12) months after, or on the date when Palisades shall have acquired all of the Palisades Shares pursuant to the NCIB.

Subsequently, Palisades applied for the renewal of the NCIB by way of a Notice of Intention to Make a Normal Course Issuer Bid dated March 20, 2024 ("**2024 Notice**") which was submitted to the TSXV. In the 2024 Notice, Palisades disclosed its intention to acquire up to 2,395,198 Palisades Shares, constituting approximately 5.0% of the issued and outstanding Palisades Shares at that time.

As of the date of this Circular, Palisades has purchased an aggregate of 1,442,000 Palisades Shares under the NCIB. The NCIB expires on March 31, 2025.

## FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Statements and MD&A

The following financial statements and management's discussion and analysis of Palisades are included as schedules to this Appendix "G":

<b>Schedule "A"</b>	Audited annual consolidated financial statements of Palisades for the years ended December 31, 2023 and December 31, 2022
<b>Schedule "B"</b>	Palisades' management's discussion and analysis for the years ended December 31, 2023 and December 31, 2022
<b>Schedule "C"</b>	Interim financial statements of Palisades for the three- and nine-month periods ended September 30, 2024 and September 30, 2023
<b>Schedule "D"</b>	Palisades' management's discussion and analysis for the three- and nine- month periods ended September 30, 2024 and September 30, 2023

The financial statements listed above have been prepared in accordance with IFRS.

### DESCRIPTION OF SHARE CAPITAL

The following describes Palisades' authorized share structure. The following summary of Palisades' authorized capital structure does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of the BCBCA and Palisades' constating documents.

#### Palisades Shares

Palisades' authorized capital consists of an unlimited number of Palisades Shares of which 47,903,977 Palisades Shares are issued and outstanding as at the date of this Circular. The holders of the Palisades Shares are entitled to receive notice of and to attend and vote at all meetings of shareholders. Each Palisades Share carries the right to one vote. In the event of the liquidation, dissolution or winding up of Palisades or any other distribution of the assets of Palisades among its shareholders for the purpose of winding up its affairs, Palisades Shareholders will be entitled to receive, on a *pro rata* basis, all remaining property and assets of Palisades. Palisades Shareholders are entitled to receive dividends as and when declared by the Palisades Board in respect of the Palisades Shares on a *pro rata* basis.

#### Palisades Options

As of the date of this Circular, there are 4,201,000 Palisades Options outstanding under the Palisades Stock Option Plan, with 4,201,000 Palisades Shares reserved for issuance upon exercise of the Palisades Options. See "*Executive Compensation – Palisades Stock Option Plan*" for a description of the material terms of the Palisades Options and the Palisades Stock Option Plan.

## Warrants

As of the date of this Circular, Palisades has no warrants outstanding.

## DIVIDENDS AND DISTRIBUTIONS

Other than in connection with the Reduction of Capital Transactions, Palisades has not, since the date of its incorporation, declared or paid any dividends or other distributions on the Palisades Shares and does not currently have a policy with respect to the payment of dividends or other distributions. While there are no restrictions precluding Palisades from paying dividends, Palisades does not anticipate the payment of dividends in the foreseeable future, other than to complete the 2022 Reduction of Capital. The payment of dividends in the future will depend upon, among other factors, Palisades' net asset value, earnings, capital requirements and operating financial conditions.

## CONSOLIDATED CAPITALIZATION

Other than as described in this Appendix "G" (including the table below), there have been no material changes in the share capitalization or the indebtedness of Palisades since September 30, 2024, being the last day of Palisades' most recently completed financial period. The following table sets out the capitalization of Palisades as at September 30, 2024 and as of date of this Circular. See "*Prior Sales*", "*Description of Share Capital – Palisades Shares*", "*Description of Share Capital – Palisades Options*" and "*Description of Share Capital – Warrants*".

The following table must be read in conjunction with the Interim Financial Statements, appended as Schedule "C" hereto.

Designation	Amount Authorized	Amount Outstanding as of September 30, 2024	Amount Outstanding as of the Date of this Circular
Palisades Shares <sup>(1)</sup>	Unlimited	47,903,977	47,903,977
Palisades Options <sup>(2)(3)</sup>	4,790,397	4,201,000	4,201,000
Warrants <sup>(4)</sup>	N/A	356,983	Nil

### NOTES:

- (1) See "*Description of Share Capital – Palisades Shares*".
- (2) See "*Description of Share Capital – Palisades Options*".
- (3) See "*Executive Compensation – Palisades Stock Option Plan*".
- (4) Warrants to purchase Palisades Shares, which expired on October 11, 2024.

## PRIOR SALES

During the twelve (12) months prior to the date of this Circular, Palisades has not issued any securities.

## TRADING PRICE AND VOLUME

The following table sets forth trading information for the Palisades Shares over the past 12 months prior to the date of this Circular, the reported high and low closing prices and the trading volume of trading of the Palisades Shares on the TSXV listed under the symbol "PALI".

Month	Price Range (C\$)		Monthly Trading Volume
	High	Low	
December 1 – 20, 2024	\$1.48	\$1.30	166,774
November 2024	\$1.89	\$1.33	191,599
October 2024	\$2.09	\$1.60	661,320
September 2024	\$2.19	\$1.83	269,926
August 2024	\$2.33	\$1.88	431,145
July 2024	\$2.40	\$2.10	632,448
June 2024	\$3.00	\$2.31	536,649
May 2024	\$2.63	\$2.45	1,449,273
April 2024	\$2.80	\$2.06	621,938
March 2024	\$2.20	\$1.66	375,850
February 2024	\$1.87	\$1.55	646,496
January 2024	\$2.24	\$1.75	353,099
December 2023	\$2.24	\$1.88	717,871

On December 20, 2024, the closing price of the Palisades Shares on the TSXV was \$1.40.

## PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and executive officers the following holder beneficially owns or controls or directs, directly or indirectly, voting securities carrying more than 10% of the voting rights as at the date of this Circular.

Shareholder Name	Number of Palisades Shares Held	Percentage of Palisades Shares <sup>(1)</sup>
Collin Kettell <sup>(2)</sup>	15,792,172	25.05%
Michael Parker	8,355,891	17.44%

**NOTE:**

- (1) Based on 47,903,977 Palisades Shares issued and outstanding as at December 20, 2024 and assuming the issuance of 15,127,411 Palisades Shares in connection with the Arrangement.
- (2) CEO and Director of Palisades.

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

The following table sets forth the securities of Palisades that, as at the date of this Circular, are held in escrow or are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

Designation of Class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer <sup>(2)</sup>	Percentage of Class
Palisades Shares	6,632,622 <sup>(1)</sup> <sup>(2)</sup>	13.85%

**NOTES:**

- (1) In connection with the listing of the Palisades Shares on the TSXV, completed on February 5, 2023 (the "**Listing**"), an aggregate of 14,739,160 Palisades Shares were placed in escrow with Odyssey Trust Company, as escrow agent (the "**Escrow Agent**").
- (2) On January 20, 2023, Collin Kettell and Gregor Gregersen, as principals and Palisades entered into an escrow agreement (the "**Escrow Agreement**") with the Escrow Agent. 6,632,622 Palisades Shares remain in escrow as of the date of this Circular (the "**Escrowed Palisades Shares**"). One third of the Escrowed Palisades Shares will be released twenty-four (24) months following the Listing (being February 5, 2025). The remaining Escrowed Palisades Shares will be released thirty-six (36) months following the Listing (being February 5, 2026), subject to acceleration in certain circumstances as further described in the Escrow Agreement.

## DIRECTORS AND EXECUTIVE OFFICERS

To Palisades' knowledge, as at the date of this Circular, the directors and executive officers of Palisades as a group will beneficially own, control or direct, directly or indirectly, 14,739,160 Palisades Shares, representing approximately 30.77% of the issued and outstanding Palisades Shares.

### Director and Executive Officer Profiles

The following table sets forth the name of each director and executive officer of Palisades as at the date of this Circular, their province or state and country of residence, their position(s) and office(s) held with Palisades, their principal occupation(s) during the preceding five (5) years, the date they became a director of Palisades, if applicable, and the number and percentage of Palisades Shares they beneficially own, or control or direct, directly or indirectly.

The directors of Palisades are elected annually and hold office until the next annual general meeting of Palisades Shareholders or until their successors are elected or until such director's earlier death, resignation or removal.

Name, Position and Province/Country of Residence	Principal Occupation and Experience <sup>(5)</sup>	Date Appointed	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(2)(4)</sup>
Collin Kettell <sup>(1)</sup> <i>Puerto Rico, United States</i> <b>Chief Executive Officer and Director</b>	CEO of Palisades (since August 2019); CEO of New Found Gold Corp. (since April 2022); Executive Chairman of New Found Gold Corp. (since March 2020); and former CEO of New Found Gold Corp. (2016-2020); CEO of Nevada King Gold Corp. (formerly, Victory Metals Ltd.) (since January 2019). Each of New Found Gold and Nevada King Gold Corp. are mineral exploration companies.	August 30, 2019 – present	13,542,806
Gregor Gregersen <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup> <i>Singapore, Singapore</i> <b>Director</b>	Founder & CEO of Silver Bullion Pte Ltd., a company engaged in the business of storing silver and gold bullion (since 2009).	October 9, 2019 – present	1,196,354

Name, Position and Province/Country of Residence	Principal Occupation and Experience <sup>(5)</sup>	Date Appointed	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(2)(4)</sup>
Elizabeth Harrison <sup>(2)</sup> <sup>(3)</sup> <i>British Columbia, Canada</i> <b>Director</b>	Former Partner at Farris LLP; Professional Director.	October 9, 2019 – present	Nil
Bassam Moubarak <i>British Columbia, Canada</i> <b>CFO</b>	Chief Financial Officer of Palisades (since November 2021); Chief Financial Officer and Corporate Secretary of Radio Fuels Energy Corp. (from August 31, 2023 to November 1, 2024); Chief Financial Officer, Corporate Secretary and Director of Freeman Gold Corp. (since October 1, 2020); Chief Executive Officer of Freeman Gold Corp. (since October 2, 2024); Chief Financial Officer and Corporate Secretary of Nevada King Gold Corp. (since January 2019); President, Chief Executive Officer, Chief Financial Officer and Director of Planet X Capital Corp. (since February 2021); President, Chief Executive Officer, Chief Financial Officer and Director of Planet X II Capital Corp. (since February 2021); and Executive Vice President, Chief Financial officer and Director of Gold X Mining Corp. (from November 2019 to July 2021). Each of Freeman Gold Corp., Nevada King Gold Corp., and Gold X Mining Corp. are mineral exploration companies. Planet X Capital Corp. and Planet X II Capital Corp. are Capital Pool Companies (as defined in TSXV Policy 2.4) and have not commenced commercial operations.	November 1, 2021 - present	Nil

**NOTES:**

- (1) Member of the Compensation Committee of Palisades.
- (2) Member of the Audit Committee of Palisades.
- (3) Member of the Corporate Governance and Nominating Committee of Palisades.
- (4) The information as to number of Palisades Shares beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of management of Palisades and has been furnished by the respective nominees or sourced from information available to Palisades from SEDI ([www.sedi.ca](http://www.sedi.ca)) or in reports provided by the transfer agent of Palisades.
- (5) The information in the table above as to principal occupation and business or employment is not within the knowledge of management of Palisades and has been furnished by the respective directors and executive officers.

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

### ***Corporate Cease Trade Orders or Bankruptcies***

No director or officer of Palisades is, or within the ten (10) years prior to the date of this Circular has been, a director, officer, or promoter of any person or company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, was the subject of a cease trade order or similar order, or an order that denied the other issuer access to any exemptions under applicable Securities laws, for a period of more than thirty (30) consecutive days, or 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.

### ***Penalties or Sanctions***

No director or officer of Palisades, nor any security holder anticipated to hold a sufficient number of securities of Palisades to materially affect the control of Palisades, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision concerning an investment in Palisades.

### ***Personal Bankruptcies***

No director or officer of Palisades, nor security holder anticipated to hold a sufficient number of securities of Palisades to affect materially the control of Palisades, nor a personal holding company of any such person has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director or officer, or personal holding company of any such person.

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

Other than as disclosed in this Appendix "G", there are no existing or potential material conflicts of interest between Palisades and any of its directors or officers as of the date of the Circular. However, certain of Palisades' directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on Palisades' behalf. See also "*Risk Factors – Risks Relating to Palisades – Conflicts of Interest*".

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

- a director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior

officer of Palisades, must promptly disclose the nature and extent of that conflict; and

- a director who holds a disclosable interest (as such term is defined under the BCBCA) in a contract or transaction into which Palisades has entered or proposes to enter may generally not vote on any directors' resolution to approve such contract or transaction.

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

### ***Other Reporting Issuer Experience***

The following table sets out the directors and executive officers of Palisades that are, or have been within the last five (5) years, directors, officers or promoters of other reporting issuers in any Canadian jurisdiction:

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Name of Trading Market</b>
Collin Kettell	Nevada King Gold Corp. New Found Gold Corp. Radio Fuels Energy Corp.	TSXV TSXV, NYSE CSE
Bassam Moubarak	Nevada King Gold Corp. Freeman Gold Corp. Planet X Capital Corp. Planet X II Capital Corp. Radio Fuels Energy Corp. Gold X Mining Corp.	TSXV TSXV TSXV TSXV CSE TSXV

## **EXECUTIVE COMPENSATION**

### **Compensation of Named Executive Officers**

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of Palisades. "Named Executive Officer" or "NEO" is defined by securities legislation to mean: (i) the CEO; (ii) the CFO; (iii) the most highly compensated executive officer of Palisades, including any of its subsidiaries, or the most highly compensated individual acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (iii) but for the fact that the individual was neither an executive officer of Palisades or its subsidiaries, nor acting in similar capacity, at the end of the most recently completed financial year.

As of the date of this Circular, Palisades anticipates having the following Named Executive Officers for the fiscal year ended December 31, 2024:

- Collin Kettell, CEO and Director; and
- Bassam Moubarak, CFO.



## **Compensation Discussion and Analysis**

### ***Philosophy***

In determining the compensation to be paid or awarded to its executives, the Palisades Board seeks to encourage the advancement of Palisades' business, with a view to enhancing shareholder value. To achieve these objectives, Palisades believes it is critical to create and maintain a compensation program that attracts and retains committed, highly qualified personnel by providing appropriate rewards and incentives that align the interest of its executives with those of its shareholders. In addition, as Palisades operates with limited financial resources, the Palisades Board needs to consider not only Palisades' financial situation at the time of determining executive compensation but also Palisades' estimated financial situation in the mid and long term.

Palisades' executive compensation program consists of a combination of base salary and long-term incentives in the form of participation in the Palisades Stock Option Plan. In making its determinations regarding the various elements of executive Palisades Option grants, Palisades seeks to meet the following objectives:

- (a) to attract, retain and motivate talented executives who create and sustain Palisades' continued success within the context of compensation paid by other companies of comparable size engaged in similar business in appropriate regions;
- (b) to align the interests of the NEOs with the interests of the Palisades Shareholders; and
- (c) to incentivize extraordinary performance from Palisades' key employees.

### ***Base Salary***

The base salary for each executive of Palisades is established by the Palisades Board based upon the position held by such executive, competitive market conditions, such executive's related responsibilities, experience and the executive's skill base, the functions performed by such executive and the salary ranges for similar positions in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels for executives.

### ***Cash Bonuses***

Cash bonuses do not form a normal part of Palisades' executive compensation. However, Palisades may elect to utilize such incentives where the role-related context and competitive environment suggest that such a compensation modality is appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on shareholder value creation and the ability of Palisades to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to Palisades' near and long-term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated companies or any other factors the Palisades Board may consider appropriate at the time such performance-based bonuses are decided upon. The quantity of bonus will normally be a percentage of base salary not to exceed 100%. However, in exceptional

circumstances, the quantity of bonus paid may be connected to the shareholder value creation embodied in the pre-agreed milestones. Palisades currently has no expectations of paying cash bonuses to its executives for the next twelve (12) months and Palisades' determination to pay cash bonuses going forward will be evaluated on an ongoing basis by the Palisades Board.

### ***Palisades Options***

Palisades Options are a key compensation element for Palisades. Palisades Options are an important component of aligning the objectives of Palisades' executive officers and consultants with those of Palisades Shareholders, while encouraging them to remain associated with Palisades. Palisades expects to provide significant Palisades Option positions to its executive officers and consultants. The precise amount of Palisades Options to be offered will be governed by the importance of the role within Palisades, by the competitive environment within which Palisades operates, and by the regulatory limits on option grants that cover organizations such as Palisades. When considering an award of Palisades Options to an executive, consideration of the number of Palisades Options previously granted to the executive may be taken into account, however, the extent to which such prior grants remain subject to resale restrictions will generally not be a factor.

As of the date of this Circular, a total of 4,201,000 Palisades Options are issued and outstanding. See "*Executive Compensation – Palisades Stock Option Plan*" for a summary of the key terms of the Palisades Stock Option Plan.

### **Compensation Risks**

In making its compensation-related decisions, the Palisades Board carefully considers the risks implicitly or explicitly connected to such decisions. These risks include the risks associated with employing executives who are not world-class in their capabilities and experience, the risk of losing capable but under-compensated executives, and the financial risks connected to Palisades' operations, of which executive compensation is an important part.

In adopting the compensation philosophy described above, the principal risks identified by Palisades are:

- (a) that Palisades will be forced to raise additional funding (causing dilution to shareholders) in order to attract and retain the calibre of executive employees that it seeks; and
- (b) that Palisades will have insufficient funding to achieve its objectives.

### **Hedging by Named Executive Officers or Directors**

Palisades has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

### **Compensation, excluding Options and Compensation Securities**

The following table sets forth all compensation, excluding options and compensation securities, paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by Palisades,

for the two most recently completed financial years, to each NEO and director of Palisades, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director of Palisades for services provided and for services to be provided, directly or indirectly, to Palisades.

<b>Table of Compensation Excluding Options and Compensation Securities</b>							
<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total Compensation (\$)</b>
Collin Kettell, CEO and Director <sup>(1)</sup>	2023	330,000	82,500	0	0	0	412,500
	2022	330,000	0	0	0	0	330,000
Bassam Moubarak, CFO	2023	270,000	67,500	0	0	0	337,500
	2022	283,500	0	0	0	0	283,500
Gregor Gregersen, Director	2023	72,000	0	0	0	0	72,000
	2022	72,000	0	0	0	0	72,000
Elizabeth Harrison, Director	2023	72,000	0	0	0	0	72,000
	2022	72,000	0	0	0	0	72,000
William Hayden, Director <sup>(2)</sup>	2023	72,000	0	0	0	0	72,000
	2022	72,000	0	0	0	0	72,000

**NOTES:**

- (1) In 2023, Collin Kettell received \$412,500 for his role as CEO and nil for his role as Director and, in 2022, received \$330,000 for his role as CEO and nil for his role as Director.
- (2) William Hayden resigned from the Palisades Board on October 18, 2024.

## Stock Options and Other Compensation Securities

During the financial year ended December 31, 2023, the following compensation securities were granted or issued to NEOs and directors of Palisades, for services provided or to be provided, directly or indirectly, to Palisades or any subsidiary thereof.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Collin Kettell</b> <sup>(1)</sup> CEO and Director	Palisades Options	3,025,000 (72%) Underlying Shares: 3,025,000 (6.30%)	February 1, 2023	\$4.20	N/A	\$2.15	February 1, 2028
<b>Bassam Moubarak</b> <sup>(2)</sup> CFO	Palisades Options	1,050,000 (24.99%) Underlying Shares: 1,050,000 (2.19%)	February 1, 2023	\$4.20	N/A	\$2.15	February 1, 2028
<b>Gregor Gregersen</b> <sup>(3)</sup> Director	Palisades Options	42,000 (1%) Underlying Shares: 42,000 (0.09%)	February 1, 2023	\$4.20	N/A	\$2.15	February 1, 2028
<b>Elizabeth Harrison</b> <sup>(4)</sup> Director	Palisades Options	42,000 (1%) Underlying Shares: 42,000 (0.09%)	February 1, 2023	\$4.20	N/A	\$2.15	February 1, 2028
<b>William Hayden</b> <sup>(5)(6)</sup> Director	Palisades Options	42,000 (1%) Underlying Shares: 42,000 (0.09%)	February 1, 2023	\$4.20	N/A	\$2.15	February 1, 2028

### NOTES:

- (1) During the financial year ended December 31, 2023, Collin Kettell also held 363,879 Palisades Options which were granted on May 1, 2021 and expiring on May 21, 2026, with an exercise price of \$10.60. Mr. Kettell voluntarily forfeited these Palisades Options on September 5, 2023, resulting in their cancellation.
- (2) During the financial year ended December 31, 2023, Bassam Moubarak also held 101,077 Palisades Options which were granted on May 1, 2021 and expiring on May 21, 2026, with an exercise price of \$10.60. Mr. Moubarak voluntarily forfeited these Palisades Options on September 5, 2023, resulting in their cancellation.
- (3) During the financial year ended December 31, 2023, Gregor Gregersen also held 5,054 Palisades Options which were granted on May 1, 2021 and expiring on May 21, 2026, with an exercise price of \$10.60. Mr. Gregersen voluntarily forfeited these Palisades Options on September 5, 2023, resulting in their cancellation.
- (4) During the financial year ended December 31, 2023, Elizabeth Harrison also held 363,879 Palisades Options which were granted on May 1, 2021 and expiring on May 21, 2026, with an exercise price of \$10.60. Ms. Harrison voluntarily forfeited these Palisades Options on September 5, 2023, resulting in their cancellation.

- (5) During the financial year ended December 31, 2023, William Hayden also held 363,879 Palisades Options which were granted on May 1, 2021 and expiring on May 21, 2026, with an exercise price of \$10.60. Mr. Hayden voluntarily forfeited these Palisades Options on September 5, 2023, resulting in their cancellation.
- (6) William Hayden resigned from the Palisades Board on October 18, 2024.

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

There was no exercise of Palisades Options in the financial year ended December 31, 2023. As at the date of this Circular, there has been no exercise of Palisades Options or other compensation securities by any NEO or director of Palisades during the current financial year.

## **Palisades Stock Option Plan**

On May 21, 2021, the Palisades Board approved the adoption of the Palisades Stock Option Plan, which was subsequently approved by Palisades' shareholders on October 14, 2021 at an annual general and special meeting of Palisades Shareholders. The Palisades Stock Option Plan was last approved by Palisades Shareholders on September 16, 2024. Capitalized terms used in the below summary but not defined herein shall have the respective meanings given to them in the Palisades Stock Option Plan.

The purpose of the Palisades Stock Option Plan is to advance the interests of Palisades, through the grant of Palisades Options, by providing an incentive mechanism to foster the interests of Eligible Persons in the success of Palisades and its subsidiaries and to retain and attract key talent. Eligible Persons include directors, officers, employees or consultants of Palisades or of an affiliate of Palisades and includes an issuer of which all of the voting securities are owned by Eligible Persons.

The following is a summary of the principal terms of the Palisades Stock Option Plan.

The maximum number of issued and outstanding Palisades Shares reserved for issuance under the Palisades Stock Option Plan is a "rolling" 10% of the issued and outstanding Palisades Shares at the time of a Palisades Option grant, less the aggregate number of Palisades Shares then reserved for issuance pursuant to any other share compensation arrangement of Palisades.

Every Palisades Option granted has a term not exceeding ten (10) years after the date of grant, as determined by Palisades Board, and the exercise price shall be determined by the Palisades Board, but will in no event be less than: (i) if the Palisades Shares are listed for trading on any stock exchange, then the market price of the Palisades Shares, as such term has the meaning ascribed thereto under the applicable rules and policies of such exchange, or (ii) if the Palisades Shares are not listed on any stock exchange, then the fair market value of the Palisades Shares, being the aggregate value of all investments held by Palisades and its subsidiaries divided by the number of issued and outstanding Palisades Shares less any Palisades Share held by Palisades. The aggregate value of any investment in a publicly listed issuer is derived, for the purposes of the Palisades Stock Option Plan, by adding the value of publicly listed Palisades Shares based on the closing price on the trading day prior to grant of Palisades Options, and in the money warrants of publicly listed issuers will be valued using the difference between the exercise price of such warrants and the last traded price for that security prior to a Palisades Option grant. Investments in private issuers will be valued using the last financing completed by that issuer prior to the Palisades Option grant less any liabilities owed by the issuer or any of its subsidiaries.

If Palisades Options are granted within ninety (90) days of a distribution by Palisades by prospectus, then the exercise price per Palisades Share for such Palisades Option will be the

greater of the minimum exercise price described in the preceding paragraph and the price per Palisades Share paid by the public investors for the Palisades Shares acquired pursuant to such distribution. Such ninety (90) day period shall begin: (i) on the date the final receipt is issued for the final prospectus in respect of such distribution; and (ii) in the case of a prospectus that qualifies special warrants, on the closing date of the private placement in respect of such special warrants.

The Palisades Stock Option Plan provides that Palisades Options granted to consultants performing investor relations activities on behalf of Palisades shall vest over a minimum of twelve (12) months with no more than one-quarter (1/4) of such options vesting in any three (3) month period. Otherwise, the Palisades Stock Option Plan contains no vesting requirements and permits the Palisades Board to specify a vesting schedule in its discretion.

In addition, the Palisades Stock Option Plan provides as follows:

- (a) the number of Palisades Shares reserved for issuance to any one individual in any twelve (12) month period under the Palisades Stock Option Plan and any other share compensation arrangement with Palisades shall not exceed 5% of the Palisades Shares outstanding at the time of the grant, unless Palisades has obtained disinterested shareholder approval to exceed such limit;
- (b) the number of Palisades Shares reserved for issuance to any one consultant, or any one individual conducting investor relations activities on behalf of Palisades, in any twelve (12) month period under the Palisades Stock Option Plan shall not exceed 2% of the Palisades Shares outstanding at the time of the grant; and
- (c) unless Palisades has received disinterested shareholder approval to do so, the aggregate number of Palisades Shares reserved for issuance to insiders of Palisades under the Palisades Stock Option Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Palisades Shares at any point in time; and the aggregate number of Palisades Shares reserved for issuance to insiders in any twelve (12) month period shall not exceed 10% of the outstanding Palisades Shares at the time of grant.

If a participant ceases to be an Eligible Person, then the Palisades Stock Option Plan provides that:

- (a) if such participant is terminated for cause, then each Palisades Option held by such participant shall terminate and shall thereafter cease to be exercisable no later than the earlier of the Expiry Date and the date which is thirty (30) days after such termination for cause;
- (b) if such participant is prevented, by order or similar decision of the British Columbia Securities Commission or other regulatory authority having jurisdiction over Palisades or its affairs, from holding an Palisades Option, then each Palisades Option held by such participant shall terminate and shall thereafter cease to be exercisable upon the making of such order or similar decision;
- (c) if such participant dies prior to otherwise ceasing to be an Eligible Person, each Palisades Option held by such participant shall terminate and shall thereafter cease to be exercisable no later than the earlier of the Expiry Date and the date which is twelve (12) months after the date of such participant's death; or

- (d) if such participant ceases to be an Eligible Person other than in the circumstances set out in subsections (a), (b) or (c) above, each Palisades Option held by such participant shall terminate and shall thereafter cease to be exercisable no later than the earlier of the Expiry Date and the date which is ninety (90) days after such terminating event, always provided that the Palisades Board may allow for each Palisades Option held by such participant to terminate and cease to be exercisable on such later date, not exceeding twelve (12) months following the participant ceasing to be an Eligible Person, as the Palisades Board in its discretion may determine is reasonable.

If any portion of an Palisades Option is not vested at the time a participant ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Palisades Option may not be thereafter exercised by the participant or its legal representative, as the case may be, always provided that the Palisades Board may, in its discretion, thereafter permit the participant or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the Palisades Option that would have vested prior to the time such Palisades Option otherwise terminates and thereafter ceases to be exercisable pursuant to the terms described in subsections (a) to (d) above.

The Palisades Stock Option Plan further provides for the treatment of the Palisades Options upon the occurrence of certain events, including in the context of a take-over bid and a going public transaction, as summarized below.

If a take-over bid, as defined under applicable securities laws, is made for Palisades Shares or securities convertible into Palisades Shares which, if successful, would result in any person(s) beneficially, directly or indirectly, owning Palisades Shares that would entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all Palisades Shares in the capital of Palisades that may be cast to elect directors, Palisades shall immediately upon receipt of notice of the offer notify each participant of the full particulars of the offer, whereupon all Palisades Options will become fully vested and the Palisades Options may be exercised in whole or in part by the participant so as to permit the participant to tender the Palisades Shares received upon such exercise, pursuant to the offer. However, if:

- (a) the offer is not completed within the time specified therein; or
- (b) all of the Palisades Shares tendered by the participant pursuant to the offer are not take up or paid for by the offeror in respect thereof, then the Palisades Shares received upon such exercise may, at the discretion of the Palisades Board and, subject to the availability of applicable exemptions from issuer bid requirements under applicable laws, be surrendered by the participant to Palisades for cancellation and with respect to such returned Palisades Shares, the Palisades Option shall be reinstated as if it had not been exercised. If any Palisades Shares are returned to Palisades under this section, Palisades shall immediately refund the exercise price to the participant for the Palisades Options relating to such returned and cancelled Palisades Shares.

Prior to completion of a Going Public Transaction (as defined in the Palisades Stock Option Plan), the directors, applicable regulatory authorities or any underwriter or agent may require that there be no outstanding Palisades Options and, Palisades may deliver a notice to all participants to this effect, in which case the unvested portion of the Palisades Option held by the participant, if any, will immediately vest and the Expiry Date of the Palisades Option will be the thirtieth (30<sup>th</sup>) day

following the date of such notice. In such a case, in the event that Palisades does not complete the Going Public Transaction, and any Palisades Options are cancelled following such thirty (30) day period, Palisades will, to the extent reasonably practicable, grant to the participants whose Palisades Options were so cancelled an option equivalent (including the original vesting terms, if any) to the Palisades Options so cancelled.

The Palisades Board may amend any Palisades Option with the consent of the affected participant. For greater certainty, Disinterested Shareholder Approval (as defined by the Palisades Stock Option Plan) is required for any reduction in the exercise price of a Palisades Option, or extension of the term of a Palisades Option, if the participant is an insider at the time of the proposed amendment.

The above summary is qualified in its entirety by the full text of the Palisades Stock Option Plan, which is attached to Palisades' management information circular dated July 30, 2024 and available under Palisades' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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

Palisades has entered into executive employment contracts with Messrs. Kettell and Moubarak (together, the "**Executive Contracts**" and, individually, an "**Executive Contract**"). The material terms of each of the Executive Contracts are summarized below.

#### ***Collin Kettell, CEO and Director***

Collin Kettell, CEO and Director, provides management services to Palisades through Argentum. Palisades entered into the Argentum agreement on January 1, 2020, as amended on November 1, 2021 (the "**Argentum Agreement**"), with respect to the provision of certain management and administrative consulting services provided by Argentum to Palisades. Pursuant to the terms and conditions of the Argentum Agreement, Argentum provides certain management consulting services to Palisades and its subsidiaries as may be requested by and at the direction of the Palisades Board from time to time, including: (i) guidance, advice and services with respect to strategic planning, future growth, projects and business activities; (ii) guidance and advice in relation to the day-to-day operation and business of Palisades; (iii) guidance and advice concerning proposed acquisitions, divestitures, joint ventures and business combinations; and (iv) guidance and advice concerning any mineral properties owned by Palisades or interests in mineral properties acquired by Palisades and other mutually agreed services. Argentum is paid the Argentum base fee, a base fee rate of \$27,500 per month (the "**Argentum Base Fee**"), subject to the annual review by the Palisades Board. Argentum is also eligible for an incentive fee and the grant of Palisades Options pursuant to the Palisades Stock Option Plan as determined by the Palisades Board at its discretion.

Under the terms of the Argentum Agreement, at any time within sixty (60) days following a change of control of Palisades, Argentum or Palisades may elect to terminate the Argentum Agreement. Upon such termination, Palisades is obliged to compensate Argentum: (i) a termination fee equal to twenty-four (24) months of the Argentum Base Fee; and (ii) any accrued liabilities owing to Argentum under the Argentum Agreement. The estimated incremental payments to Argentum that would result from a change of control without cause would be \$660,000.



### **Bassam Moubarak, CFO**

Bassam Moubarak, CFO, provides his services to Palisades through BM Strategic. Palisades entered into the BM strategic agreement on January 1, 2020, as amended on November 1, 2021 (the "**BM Strategic Agreement**"), with respect to the provision of certain management and administrative consulting services provided by BM Strategic to Palisades. Pursuant to the terms and conditions of the BM Strategic Agreement, BM Strategic provides all CFO services to Palisades. BM Strategic is paid the BM strategic base fee, a base fee rate of \$22,500 per month (the "**BM Strategic Base Fee**"), subject to annual review by the Palisades Board. BM Strategic is also eligible for an incentive fee and the grant of Palisades Options pursuant to the Palisades Stock Option Plan as determined by the Palisades Board at its discretion.

Under the terms of the BM Strategic Agreement, at any time within sixty (60) days following a change of control of Palisades, BM Strategic or Palisades may elect to terminate the BM Strategic Agreement. Upon such termination, Palisades is obliged to compensate BM Strategic: (i) a termination fee equal to twenty-four (24) months of the BM Strategic Base Fee; and (ii) any accrued liabilities owing to BM Strategic under the BM Strategic Agreement. The estimated incremental payments to BM Strategic that would result from a change of control without cause would be \$540,000.

### **Estimated Incremental Payments**

The estimated amounts payable under various termination scenarios as of the date of this Circular are outlined in the table below:

<b>Name and Principal Position</b>	<b>Termination without Cause</b>	<b>Change of Control with Termination</b>
Collin Kettell, CEO and Director	\$660,000	\$660,000
Bassam Moubarak, CFO	\$540,000	\$540,000

### **Pension Plan Benefits**

Palisades does not have any pension, retirement, defined benefit, defined contribution or deferred compensation plans that provides for payments or benefits to its directors and NEOs at, following, or in connection with retirement and none are proposed at this time.

### **Directors' and Officers' Liability Insurance**

Palisades carries directors' and officers' liability insurance with limits and deductibles believed to be appropriate for a company of its type and at its stage of development.

## **AUDIT COMMITTEE**

### **Audit Committee**

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") of the Canadian Securities Administrators requires that Palisades' Audit Committee ("**Audit Committee**") meet certain requirements. It also requires Palisades to disclose certain information regarding the Audit Committee. That information is disclosed below.

The Audit Committee is comprised of Gregor Gregersen and Elizabeth Harrison, each of whom are "financially literate" and each of whom are independent as defined in NI 52-110.

## Overview

The Audit Committee is responsible for monitoring Palisades' systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of Palisades' external auditors. The Audit Committee is also responsible for reviewing Palisades' audited annual financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the Palisades Board.

## Audit Committee Charter

The Palisades Board adopted an audit committee charter (the "**Charter**"), in the form attached as Schedule "E" to this Appendix "G" mandating the role of the Audit Committee in supporting the Palisades Board in meeting its responsibilities to Palisades' shareholders.

Unless a Chair is appointed by the Palisades Board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

Name of Member	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>
Gregor Gregersen	Yes	Yes
Elizabeth Harrison	Yes	Yes

### NOTE:

(1) As defined in NI 52-110.

## Relevant Education and Experience

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member. The following summarizes the education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

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

**Gregor Gregersen** – Gregor Gregersen is the founder and CEO of Silver Bullion Pte Ltd. and its subsidiary, the Safe House SG Pte Ltd. Prior to founding Silver Bullion Pte Ltd., Mr. Gregersen was a Senior Data Architect for Commerzbank AG and a Senior Business Intelligence Consultant for major multinational corporations. Mr. Gregersen has a Bachelor of Arts in Economics, a Bachelor of Science in Finance and a Masters in Information and Decision Systems.

**Elizabeth Harrison** – Elizabeth Harrison is a former partner at Farris Law LLP, providing legal advice on corporate finance, securities and mergers and acquisitions. Ms. Harrison served on the board of directors of the International Finance Centre, BC Ferries, St. Paul's Hospital Foundation, the Vancouver Opera, Crofton House and Forum for Women Entrepreneurs. Mrs. Harrison received her BA (minor economics) and LLB from the University of Alberta.

### Pre-Approval Policies and Procedures

The Audit Committee must pre-approve any engagement of the external auditors for any non-audit services to Palisades in accordance with the applicable law and policies and procedures to be approved by the Palisades Board. The engagement of non-audit services will be considered by the Palisades Board on a case-by-case basis.

### External Auditors Service Fees

The fees billed by Palisades' external auditors for audit and non audit services provided to Palisades or its subsidiaries (if any) for the years ended December 31, 2023 and December 31, 2022 are outlined in the following table.

Nature of Services	Fees paid to auditor for the year ended December 31, 2023	Fees paid to auditor for the year ended December 31, 2022
Audit fees <sup>(1)</sup>	\$168,000	\$314,212
Audit-Related fees <sup>(2)</sup>	Nil	Nil
Tax fees <sup>(3)</sup>	Nil	Nil
All other fees <sup>(4)</sup>	Nil	Nil
Total	\$168,000	\$314,212

**NOTES:**

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of Palisades' consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultants on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all non-audit services, other than for services reported under (1), (2) and (3) above.

### STATEMENT ON CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, Palisades is required to disclose its corporate governance practices. Corporate governance relates to the policies, structure, and activities of a board of directors of a corporation, the

members of which are elected by and are accountable to the shareholders of the corporation, and takes into account the role of the individual members of management who are appointed by the board of directors and who are charged with the day-to-day management of the corporation.

National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201") establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices.

Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Palisades Board is committed to sound corporate governance practices, as such practices are both in the interests of Palisades Shareholders and help to contribute to effective and efficient decision-making and believes Palisades' system of corporate governance meets or exceeds the majority of the guidelines and requirements contained in NP 58-201.

### **Board of Directors**

The Palisades Board will facilitate its exercise of independent supervision over Palisades' management through regular meetings of the Palisades Board held to obtain an update on significant corporate activities and plans, both with and without members of Palisades' management being in attendance.

The Palisades Board has determined that two of its directors, namely Gregor Gregersen and Elizabeth Harrison are independent based upon the tests for independence set forth in NI 52-110. Collin Kettell is not considered independent based upon the test for independence set forth in NI 52-110 as Collin Kettell is the CEO of Palisades.

### **Mandate of the Palisades Board**

The Palisades Board has the duty to supervise the management of the business and affairs of Palisades and shall, directly and through its committees, provide direction to senior management to pursue the best interests of Palisades. Directors shall exercise their business judgment in a manner consistent with their fiduciary duties. In particular, directors are required to act honestly and in good faith, with a view to the best interests of Palisades and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Palisades Board will facilitate its exercise of independent supervision over Palisades' management through regular meetings of the Palisades Board held to obtain an update on significant corporate activities and plans, both with and without members of Palisades' management being in attendance.

The Palisades Board has adopted a written mandate, which mandate sets out the composition requirements of the Palisades Board and its committees and the specific duties and responsibilities of the Palisades Board.

### **Board Meeting Attendance**

The Palisades Board meets at least once each calendar quarter to review, among other things, the performance of Palisades. Results are compared and measured against a previously established plan and performance of prior fiscal years. This process establishes, among other things, benchmarks against which the Palisades Board may measure the performance of

management. Other meetings of the Palisades Board are called to deal with special matters, as circumstances require.

During Palisades' fiscal year ended December 31, 2023, the Palisades Board met five times. The attendance of each director is as follows:

Director	Meetings Attended
Collin Kettell	5/5
Gregor Gregersen	4/5
Elizabeth Harrison	5/5
William Hayden <sup>(1)</sup>	5/5

**NOTE:**

(1) William Hayden resigned from the Palisades Board on October 18, 2024.

### **Position Descriptions**

The Palisades Board delegates the day-to-day management of the business and affairs of Palisades to the executive officers of Palisades. Generally, operations in the ordinary course or operations that are not in the ordinary course and do not exceed material levels of expenditures or commitment on the part of Palisades have been delegated to management. Decisions relating to matters that are not in the ordinary course and that involve material expenditures or commitments on the part of Palisades require prior approval of the Palisades Board. Any responsibility which is not delegated to management or a Palisades Board committee remains with the Palisades Board. The CEO reviews corporate objectives with the Palisades Board on a quarterly basis. In this manner, the Palisades Board approves or develops the corporate objectives that management of Palisades is responsible for achieving.

### **Orientation and Continuing Education**

Palisades has not yet developed a formal orientation and training program for directors. If and when new directors are added, they will be provided with:

- (a) information respecting the functioning of the Palisades Board, committees and copies of Palisades' corporate governance policies;
- (b) access to recent, publicly filed documents of Palisades and Palisades' internal financial information;
- (c) access to management and technical experts and consultants; and
- (d) a summary of significant corporate and securities responsibilities.

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

## **Ethical Business Conduct**

The Palisades Board has responsibility for the stewardship of Palisades, including responsibility for strategic planning, identification of the principal risks of Palisades' business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management) and the integrity of Palisades' internal control and management information systems. To facilitate meeting this responsibility, the Palisades Board seeks to foster a culture of ethical conduct by striving to ensure that Palisades carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Palisades Board:

- (a) has adopted a Code of Conduct for its directors, officers, employees and consultants to operate in accordance with the highest ethical standards in their conduct of business for and on behalf of Palisades;
- (b) encourages management to consult with legal and financial advisors to ensure that Palisades is meeting those requirements;
- (c) is cognizant of Palisades' timely disclosure obligations under Canadian securities laws and will review material disclosure documents such as financial statements, MD&A and press releases prior to their distribution;
- (d) will rely on its Audit Committee to monitor compliance with the Code of Conduct and to annually review the systems of internal financial control and discuss such matters with Palisades' external auditor; and
- (e) will actively monitor Palisades' compliance with the Palisades Board's directives and ensure that all material transactions are thoroughly reviewed and authorized by the Palisades Board before being undertaken by management.

## **Nomination of Directors**

In consultation with the Palisades Board, the Corporate Governance and Nominating Committee establishes and reviews with the Palisades Board the appropriate skills and characteristics required of members of the Palisades Board, taking into consideration the Palisades Board's short-term needs and long-term succession plans. In addition, the Corporate Governance and Nominating Committee develops, and annually updates, a long-term plan for the Palisades Board's composition, taking into consideration the characteristics of independence, age, skills, experience and availability of service to Palisades of its members, as well as opportunities, risks and strategic direction of Palisades.

The Corporate Governance and Nominating Committee is responsible for identifying potential Palisades Board candidates and assesses potential board candidates to fill perceived needs on the Palisades Board for required skills, expertise, independence and other factors and recommends nominees to fill vacancies on the Palisades Board. Members of management and the Palisades Board are expected to be consulted for possible candidates and the Corporate Governance and Nominating Committee will make an assessment of whether each candidate is or would be (i) "independent" and (ii) "financially literate" within the meaning of applicable law.

On an annual basis, the Corporate Governance and Nominating Committee assists the Palisades Board in assessing each director's independence and reviews the relationship each director has with Palisades to determine whether their independence is maintained.

## **Compensation**

The Palisades Board determines director and senior officer compensation based on the recommendations of the Compensation Committee. With consultation from the CEO, the Compensation Committee is responsible for:

- reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and other executive officers, evaluating the performance of the CEO and the other executive officers in light of those goals and objectives and approving their annual compensation levels, including salaries, bonuses and equity-based awards based on such evaluation; and
- reviewing the compensation of directors for service on the Palisades Board and its committees and recommending to the Palisades Board the annual board member compensation package, including retainer, committee member and chair retainers, board and committee meeting attendance fees and any other form of compensation, such as equity-based awards.

While the Palisades Board is ultimately responsible for determining all forms of compensation to be awarded to the CEO, other executive officers and directors, the Compensation Committee will, when appropriate, review Palisades compensation philosophy, policies, plans and guidelines and recommend any changes to the Palisades Board.

## **Board Committees**

The Palisades Board currently has three committees, namely the (i) Audit Committee, (ii) Compensation Committee and (iii) Corporate Governance and Nominating Committee.

The members of the Audit Committee are Gregor Gregersen and Elizabeth Harrison. A description of the members and function of the Audit Committee can be found in this Appendix "G" under "*Audit Committee*".

The members of the Compensation Committee are Collin Kettell and Gregor Gregersen. The Compensation Committee has the responsibility for recommending the compensation of the CEO and CFO for approval by the Palisades Board. The compensation of the CEO and CFO will consist of a base salary, annual short-term incentive, and long-term incentive (stock options). The Compensation Committee reviews the compensation of the CEO and the CFO and the other senior officers on an annual basis.

The members of the Corporate Governance and Nominating Committee are Gregor Gregersen and Elizabeth Harrison. All of the members of Palisades' Corporate Governance and Nominating Committee are considered to be independent.

## **Assessments**

The Palisades Board satisfies itself that the Palisades Board, its committees and the individual directors are performing effectively by conducting informal assessments from time to time (including by the Corporate Governance and Nominating Committee).

## **RISK FACTORS**

*Investing in Palisades' securities is speculative and involves a high degree of risk due to the nature of Palisades' business and the present stage of its development. The following risk factors, as well as risks currently unknown to Palisades, could materially adversely affect Palisades' future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to Palisades, or its business, property or financial results, each of which could cause purchasers of Palisades' securities to lose part or all of their investment. The risks set out below are not the only risks Palisades faces; risks and uncertainties not currently known to Palisades or that Palisades currently deems to be immaterial may also materially and adversely affect Palisades' business, financial condition, results of operations and prospects. Before deciding whether to invest in any securities of Palisades, investors should consider carefully the risks discussed below.*

### **Risks Relating to Palisades**

#### *Changes in Commodity Prices*

The net asset value of Palisades' portfolio of investments will be significantly affected by changes in the market price of commodities, and as a result, fluctuations in the price of commodities, and in particular, the price of gold, may cause significant changes to the price of the Palisades Shares. The price of gold and other commodities fluctuate daily and are affected by factors beyond the control of Palisades, including levels of supply and demand and industrial development, inflation and interest rates, global currency prices, geo-political events and global health pandemics. External economic factors that affect commodity prices can be influenced by changes in international investment patterns, monetary systems and political developments.

A decline in commodity prices could cause a corresponding decline in the net asset value of Palisades' portfolio and the price of the Palisades Shares, which may have an adverse effect on investors in the Palisades Shares and the market perception of the value of the Palisades Shares.

All commodities, by their nature, are subject to wide price fluctuations, and future material commodity price declines will result in a decrease in revenue for producers of such commodities and may cause a suspension or termination of production by such producers, which would, in the event such producers form part of Palisades' portfolio of investments, likely result in a loss of the net asset value of Palisades' portfolio. Even if Palisades' portfolio contains a diversified base of commodity issuers, commodity markets have historically been cyclical and a general downturn in commodity prices could result in a significant decrease in the value of Palisades' portfolio.

#### *Palisades Has No Control Over Mining Operations*

Palisades is not directly involved in the operation of the mines owned and operated by the entities in which Palisades holds an interest. As such, the net asset value of Palisades' portfolio will be dependent on the decisions, actions and operations of third-party mine owners and operators. These owners and operators generally will have the power to determine the way a property is



exploited, including decisions to expand, continue or reduce or suspend or discontinue production from a property, decisions about the marketing of products extracted from the property and decisions to advance exploration efforts and conduct development of a non-producing property. The interests of third-party mine owners and operators and those of Palisades in respect of a relevant project or property may not always be aligned. The inability of Palisades to control the operations of entities in which it holds an interest may result in a material adverse effect on the net asset value of Palisades' portfolio and its financial condition. In addition, the mine owners or operators may take action contrary to policies or objectives of Palisades; have difficulty obtaining or be unable to obtain the financing necessary to move projects forward; or experience financial, operational or other difficulties, including insolvency which, in each case, may have a material adverse effect on Palisades.

Palisades is also subject to the risk that a specific mine or project may be put on care and maintenance or have its operations suspended, on both a temporary or permanent basis.

Issuers in which Palisades' holds an interest from time to time may announce transactions, including the sale or transfer of the projects the issuer holds or the issuer itself, over which Palisades has no control. If such transactions are completed, there is no guarantee that the transaction will be beneficial to Palisades. If any such transaction is announced, there is no certainty that such transaction will be completed, or completed as announced, and any consequences of such non-completion on Palisades may be difficult or impossible to predict.

Palisades is subject to the risk that mining operations may shut down on a temporary or permanent basis due to issues including but not limited to economic conditions, lack of financial capital, flooding, fire, weather related events, mechanical malfunctions, community or social related issues, social unrest, the failure to receive permits or having existing permits revoked, collapse of mining infrastructure, including tailings ponds, expropriation and other risks.

These issues are common in the mining industry and can occur frequently. There is a risk that the carrying values of Palisades' assets may not be recoverable if the mining operations or the operators or owners of the mining operations experience any of these issues.

The exact effect on a particular issuer or mining operation of the occurrence of any of these issues cannot be predicted, but such issues may result in the mining operations becoming uneconomic resulting in their shutdown and closure, which may have a material and adverse effect on Palisades.

#### *No Guaranteed Return*

Palisades' securities of public entities are subject to volatility in the share prices of such entities. There can be no assurance that an active trading market for any of the subject securities is sustainable. The trading prices of the subject securities could be subject to wide fluctuations in response to various factors beyond Palisades' control, including, quarterly variations in the subject entities' results of operations, changes in earnings (if any), estimates by analysts, conditions in the industry of the subject companies and general market or economic conditions.

In recent years, equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific entities. Such market fluctuations could adversely affect the market price of Palisades' investments. There is no guarantee Palisades' investments will earn any positive return in the short term or long term. Palisades may never earn any return on its

investment and may lose its entire investment. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. Palisades' past performance provides no assurance of Palisades' future success.

### *Third-Party Reporting*

As the holder of an equity interest, Palisades may have limited access to data on the operations of an issuer or to the actual underlying properties held by any such issuer. This limited access to data or disclosure regarding operations could affect the ability of Palisades to evaluate the prospects of its investments, which could result in losses in Palisades' portfolio, short term fluctuations in the value of Palisades' investments or missed investment opportunities, each of which could materially and adversely affect Palisades.

### *Strategy for Acquisitions*

As Palisades executes on its business plan, it intends to acquire interests in additional third parties or further its position in entities in which Palisades already holds interest in. Palisades cannot offer any assurance that it will be able to complete any acquisition or proposed business transactions on favourable terms or at all, or that any completed acquisitions or proposed transactions will benefit Palisades. In addition, any such acquisition or other transaction may have other transaction specific risks associated with it, including risks related to the completion of the transaction, the project operators or the jurisdictions in which assets may be acquired. Additionally, Palisades may from time to time consider opportunities to restructure its equity investments where it believes such a restructuring may provide a long-term benefit to Palisades, even if such restructuring may reduce near-term value or result in Palisades incurring transaction related costs.

### *Non-Controlling Interest*

Palisades' investments include equity securities of entities that Palisades does not control. These securities may be acquired by Palisades in the secondary market or through purchases of securities from the issuer. Any such investment is subject to the risk that the entity in which the investment is made may make business, financial or management decisions with which Palisades does not agree or that the majority stakeholders or the management of the issuer may take risks or otherwise act in a manner that does not serve Palisades' interests. If any of the foregoing were to occur, the value of Palisades' investments could decrease and Palisades' financial condition could materially suffer as a result.

### *Due Diligence*

The due diligence process that Palisades undertakes in connection with its investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, Palisades conducts due diligence that Palisades deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, Palisades may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, Palisades relies on the resources available to Palisades, including

information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigations with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment ultimately being successful for Palisades. In the event that Palisades' due diligence process does not reveal material issues with respect to a proposed investment, and Palisades proceeds with the investment, the investment may not be beneficial to Palisades and Palisades could lose its entire investment.

#### *Private Issuers and Illiquid Securities*

From time to time, Palisades may invest in private issuers whose securities do not trade on any public exchange. Investments in private issuers are subject to numerous re-sale restrictions and there may not be any market for these securities. These limitations may impair Palisades' ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments and do not represent a readily available source of capital for Palisades.

Investments in private issuers may offer relatively high potential returns but will also be subject to a relatively high degree of risk. There can be no assurance that a market will develop for any of Palisades' private company investments or that Palisades will otherwise be able to realize a return on such investments.

The value attributed to securities of a private issuer (which is typically initially recorded at the transaction value, being the fair value at the time of acquisition, and is thereafter subject to adjustment in accordance with Palisades' accounting policies) may not reflect the amount for which they can be sold. Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within a short period of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed for the investments, and such determined fair value could be higher than the value the market ultimately ascribes to such investments.

Palisades also holds illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time Palisades is able to do so, and the value of such securities could materially decline during such period. Illiquid investments are subject to various risks, particularly the risk that Palisades will be unable to realize Palisades' investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit from the investment. In some cases, Palisades may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities, which could materially and adversely affect Palisades' ability to profitably liquidate such investments.

Palisades may also make direct investments in publicly-traded securities that have low trading volumes. Accordingly, it may be difficult for Palisades to make trades in these securities without adversely affecting the price of such securities, which could harm the profitability of Palisades' investment in such securities.

#### *Change in Material Investments*

From time-to-time Palisades may make investments that are disproportionately material to Palisades' portfolio. As of the date of this Circular, Palisades' success is largely dependent on its

investment in New Found. Any adverse development affecting the operation of, production from or recoverability of mineral reserves from the properties owned or operated by New Found, or other issuers in which Palisades has a material investment, such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage or the inability to secure supply agreements on commercially suitable terms, may have a material adverse effect on the net asset value of Palisades' portfolio and the financial condition of Palisades.

#### *Negative Cash Flow from Operating Activities*

Palisades had negative cash flow from operating activities during its most recently completed financial year. The mining operations are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration programs with respect to the mining operations are exploratory in nature. There is no assurance that any of the mining operations will generate earnings, operate profitably or provide a return on Palisades' investment in the future. Accordingly, Palisades may continue to operate at a loss and may be required to obtain additional financing in order to meet its future cash commitments.

#### *Dependence on Key Personnel*

Palisades is dependent on the services of a small number of key management personnel. The ability of Palisades to manage its activities and its business will depend in large part on the efforts of these individuals. There can be no assurance that Palisades will be successful in engaging or retaining key personnel. The loss of the services of a member of the management of Palisades could have a material adverse effect on Palisades. From time to time, Palisades may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. The number of persons skilled in the acquisition of equity investments in entities that own or operate mines or mineral properties is limited and competition for such persons is intense.

Recruiting and retaining qualified personnel is critical to the success of Palisades and there can be no assurance that Palisades will be successful in recruiting and retaining the personnel it needs to successfully operate its business. If Palisades is not successful in attracting and retaining qualified personnel, the ability of Palisades to execute on its business model and strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

#### *Conflicts of Interest*

As part of Palisades' business plan, from time to time, Palisades may invest in issuers with which its directors and officers are affiliated, whether as directors, officers, promoters, founders, significant shareholders or otherwise. Further, most of Palisades' directors and officers do not devote their full time to the affairs of Palisades and also serve as directors or officers of other public companies.

In such instances, there exists the possibility for such directors and officers to be in a position where there is a conflict of interest between their personal interests or their duties to such other issuer, and their duties to Palisades. For example, Collin Kettell, CEO and director of Palisades, is the Founder, CEO and Executive Chairman of New Found, in which Palisades has made a substantial investment. Bassam Moubarak, CFO of Palisades, also provides consulting services

to New Found through BM Strategic. Such conflicts of interest may compromise Palisades' ability to exit certain investments, or engage in new investment opportunities, which may result in a material adverse effect on the net asset value of Palisades' investment portfolio or Palisades' financial condition.

### *Global Financial Conditions*

Events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mining industry, have been and continue to be impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market confidence and liquidity. A slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect Palisades' growth and the net asset value of Palisades' portfolio.

A number of issues related to economic conditions could have a material adverse effect on Palisades' business, financial condition and the net asset value of Palisades' portfolio, including: (a) contraction in credit markets could impact the cost and availability of financing for Palisades and the issuers Palisades invests in and Palisades' and their overall liquidity; (b) the volatility of commodity prices impacts the revenues, profits, losses and cash flow of the issuers that Palisades invests in and, consequently, the net asset value of Palisades' portfolio and its financial condition; (c) recessionary pressures could adversely impact demand for metal production, which could adversely affect the net asset value of Palisades' portfolio and its financial condition; (d) volatile energy, commodity and consumables prices and currency exchange rates could impact the production costs of the issuers that Palisades invests in, and consequently, the net asset value of Palisades' portfolio and its financial condition; and (e) the devaluation and volatility of global stock markets could impact the valuation of Palisades' equity and other securities and potentially limit the ability to complete offerings of Palisades' securities.

### *Inflation*

The operating costs of the issuers Palisades invests in could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices and additional government intervention through stimulus spending or additional regulations and any inability to manage these costs may impact, among other things, future development decisions, which could have a material adverse impact on such issuer's financial performance and ultimately adversely impact the financial condition of Palisades.

### *Natural Disasters, Terrorist Acts, Civil Unrest, Pandemics and Other Disruptions*

Natural disasters, terrorist acts, civil unrest, pandemics and other disruptions, such as the ongoing conflict in Ukraine and the Israel-Hamas war, including global response to such events as it relates to sanctions, quarantines, trade embargos and military support, may adversely affect Palisades or the issuers in which Palisades invests. Upon the occurrence of a natural disaster, or upon commencement of war, riot or civil unrest, the impacted country, province, state or region may not efficiently and quickly recover from such event, which could have a material adverse effect on Palisades to the extent that Palisades has invested in issuers with investments in such country,

province, state or region. Terrorist attacks, public health crises, including epidemics, pandemics or outbreaks of new infectious disease or viruses, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, natural disasters, national emergencies, acts of war, technological attacks and related events can result in volatility and disruption to local and global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to Palisades and/or its investments, all of which may have a material adverse effect on the net asset value of Palisades' portfolio, Palisades' financial condition and the price of Palisades' shares. The ongoing conflict in Ukraine and the Israel-Hamas war has resulted in significant uncertainty as well as economic and supply chain disruptions and should these conflicts go on for an extended period of time, expand beyond their regions, or should other geopolitical disputes and conflicts emerge in other regions, this could result in material adverse effects for Palisades.

#### *Future Financing; Future Securities Issuances*

There can be no assurance that Palisades will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could impede Palisades' investment strategy or result in delay or postponement of Palisades' business activities, which may result in a material and adverse effect on Palisades' financial condition, the value of its portfolio or the price of the Palisades Shares. Palisades may require new capital to continue to grow its business and there are no assurances that capital will be available when needed, if at all. In the event that Palisades is required to raise additional capital through issuance of Palisades Shares, or securities convertible into or exchangeable for Palisades Shares, such issuance will result in dilution to existing shareholders.

#### *Litigation Affecting Properties Owned by Entities in which Palisades has an Interest In*

Potential litigation may arise on a mine or mineral property owned or operated by an entity in which Palisades holds an interest (for example, litigation between joint venture partners or between operators and original property owners or neighbouring property owners). Palisades will not generally have any influence on the litigation and will not generally have access to data or information regarding the litigation. Any such litigation that results in the cessation or reduction of production from a property (whether temporary or permanent) could have a material and adverse effect on the net asset value of Palisades' portfolio, its financial condition and the price of the Palisades Shares.

#### *Changes in Tax Laws Impacting Palisades*

There can be no assurance that new tax laws, regulations, policies or interpretations will not be enacted or brought into being in the jurisdictions in which Palisades operates or in the jurisdictions of the mines and mineral properties owned or operated by entities in which Palisades has an interest, in each case which could have a material adverse effect on Palisades. Additionally, no assurance can be given that existing taxation rules will not be applied in a manner which could result in Palisades being subject to additional taxation or which could otherwise have a material adverse effect on the net asset value of Palisades' portfolio or its financial condition. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make equity investments or other investments by Palisades less attractive to counterparties. Such changes could adversely affect the ability of Palisades to acquire new assets or make future investments.

### *Information Systems and Cyber Security*

Palisades' information systems (including those of any of its counterparties) may be vulnerable to the increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to these systems or Palisades' information through fraud or other means of deception. Palisades' operations depend, in part, on how well Palisades (as well as its counterparties) protect networks, equipment, information technology systems and software against damage from threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact Palisades' reputation and financial condition.

Although to date Palisades has not experienced any losses relating to cyber-attacks or other information security breaches, there can be no assurance that Palisades or its counterparties will not incur such losses in the future. Palisades' risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain an area of attention.

### *Activist Shareholders*

Publicly traded companies are often subject to demands or publicity campaigns from activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There can be no assurance that Palisades will not be subject to any such campaign, including proxy contests, media campaigns or other activities. Responding to challenges from activist shareholders can be costly and time consuming and may have an adverse effect on Palisades' reputation.

In addition, responding to such campaigns would likely divert the attention and resources of Palisades' management and the Palisades Board, which could have an adverse effect on Palisades' business and results of operations. Even if Palisades were to undertake changes or actions in response to activism, activist shareholders may continue to promote or attempt to effect further changes and may attempt to acquire control of Palisades. If shareholder activists are ultimately elected to the Palisades Board, this could adversely affect Palisades' business and future operations. This type of activism can also create uncertainty about Palisades' future strategic direction, resulting in loss of future business opportunities, which could adversely affect Palisades' business, future operations, profitability and Palisades' ability to attract and retain qualified personnel.

### *Reputational Damage*

Reputational damage can be the result of the actual or perceived occurrence of any number of events, and could include negative publicity, whether true or not. While Palisades does not ultimately have direct control over how it is perceived by others, reputational loss could have a material adverse impact on Palisades' financial performance, financial condition and growth prospects.

### *Expansion of Business Model*

Palisades' business has been focused on the acquisition and management of interests in entities that own or operate mines and mineral properties. However, Palisades may pursue acquisitions outside this area, including, without limitation, engaging in stream financing or engaging in investments in mining services businesses. Expansion of Palisades' activities into new areas would present challenges and risks that it has not faced in the past. The failure to manage these challenges and risks successfully may result in a material and adverse effect on Palisades' results of operations, financial condition and the price of Palisades' Palisades Shares.

### **Risks Related to Mines and Mining Operations**

#### *Risk Factors applicable to Entities in which Palisades holds an Interest*

Palisades will be subject to many of the same risk factors applicable to the owners and operators of any mine as a result of its junior mining investment portfolio. In the event that any of these risks should materialize, the value of Palisades' investment portfolio, its financial condition and/or the price of the Palisades Shares may be materially and adversely affected.

#### *Exploration, Development and Operating Risks*

Mining involves a high degree of risk. Mines and projects owned and operated by entities in which Palisades has or may acquire an equity interest are subject to all of the hazards and risks normally encountered in the exploration, development and production of metals, including weather-related events, unusual and unexpected geology formations, seismic activity, rock bursts, cave-ins, pit-wall failures, flooding, environmental hazards and the discharge of toxic chemicals, explosions and other conditions involved in the drilling, blasting and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to property, injury or loss of life, environmental damage, work stoppages, delays in production, increased production costs and possible legal liability.

Any of these hazards and risks and other acts of God could shut down mining operations temporarily or permanently. Mining operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability for the owners or operators of the mining operations.

The exploration for, development, mining and processing of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines.

Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the owners or operators of mining operations will result in profitable commercial mining operations. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: cash costs associated with extraction and processing, the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; and political stability. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may



result in one or more of the mining operations not receiving an adequate return on invested capital. Accordingly, there can be no assurance that the mining operations which are not currently in production will be brought into a state of commercial production.

### *Climate Change*

Climate change legislation and treaties are being introduced more frequently by governments globally. Regulation in respect of emission levels and the efficient use of energy is becoming more stringent. Continuation of the current regulatory trend in respect of climate change could have the impact of increasing costs at those mines and mineral properties owned and operated by entities in which Palisades has an interest. Climate change could produce adverse impacts to underlying mining operations through the disruption of mining operations and their associated resource supply lines because of extreme weather events and natural disasters. There can be no assurance that efforts to mitigate risks from climate change can be effective and that physical risks resulting from climate change will not have an adverse impact on mining operations.

### *Environmental Risks*

All phases of mine operation or development are subject to governmental regulation including environmental regulation in the various jurisdictions in which they operate. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the mines and mineral properties owned or operated by entities in which Palisades has an interest. Also, unknown environmental hazards may exist on the properties at present which were caused by previous or existing owners or operators of the properties and which could impair the commercial success, levels of production and continued feasibility and project development and mining operations on these properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

### *Government Regulation, Permits and Authorizations*

The exploration and development activities related to mine operations are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupational health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing specific mine operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the owners or operators of mines or projects would not proceed with the development of, or continue to operate, a mine. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder and claims

for damages to property and persons resulting from mining operations, could result in substantial costs and liabilities for the owners or operators of mines or projects in the future such that they would not proceed with the development of, or continue to operate, a mine.

Government approvals, licences and permits are currently, and will in the future be, required in connection with mining operations. To the extent such approvals are required and not obtained, mining operations may be curtailed or prohibited from proceeding with planned operations, which could have an impact on the business and financial condition of Palisades. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on mining operations, resulting in increased capital expenditures or production costs, reduced levels of production at producing properties or abandonment or delays in development of properties.

### *Permitting and Access*

The operation of a mine or project is subject to receipt and maintenance of permits from appropriate governmental authorities. The mines and projects owned or operated by entities in which Palisades has an interest may be subject to delays in connection with obtaining access to the property and all necessary renewals of permits for existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of these properties, permits from appropriate governmental authorities may be required. There can be no assurance that the owners or operators of the mines or projects will continue to hold all permits necessary to develop or continue operating at any particular property.

### *Infrastructure*

Natural resource exploration, development and mining activities are dependent on the availability of mining, drilling and related equipment in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment to the owners and operators of mines or projects and may delay exploration, development or extraction activities. Certain equipment may not be immediately available or may require long lead time orders. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration, development or production at a mine or project. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect operations at a mine or project.

### *Dependence on Operator's Employees*

Production from the properties owned or operated by entities in which Palisades holds an interest depends on the efforts of operators' employees. There is competition for persons with mining expertise. The ability of the owners and operators of such properties to hire and retain geologists and persons with mining expertise is key to those operations. Further, relations with employees

may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in the jurisdictions in which those operations are conducted.

Changes in such legislation or otherwise in the relationships of the owners and operators of such properties with their employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on such operations.

If these factors cause the owners and operators of such properties to decide to cease production at one or more of the properties, such decision could have a material adverse effect on the business and financial condition of Palisades.

#### *Risks Related to Mineral Reserves and Resources*

The mineral reserves and resources on properties owned by entities that Palisades holds or may hold an interest in are estimates only, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of minerals will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted by the owners or operators of the properties. Further, it may take many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change. Market price fluctuations of commodities, as well as increased production and capital costs or reduced recovery rates, may render the proven and probable reserves on properties owned and operated by entities in which Palisades holds an interest unprofitable to develop at a particular site or sites for periods of time or may render reserves containing relatively lower grade mineralization uneconomic. Moreover, short-term operating factors relating to the reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause reserves to be reduced or not extracted. Estimated reserves may have to be recalculated based on actual production experience. The economic viability of a mineral deposit may also be impacted by other attributes of a particular deposit, such as size, grade and proximity to infrastructure; by governmental regulations and policy relating to price, taxes, royalties, land tenure, land use permitting, the import and export of minerals and environmental protection; and by political and economic stability.

Resource estimates in particular must be considered with caution. Resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill holes or other limited information, which is not necessarily indicative of the conditions between and around drill holes. Such resource estimates may require revision as more drilling or other exploration information becomes available or as actual production experience is gained. Further, resources may not have demonstrated economic viability and may never be extracted by the operator of a property.

It should not be assumed that any part or all of the mineral resources on properties owned or operated by entities in which Palisades holds or may hold an interest in constitute or will be converted into reserves. Any of the foregoing factors may require operators to reduce their reserves and resources, which may have a material adverse effect on Palisades' business, results of operations and financial condition.

### *Depleted Mineral Reserve Replacement*

A mining company operating a specific mine will be required to replace and expand mineral reserves depleted by a mine's production to maintain production levels over a long-term. It is possible to replace depleted mineral reserves by expanding known ore bodies through exploration, locating new deposits or acquiring new mines or projects. Mineral exploration is highly speculative in nature. It can take several years to develop a potential site of mineralization. There is no assurance that current or future exploration programs conducted by mining issuers in which Palisades holds an interest will be successful in replacing mining depletion. There is a risk that the depletion of mineral reserves owned by issuers in which Palisades holds an interest will not be replenished by discoveries or acquisitions, which, over time, could reduce the value of Palisades' investment portfolio.

### *Uninsured Risks*

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

Mining companies may or may not maintain insurance in adequate amounts, including insurance for workers' compensation, theft, general liability, all risk property, automobile, directors and officer's liability and fiduciary liability and others. Such insurance, however, contains exclusions and limitations on coverage.

Accordingly, a mining company's insurance policies may not provide coverage for all losses related to their business (and may not cover environmental liabilities and losses). The occurrence of losses, liabilities or damage not covered by such insurance policies could have a material adverse effect on the mining companies' profitability, results of operations and financial condition.

### *Land Title*

Although title to specific mines or projects may have been reviewed by or on behalf of Palisades in connection with its investment, no assurances can be given that there are no title defects affecting the properties and mineral claims owned or used by specific mines or projects. Companies may not have conducted surveys of the claims in which they hold direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. It is possible that a specific mine or project may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, mining companies may be unable to operate the specific mine or project as permitted or to enforce their rights with respect to that specific mine or project which may ultimately impair the value of Palisades' investment in such mining companies.

### *First Nations Land Claims*

Certain mines or mineral properties owned and operated by entities in which Palisades has an interest may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. Additional uncertainty has arisen due to the decision of the Supreme Court of Canada in *Tsilhqot'in Nation v. British Columbia* (2014 SCC 44), which recognized the Tsilhqot'in Nation as holding aboriginal title to approximately 1,900 square kilometres of territory in the interior of British Columbia. This decision represents the first

successful claim for aboriginal title in Canada and may lead other First Nations in British Columbia to pursue aboriginal title in their traditional land-use areas.

The impact of any such claim on the mineral properties of entities in which Palisades has an interest cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights, by way of negotiated settlements or judicial pronouncements, affecting issuers in which Palisades has an interest would not have an adverse effect on the value of Palisades' investment portfolio or financial condition.

In addition, there is no assurance that any such issuer will be able to maintain practical working relationships with First Nations.

### *Indigenous Peoples*

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. Palisades holds interests in entities that own and operate mines or mineral properties located in areas presently or previously inhabited or used by indigenous peoples. There may be certain obligations on the government to consult with indigenous people regarding actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. From time to time, Palisades may hold interests in entities with properties that are subject to the opposition of one or more groups of indigenous people who oppose the operation, further development, or new development on such project. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against Palisades or the owner/operators' activities.

Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous people. Claims and protests of indigenous people may disrupt or delay activities of the owners/operators of Palisades' equity interest.

### *International Interests*

Palisades may from time to time make investments in entities with projects or properties located outside of Canada, and could be exposed to political, economic or other risks or uncertainties as a result. These types of risks or uncertainties may differ between countries and can include but are not limited to, terrorism, hostage taking, military repression, crime, political instability, currency controls, fluctuations in currency exchange rates, inflation rates, labour unrest, risk of war or civil unrest, expropriation and nationalization, renegotiation or nullification of mining or mineral concessions, licenses, permits, authorizations and contracts, illegal mining or mineral exploration, taxation changes, modifications, amendments or changes to mining and mineral laws, regulations, policies, and changes to government regulations in respect of foreign investment and mining.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the operations or profitability of the mining operations in these countries. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety and the rewarding of contracts to

local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation, cancellation or dispute of licenses or entitlements which could result in substantial costs, losses and liabilities in the future.

The occurrence of these various factors and uncertainties related to the economic and political risks for operations in foreign jurisdictions cannot be accurately predicted and could have an adverse effect on the mining operations resulting in substantial costs, losses and liabilities in the future.

#### *Permitting, Construction and Development*

Palisades may hold interests in entities with mines and projects that may be in various stages of permitting, construction, development and expansion. Construction, development and expansion of such mines or projects is subject to numerous risks, including, but not limited to: delays in obtaining equipment, materials, and services essential to completing construction of such projects in a timely manner; delays or inability to obtain all required permits; changes in environmental or other government regulations; currency exchange rates; labour shortages; and fluctuation in metal prices. There can be no assurance that the owners or operators of such mines or projects will have the financial, technical and operational resources to complete the permitting, construction, development and expansion of such mines or projects in accordance with current expectations or at all.

#### **Risks Related to the Securities of Palisades**

##### *Palisades Shares are subject to Price Volatility*

Capital and securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of Palisades include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries or asset classes. There can be no assurance that continued fluctuations in mineral or commodity prices will not occur. As a result of any of these factors, the market price of the Palisades Shares at any given time may not accurately reflect the long-term value of Palisades.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against them. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of Palisades.

##### *Dilution*

Palisades may issue additional securities in the future in connection with acquisitions, strategic transactions, financings or for other purposes. To the extent additional securities are issued, Palisades' existing securityholders could be diluted and some or all of Palisades' financial measures could be reduced on a per share basis. Additionally, Palisades' securities issued in connection with a transaction may not be subject to resale restrictions and, as such, the market

price of Palisades' securities may decline if certain large holders of Palisades' securities or recipients of Palisades' securities in connection with an acquisition, sell all or a significant portion of such securities or are perceived by the market as intending to sell such securities. In addition, such issuances of securities may impede Palisades' ability to raise capital through the sale of additional equity securities in the future.

#### *Future Sales or Issuances of Debt or Equity Securities*

Palisades may sell or issue additional debt or equity securities in offerings to finance Palisades' operations, investments, acquisitions or other projects. Palisades' significant shareholders may also sell the Palisades Shares or other securities they hold or may hold in the future.

Palisades cannot predict the size of future sales and issuances of debt or equity securities or the effect, if any, that future sales and issuances of debt or equity securities will have on the market price of the Palisades Shares.

Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Palisades Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in Palisades' earnings per share. Sales of the Palisades Shares by shareholders might also make it more difficult for Palisades to sell equity securities at a time and price that Palisades deems appropriate.

#### *Dividends*

Payment of dividends on Palisades' securities is within the discretion of the Palisades Board and will depend upon Palisades' future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that Palisades will be in a position to declare dividends in the future due to the occurrence of one or more of the risks described herein.

#### *Use of Available Funds*

Palisades will have broad discretion over the use of its available funds.

Because of the number and variability of factors that will determine Palisades use of such funds, Palisades' ultimate use might vary substantially from its planned use. You may not agree with how Palisades allocates or spends the proceeds from any offering of its securities. Palisades may pursue acquisitions, collaborations or other opportunities that do not result in an increase in the market value of its securities, including the market value of its Palisades Shares, and that may increase its losses.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

Other than as set out below, to Palisades' knowledge, there are no legal proceedings or regulatory actions material to Palisades to which it is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, since Palisades was incorporated on August 30, 2019 and no such proceedings or actions are known by Palisades to be contemplated.

On November 15, 2019, ThreeD Capital Inc. ("**ThreeD**") and 1313366 Ontario Inc. ("**131**" and together with ThreeD, the "**Plaintiffs**") each entered into share purchase agreements (the "**Share Purchase Agreements**") with Palisades under which Palisades agreed to purchase the 13,500,000 common shares in the capital of New Found ("**New Found Shares**") owned by ThreeD and the 4,000,000 New Found Shares owned by 131 for \$0.08 per share. The transactions closed on November 20, 2019.

On March 10, 2020, ThreeD and 131 filed a statement of claim in the Ontario Superior Court of Justice against Collin Kettell, New Found and Palisades (the "**ThreeD Claim**"). Mr. Kettell is a Chairman and Chief Executive Officer of both Palisades and New Found. Pursuant to the ThreeD Claim, the Plaintiffs challenged the validity of the sale of 17,500,000 New Found Shares by the Plaintiffs to Palisades on November 20, 2019.

ThreeD and 131 claimed that at the time of negotiation and execution of the Share Purchase Agreements, Palisades and Mr. Kettell were aware of positive drill results from New Found's 2019 drill program and the results were not disclosed to ThreeD and 131 to their detriment. Palisades and Mr. Kettell strongly denied ThreeD and 131's allegations. ThreeD and 131 made specific claims for (a) rescission of the Share Purchase Agreements on the basis of oppression or unfair prejudice, (b) or alternatively, damages in the amount of \$21,000,000 for the alleged improper actions by Mr. Kettell and Palisades, (c) a declaration that Palisades and Collin Kettell, as shareholder or director and/or officer of New Found, acted in a manner that is oppressive, unfairly prejudicial or unfairly disregarded their interests, (d) a declaration that Palisades and Collin Kettell engaged in insider trading contrary to section 138 of the *Securities Act* (Ontario), (e) unjust enrichment and (f) interests and costs. Palisades and Mr. Kettell refuted each of the specific claims made by the Plaintiffs.

Palisades filed a statement of defence in response to the ThreeD Claim on September 12, 2020, pursuant to which, among other things, Palisades denied that it was a proper party to the ThreeD Claim and the allegations against it therein, including because no relief was claimed against Palisades in the ThreeD Claim.

In early 2022, the Plaintiffs formally amended their statement of claim to increase the amount claimed to \$229,000,000 and to advance a direct claim of oppressive conduct against Palisades. Palisades has amended its defence to include specific denials of the new allegations of oppressive conduct against it. The parties completed an additional round of examinations for discovery in January 2023, following which the Plaintiffs set the action down for trial. The parties had a mediation meeting on October 3, 2023, but were unable to settle the case.

On June 5, 2024, Palisades entered into a settlement agreement, according to which Palisades agreed to transfer 3,380,000 New Found Shares with a total estimated fair value of \$15,987,400 to ThreeD and 131, and New Found agreed to issue 370,000 New Found Shares to ThreeD and 131. The carrying value of 3,380,000 New Found Shares transferred by Palisades to ThreeD and 131 was \$15,552,578. Palisades recognized a settlement of legal claim expense of \$15,554,783, which was comprised of the total value of New Found Shares transferred of \$15,987,400, legal and filing fees of \$2,205, offset by a gain on transfer of New Found Shares of \$434,822, and included in the loss and comprehensive loss for the three and nine months ended September 30, 2024.

The settlement agreement resolved the litigation between ThreeD, 131, Palisades and New Found completely, does not include any admission of liability, and provides for fulsome releases by ThreeD and 131.



## OTHER INFORMATION

### Indebtedness of Directors and Executive Officers

None of Palisades' directors, executive officers, employees, former directors, former executive officers or former employees and none of their respective associates, is or has within thirty (30) days before the date of this Circular or at any time since the beginning of the most recently completed financial year been indebted to Palisades or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided to Palisades.

### Interest of Management and Others in Material Transactions

Other than as disclosed elsewhere in this Circular, no director, executive officer or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Palisades Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three (3) years before the date of this Circular which has materially affected or is reasonably expected to materially affect Palisades.

### Management Contracts

Since the beginning of Palisades' most recently completed financial year ended December 31, 2023, management functions of Palisades are not, and have not been, to any substantial degree performed by any person other than the executive officers and directors of Palisades. See *"Executive Compensation – Employment, Consulting and Management Agreements"*.

### Auditors, Transfer Agent and Registrar

Palisades' auditors, Deloitte LLP, located at 410 West Georgia Street, Vancouver, British Columbia, are independent of Palisades within the meaning of the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

The transfer agent and registrar for the Palisades Shares in Canada is Odyssey Trust Company at its principal offices in Vancouver, British Columbia.

### Material Contracts

Other than the Arrangement Agreement, Palisades has not entered into any material contracts outside of the ordinary course of business.

### Additional Information

Financial information about Palisades is included in Palisades' comparative annual financial statements and management's discussion and analysis for the years ended December 31, 2023, and 2022, which have been electronically filed with regulators and are available under Palisades' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). You may also access Palisades' other public disclosure documents online under Palisades' profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Additional information about Palisades can be found on Palisades' website at <https://palisades.ca/>.

**Other Material Facts**

There are no other material facts other than as disclosed in this Circular.

**SCHEDULE "A"**  
**ANNUAL FINANCIAL STATEMENTS**

See attached.

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**PALISADES GOLDCORP LTD.**

**CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEARS ENDED  
DECEMBER 31, 2023 AND 2022

*(Expressed in Canadian Dollars)*

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# Independent Auditor's Report

To the Shareholders and the Board of Directors of  
Palisades Goldcorp Ltd.

## Opinion

We have audited the consolidated financial statements of Palisades Goldcorp Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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.

## Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### **Impairment loss for investment in associate— Refer to Notes 2 and 8 to the financial statements**

#### ***Key Audit Matter Description***

At each balance sheet date, management considers whether there is objective evidence that its investment in associates are impaired. Management applies significant judgment in the determination of whether there is objective evidence of impairment, including the assessment of one or more loss events that would evidence a significant or prolonged decline in the fair value of the investment in associates below its carrying value. During the year ended December 31, 2023, the Company recognized an impairment write-down on its investment in New Found Gold Corp. (the "Investment") and an impairment analysis was performed to determine the fair value, resulting in the recognition of an impairment loss of \$20 million.

There were significant judgments made in the determination of whether objective evidence of impairment existed in accordance with the applicable accounting standards and the determination of the Investment's fair value. Performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to whether objective evidence of impairment existed and the determination of the Investment's fair value required a high degree of auditor judgment and an increased extent of audit effort.

### *How the Key Audit Matter Was Addressed in the Audit*

Our audit procedures related to the determination of whether objective evidence of impairment existed and the determination of the Investment's fair value, included the following, among others:

- Assessed management's analysis of whether objective evidence of impairment existed, including the assessment of recent share price history and current market conditions; and
- Evaluated the reasonableness of management's determination that the market closing price represented the Investment's fair value.

### Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 GAAS 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 GAAS, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is David Macdonald.

/s/ Deloitte LLP

Chartered Professional Accountants  
Vancouver, British Columbia  
April 1, 2024

**PALISADES GOLDCORP LTD.**  
**Consolidated Statements of Financial Position**  
*(Expressed in Canadian dollars)*

	Note	December 31, 2023 \$	December 31, 2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		838,113	5,390,215
Investments	5	7,724,605	18,049,860
Assets held for distribution	7	-	1,993,438
Interest and other receivables		-	33,300
Prepaid expenses and deposits		18,716	13,390
<b>Total current assets</b>		<b>8,581,434</b>	<b>25,480,203</b>
<b>Non-current assets</b>			
Investment in New Found Gold Corp.	8	218,399,205	258,612,464
<b>Total non-current assets</b>		<b>218,399,205</b>	<b>258,612,464</b>
<b>Total Assets</b>		<b>226,980,639</b>	<b>284,092,667</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9	73,874	178,309
<b>Total current liabilities</b>		<b>73,874</b>	<b>178,309</b>
<b>Non-current liabilities</b>			
Deferred tax liability	13	52,153,364	66,535,269
<b>Total non-current liabilities</b>		<b>52,153,364</b>	<b>66,535,269</b>
<b>EQUITY</b>			
Share capital	10	32,716,793	36,032,641
Treasury shares	10	(195,995)	-
Contributed surplus	10	46,803,829	37,255,771
Retained earnings		95,428,774	144,090,677
<b>Total equity</b>		<b>174,753,401</b>	<b>217,379,089</b>
<b>Total Equity and Liabilities</b>		<b>226,980,639</b>	<b>284,092,667</b>

**NATURE OF OPERATIONS (Note 1)**  
**CONTINGENT LIABILITY (Note 14)**  
**SUBSEQUENT EVENT (Note 17)**

These consolidated financial statements are authorized for issue by the Board of Directors on April 1, 2024. They are signed on the Company's behalf by:

"Gregor Gregersen" , Director

"Elizabeth Harrison" , Director



**PALISADES GOLDCORP LTD.**  
**Consolidated Statements of Loss and Comprehensive Loss**  
*(Expressed in Canadian dollars)*

		Year ended December 31, 2023	Year ended December 31, 2022
	Note	\$	\$
<b>Income (loss)</b>			
Net investment losses	6,7	(10,963,992)	(46,327,438)
Dividend income		17,224	107,062
Interest income		69,530	73,936
Total loss		<u>(10,877,238)</u>	<u>(46,146,440)</u>
<b>Expenses</b>			
Consulting and salaries	9	1,100,105	1,294,515
Corporate development		165,463	153,339
Exploration		-	2,672
Foreign exchange loss		3,988	392,495
Gain on dilution of equity investment	8	(369,824)	(478,018)
Loss from equity investment	8	21,020,996	24,938,130
Impairment loss on equity investment	8	19,562,087	136,843,921
Interest		-	504
Office and sundry		95,642	155,611
Professional fees		873,041	1,351,623
Share-based compensation	9,10	9,548,058	-
Transfer agent and regulatory fees		116,544	8,925
Travel		50,470	26,842
Total expenses		<u>52,166,570</u>	<u>164,690,559</u>
<b>Other income (loss)</b>			
Gain on loss of control of Godzilla Gold Corp.	4(i)	-	2,670,118
Impairment loss on other assets		-	(50,000)
Impairment loss on convertible notes		-	(587,329)
Recovery of loans previously written-off		-	1,846,539
Total other income		<u>-</u>	<u>3,879,328</u>
<b>Loss before income taxes</b>		<u>(63,043,808)</u>	<u>(206,957,671)</u>
<b>Income tax recovery</b>			
Current		-	-
Deferred	13	(14,381,905)	(58,797,223)
<b>Net loss and comprehensive loss for the year</b>		<u>(48,661,903)</u>	<u>(148,160,448)</u>
<b>Net loss and comprehensive loss for the year attributable to:</b>			
Owners of the Company		(48,661,903)	(148,078,541)
Non-controlling interests		-	(81,907)
		<u>(48,661,903)</u>	<u>(148,160,448)</u>
Loss per share – basic (\$)		(1.00)	(3.00)
Loss per share – diluted (\$)		(1.00)	(3.00)
<b>Weighted average number of shares outstanding</b>			
Basic	11	48,644,413	49,345,977
Diluted	11	48,644,413	49,345,977

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

**PALISADES GOLDCORP LTD.**  
**Consolidated Statements of Cash Flows**  
*(Expressed in Canadian dollars)*

	Year ended December 31, 2023 \$	Year ended December 31, 2022 \$
<b>Cash flows from operating activities</b>		
Loss for the year	(48,661,903)	(148,160,448)
Items not affecting cash:		
Investment losses	10,973,690	47,948,710
Impairment loss on convertible notes	-	587,329
Impairment loss on other assets	-	50,000
Deferred income tax recovery	(14,381,905)	(58,797,223)
Gain on loss of control of Godzilla Gold Corp. (Note 4(i))	-	(2,670,118)
Impairment loss on equity investment	19,562,087	136,843,921
Gain on dilution of equity investment	(369,824)	(478,018)
Loss from equity investment	21,020,996	24,938,130
Share-based compensation	9,548,058	-
Adjustments for:		
Proceeds on disposal of investments	8,137,704	16,546,811
Purchases of investments	(6,792,702)	(4,914,395)
Decrease (increase) in interest receivable	33,300	(45,629)
(Increase) in prepaid expenses and deposits	(5,326)	(10,721)
(Decrease) in accounts payable and accrued liabilities	(104,434)	(14,872,131)
Net cash used in operating activities	(1,040,259)	(3,033,782)
<b>Cash flows from financing activities</b>		
Re-purchase of common shares	(3,511,843)	-
Net cash used in financing activities	(3,511,843)	-
<b>Net decrease in cash and cash equivalents</b>	(4,552,102)	(3,033,782)
Cash and cash equivalents at beginning of year	5,390,215	8,423,997
<b>Cash and cash equivalents at end of year</b>	838,113	5,390,215

**SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Note 12)**

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

**PALISADES GOLDCORP LTD.**  
**Consolidated Statement of Changes in Equity**  
*(Expressed in Canadian dollars)*

	Equity attributable to equity holders of the Company							Non-controlling interest	Total equity
	Number of shares	Amount \$	Treasury Shares \$	Contributed surplus \$	Retained earnings \$	Total \$	\$		
Balance at December 31, 2021	64,568,313	92,278,940	(27,724,559)	37,255,814	292,169,218	393,979,413	(12,665)	<b>393,966,748</b>	
Distribution of shares of Nevada King (Note 7)	-	(2,321,992)	-	-	-	(2,321,992)	-	<b>(2,321,992)</b>	
Distribution of shares of GoldSpot Discoveries Corp. (Note 7)	-	(8,388,859)	-	-	-	(8,388,859)	-	<b>(8,388,859)</b>	
Sale of Godzilla Gold Corp. (Note 4(i))	-	-	-	(43)	-	(43)	94,572	<b>94,529</b>	
Shares received on exchange of Silver Bullion SG shares (Note 5, 9)	-	-	(17,810,889)	-	-	(17,810,889)	-	<b>(17,810,889)</b>	
Shares returned to treasury and cancelled (Note 10)	(2,254,761)	(17,810,889)	17,810,889	-	-	-	-	-	
Shares returned to treasury on amalgamation with 1338072 BC Ulc and cancelled (Note 10)	(12,967,575)	(27,724,559)	27,724,559	-	-	-	-	-	
<b>Total comprehensive loss for the year</b>	-	-	-	-	(148,078,541)	(148,078,541)	(81,907)	<b>(148,160,448)</b>	
Balance at December 31, 2022	49,345,977	36,032,641	-	37,255,771	144,090,677	217,379,089	-	<b>217,379,089</b>	
Shares re-purchased and cancelled (Note 10)	(1,342,000)	(3,315,848)	-	-	-	(3,315,848)	-	<b>(3,315,848)</b>	
Shares re-purchased and not yet cancelled (Note 10)	-	-	(195,995)	-	-	(195,995)	-	<b>(195,995)</b>	
Share-based compensation (Note 9,10)	-	-	-	9,548,058	-	9,548,058	-	<b>9,548,058</b>	
<b>Total comprehensive loss for the year</b>	-	-	-	-	(48,661,903)	(48,661,903)	-	<b>(48,661,903)</b>	
Balance at December 31, 2023	48,003,977	32,716,793	(195,995)	46,803,829	95,428,774	174,753,401	-	<b>174,753,401</b>	

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

## PALISADES GOLDCORP LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 1. NATURE OF OPERATIONS

Palisades Goldcorp Ltd. (the “Company”) was incorporated on August 30, 2019 as Palisades Acquisitions Corp. under the Business Corporations Act in the Province of British Columbia. The address of the Company’s registered office is Suite 3500, The Stack, 1133 Melville Street, Vancouver, British Columbia V6E 4E5. On September 24, 2019 the Company changed its name to Palisades Goldcorp Ltd. On February 6, 2023, the Company completed an initial public offering and listed on the TSX Venture Exchange (“TSXV”) as a Tier 2 issuer under the symbol “PALI”.

The Company is a resource investment company and merchant bank focused on junior companies in the resource and mining sector. The Company seeks to acquire equity participation in pre-IPO and early stage public resource companies with undeveloped or undervalued high-quality projects. The Company focuses on companies that are in need of financial resources to realize their full potential, are undervalued in capital markets and/or operate in jurisdictions with low to moderate local political risk.

### 2. BASIS OF PREPARATION

#### a) Statement of compliance

The Company’s consolidated financial statements have been prepared in accordance with and using accounting policies in compliance with the International Financial Reporting Standards (“IFRS”) effective for the Company’s reporting for the years ended December 31, 2023 and 2022.

#### b) Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis, except for investments measured at fair value, and are presented in Canadian dollars.

#### c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries at December 31, 2023 and 2022 as follows:

	Location	Ownership Interest at December 31, 2023	Ownership Interest at December 31, 2022	Principal Activity
Palisade Global Investments Ltd. (1)	Belize	N/A	N/A	Investment company
1338072 BC Ulc. (2)	Canada	N/A	N/A	Holding company
Godzilla Gold Corp. (3)	Canada	0%	0%	Exploration company

(1) Palisade Global Investments Ltd. (“Palisades Global”) was dissolved and deconsolidated on April 9, 2022 (see Note 10).

(2) On December 15, 2021, the Company incorporated 1338072 BC Ulc. On September 22, 2022, the Company completed an amalgamation with 1338072 BC Ulc (see Note 10).

(3) On January 31, 2022, the Company sold its 62.77% interest in Godzilla Gold Corp. (“Godzilla”) to Golden Planet Mining Corp. and as a result has deconsolidated Godzilla from its consolidated financial statements (see Note 4(i)).

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When the Company has less than a majority of the voting or similar rights of an entity, the Company considers all relevant facts and circumstances in assessing whether it has power over an entity, including but not limited to, the contractual arrangement with the other vote holders of the entity, rights arising from other contractual arrangements, and the Company’s potential voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Schedule “A” to Appendix “G”

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2023 and 2022

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

### **2. BASIS OF PREPARATION (continued)**

#### **c) Basis of consolidation (continued)**

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Company's accounting policies. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the financial statements.

When the Company loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, less liabilities of the subsidiary and any non-controlling interests. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture. In case of a dilution of interest, when the Company's ownership in a subsidiary change but the change does not result in a loss of control, these changes are accounted for in equity.

#### **d) Critical accounting judgments, estimates and assumptions**

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the consolidated financial statements are as follows:

##### **(i) Determination of fair values**

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements.

The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring or disclosing the fair value, and to provide additional disclosure in connection therewith (Note 5).

##### **1) Publicly-traded investments (i.e., securities of issuers that are public companies)**

Securities including shares, options, warrants which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted bid prices at the statement of financial position dates or the closing trade price on the last day the security traded if there were no trades at the statement of financial position dates. These are included in Level 1 in Note 5.

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### **2. BASIS OF PREPARATION (continued)**

#### **d) Critical accounting judgments, estimates and assumptions (continued)**

For options and warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, an option pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value. These are included in Level 2 in Note 5.

#### 2) Private company investments (securities of issuers that are not public companies)

All privately-held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may be adjusted using one or more of the valuation indicators described below. These are included in Level 3 in Note 5. Options and warrants of private companies are valued using an option pricing model when there are sufficient and reliable observable market inputs; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed.

The fair value of a privately-held investment may be adjusted if:

- i) there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;
- ii) there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;
- iii) the investee company is placed into receivership or bankruptcy;
- iv) based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern; receipt/denial by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed/prohibit with its project(s);
- v) filing by the investee company of a National Instrument 43-101 technical report in respect of a previously noncompliant resource;

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### **2. BASIS OF PREPARATION (continued)**

#### **d) Critical accounting judgments, estimates and assumptions (continued)**

vi) release by the investee company of positive/negative exploration results; and

vii) important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately-held investment are based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that could be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

#### **(ii) Income taxes**

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

#### **(iii) Business combinations versus asset acquisition**

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require the Company to make certain judgements as to whether or not the assets acquired and liabilities assumed include the inputs, substantive processes, and outputs necessary to constitute a business as defined in IFRS 3 – Business Combinations. Based on assessments of the relevant facts and circumstances, the Company concluded that the acquisitions in Note 4 did not meet the criteria of a business combination; therefore, the transactions were accounted for as asset acquisitions.

#### **(iv) Determination of whether the Company has control of subsidiaries, joint control of joint arrangements or significant influence over investees**

Determination of whether the Company has control of subsidiaries or joint control of joint arrangements requires an assessment of the activities of the investee that significantly affect the investee's returns, including strategic, operational and financing decision-making, appointment, remuneration and termination of the key management personnel and when decisions related to those activities are under the control of the Company or require unanimous consent from the investors. Based on assessments of the relevant facts and circumstances, primarily, the Company's ownership interests, board representation and control over operating, strategic and financing decisions, the Company concluded that it had controlled Godzilla up until January 31, 2022 as described in Note 2(c).

#### **(v) Impairment assessment for investment in associate**

An associate is an entity over which the investor has significant influence but not control and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20%, if the Company has the power to participate in the financial and operating policy decisions affecting the entity. The Company's share of the net assets and net earnings or loss is accounted for in the consolidated financial statements using the equity method of accounting. Any distributions received from the associate reduce the carrying amount of the investment.

Schedule "A" to Appendix "G"

## **PALISADES GOLDCORP LTD.**

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### **2. BASIS OF PREPARATION (continued)**

#### **d) Critical accounting judgments, estimates and assumptions (continued)**

At each balance sheet date, management considers whether there is objective evidence of impairment in associates, including one or more loss events that would evidence a significant or prolonged decline in the fair value of the investment in associate below its carrying value. The net investment in an associate is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment and that loss event or events have a negative impact on the estimated future cash flows from the net investment that can be reliably estimated. If there is such evidence, management determines the amount of impairment to record, if any, in relation to the associate.

The Company had significant influence over New Found during the year ended December 31, 2023 and during the period from June 21, 2021 to December 31, 2022 and as a result has accounted for it as an investment in associate during these periods. Impairment write-downs recognized during the years ended December 31, 2023 and 2022 are described in Note 8.

#### **(vi) Valuation of options granted**

The fair value of share purchase options granted is determined at the issue date using the Black-Scholes option pricing model. The Black-Scholes model involves six key inputs to determine the fair value of an option, which are: risk-free interest rate, exercise price, market price at the grant date, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. These estimates impact the values of share-based compensation expense and reserves.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies used in the preparation of these consolidated financial statements are set out below.

#### **a) Financial instruments**

##### **(i) Classification**

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and liabilities classified at amortized cost are measured at amortized cost using the effective interest method.



## **PALISADES GOLDCORP LTD.**

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **a) Financial instruments (continued)**

The following table sets out the classifications of the Company's financial assets and liabilities:

Financial assets/liabilities	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Investments	FVTPL
Accounts payables	Amortized cost

IFRS requires an expected credit loss model for calculating the impairment of financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

#### **(i) Recognition, derecognition and measurement**

Purchases and sales of investments are recognized on the settlement date. Financial assets at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the consolidated statements of income and comprehensive income. Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9, Financial Instruments ("IFRS 9").

Subsequent to initial recognition, all investments are remeasured at fair value. Gains and losses arising from changes in the fair value of the investments at fair value through profit or loss category are presented in the consolidated statements of income and comprehensive income within net investment gains or losses in the period in which they arise.

#### **(ii) Reclassification of investments**

The Company would only reclassify a financial asset when the Company changes its business model for managing the financial asset. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new carrying value.

There were no reclassifications of financial assets during the years ended December 31, 2023 and 2022.

#### **(iii) Fair value of investment in securities not quoted in an active market or private company investments**

Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. This may include reference to company-specific information such as trends in general market conditions, recent observable financing activities, share performance of comparable publicly-traded companies, discounted cash flow modeling, evaluation of intellectual property or other factors that indicate a change in the circumstances of the business that would result in an upward or downward adjustment to fair value at the end of each reporting period. Refer to Note 5 for further details.

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **a) Financial instruments (continued)**

##### **(iv) Fair value of financial derivatives**

Investments in options and warrants that are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, an option pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value.

##### **(v) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. There was no offsetting of financial instruments as at December 31, 2023 and 2022.

#### **b) Investments in associates**

An associate is an entity over which the investor has significant influence but not control and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20%, if the Company has the power to participate in the financial and operating policy decisions affecting the entity. The Company's share of the net assets and net earnings or loss is accounted for in the consolidated financial statements using the equity method of accounting. Any distributions received from the associate reduce the carrying amount of the investment.

At each balance sheet date, management considers whether there is objective evidence of impairment in associates, including one or more loss events that would evidence a significant or prolonged decline in the fair value of the investment in associate below its carrying value. The net investment in an associate is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment and that loss event or events have a negative impact on the estimated future cash flows from the net investment that can be reliably estimated. If there is such evidence, management determines the amount of impairment to record, if any, in relation to the associate.

The Company has determined that it had significant influence over New Found during the year ended December 31, 2023 and during the period from June 21, 2021 to December 31, 2022 and as a result has accounted for it as an investment in associate during these periods. Refer to Note 8 for further details.

#### **c) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and short-term investments with initial maturities of less than three months.

#### **d) Net investment gains or losses**

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the consolidated statements of loss and comprehensive loss as part of net investment gains (losses).

Upon disposal of an investment, previously recognized unrealized gains or losses are reversed to recognize the full realized gain or loss in the period of disposition. All transaction costs associated with the acquisition and disposition of investments are expensed to the consolidated statements of loss and comprehensive loss as incurred.

## **PALISADES GOLDCORP LTD.**

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*(Expressed in Canadian Dollars Unless Otherwise Noted)*

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **e) Income taxes**

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

##### **(i) Current tax**

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

##### **(ii) Deferred tax**

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

#### **f) Share distributions**

Distributions to the shareholders in the form of cash or investments completed by the Company as a return of capital initially invested by the shareholders are measured at the fair market value of the distribution consideration transferred (cash or investments) on the date of completion of the distribution, and recognized as a reduction in the share capital of the Company.

#### **g) Earnings and loss per share**

The Company presents basic and diluted earnings and loss per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share does not adjust the earnings or loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

#### **h) Segment reporting**

A segment is a component of the Company that is distinguishable by economic activity (business segment), or by its geographical location (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company has a single reportable business segment, Canada.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **i) Initial application of standards, interpretations and amendments to standards and interpretations in the reporting period**

The IASB issued certain new accounting standards or amendments that are mandatory for accounting periods on or after January 1, 2023. The effect of such new accounting standards or amendments did not have a material impact on the Company and therefore the Company did not record any adjustments to the financial statements.

As part of the new amendments, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

#### **j) New and amended IFRS standards not yet effective**

Certain new accounting standards or interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards and interpretations are not expected to have a material impact on the Company's consolidated financial statements.

### **4. ACQUISITIONS AND DISPOSITIONS**

#### **(i) Godzilla Gold Corp.**

On July 28, 2021, the Company completed a purchase of 62.77% of the issued and outstanding common shares of Godzilla at \$1.00 per share for a total consideration paid of \$627,657. Based on the assessment of the relevant facts and circumstances, primarily the Company's ownership interest post-acquisition, board representation and control over operating, strategic and financing decisions, the Company concluded that it does have control in Godzilla as a result of the acquisition. The entire amount of the purchase price was expensed as mineral property acquisition costs.

In December 2021, the Company agreed to sell its shares of Godzilla representing 62.77% interest in Godzilla to Golden Planet Mining Corp., a company with a director and officer in common, for shares of Golden Planet Mining Corp. with an estimated fair value of \$2,510,800. The sale was completed on January 31, 2022. The fair value of consideration received in a form of Golden Planet shares was based on the price of shares issued in a recent financing completed by Golden Planet in 2021, and is considered a Level 3 measurement. As a result, the Company has deconsolidated Godzilla from its consolidated financial statements and recorded a gain on sale of \$2,670,118 during year ended December 31, 2022.

#### **(ii) Golden Planet Mining Corp.**

In order to enable shareholders of the Company to directly benefit from the Company's equity position in Golden Planet, the Company agreed to distribute all shares of Golden Planet to its shareholders on a basis proportionate with their shareholdings in the Company. The distribution was approved by the Company's shareholders on May 25, 2022, and as a result in May 2022 the Company reclassified its investment in Golden Planet with an estimated fair value at the time of reclassification of \$11,960,627 to assets held for distribution (see Note 7). As at September 30, 2023, the distribution was not completed yet and the timing of the distribution was still unknown, and as such in September 2023 the Company reclassified shares of Golden Planet back to investments (see Note 5).

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### 5. FINANCIAL INSTRUMENTS HIERARCHY AND INVESTMENTS

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's investments according to the fair value hierarchy are as follows as at December 31, 2023:

<b>Investments</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total fair value \$
Equities	3,801,120	-	1,993,438	5,794,558
Warrants	21,750	1,908,297	-	1,930,047
<b>Total Investments</b>	<b>3,822,870</b>	<b>1,908,297</b>	<b>1,993,438</b>	<b>7,724,605</b>
Investments denominated in foreign currencies	19,606	-	-	19,606
% of investments denominated in foreign currencies	1.0%	-	-	0.5%

The Company's investments according to the fair value hierarchy are as follows as at December 31, 2022:

<b>Investments</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total fair value \$
Equities	8,223,586	-	-	8,223,586
Warrants	225,250	9,601,024	-	9,826,274
<b>Total Investments</b>	<b>8,448,836</b>	<b>9,601,024</b>	<b>-</b>	<b>18,049,860</b>
Investments denominated in foreign currencies	1,224,991	45,081	-	1,270,072
% of investments denominated in foreign currencies	14.5%	0.5%	-	7.0%

There were no movements between levels during the years ended December 31, 2023 and 2022.

Warrants held by the Company are classified at fair value through profit or loss, with any gains or losses arising on remeasurement recognized in profit or loss. Within Level 2, the Company includes warrants that do not have a quoted market price and are valued using a Black-Scholes option pricing model using assumptions including risk free interest rate, expected dividend yield, expected volatility and expected remaining life of the warrant which are supported by observable market conditions. The use of reasonably possible alternative assumptions would not significantly affect the Company's results.

## PALISADES GOLDCORP LTD.

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### 5. FINANCIAL INSTRUMENTS HIERARCHY AND INVESTMENTS (continued)

Within Level 3, the Company includes private company investments which are not quoted on an exchange. The key assumptions used in the valuation of these investments include, but are not limited to, the value at which a recent financing was done by the investee, company-specific information, review of adjusted net book values, liquidation analysis, trends in general market conditions, the share performance of comparable publicly-traded companies and a strategic review. A +/- 10% change on the fair value of these investments will result in a corresponding +/- \$199,344 (December 31, 2022 - \$Nil) change to the total fair value of these investments. The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments.

Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments.

The following tables represent the changes in fair value measurements of financial instruments.

	Level 1	Level 2	Level 3	Total
Balance, December 31, 2022	\$ 8,448,836	\$ 9,601,024	\$ -	\$ 18,049,860
Purchases of equities	6,792,702	-	-	6,792,702
Sales of equities	(10,111,368)	-	-	(10,111,368)
Reclassified from assets held for distribution (Note 7)	-	-	1,993,438	1,993,438
Exercises and sales of warrants	1,215,883	(2,851,307)	-	(1,635,424)
Net unrealized losses and foreign exchange losses	(2,523,183)	(4,841,420)	-	(7,364,603)
Balance, December 31, 2023	\$ 3,822,870	\$ 1,908,297	\$ 1,993,438	\$ 7,724,605

	Level 1	Level 2	Level 3	Total
Balance, December 31, 2021	\$ 25,306,716	\$ 27,970,510	\$ 35,601,818	\$ 88,879,044
Purchases of equities	3,164,395	-	-	3,164,395
Received on sale of Godzilla (Note 4(i))	-	-	2,510,627	2,510,627
Reclassified from assets held for distribution	98,000	-	-	98,000
Reclassified to assets held for distribution (Note 7)	-	-	(11,960,627)	(11,960,627)
Sales of equities	(8,677,743)	-	(25,679,957)	(34,357,700)
Exercises and sales of warrants	3,654,982	(1,626,147)	-	2,028,835
Net unrealized losses and foreign exchange losses	(15,097,514)	(16,743,339)	(471,861)	(32,312,714)
Balance, December 31, 2022	\$ 8,448,836	\$ 9,601,024	\$ -	\$ 18,049,860

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### 5. FINANCIAL INSTRUMENTS HIERARCHY AND INVESTMENTS (continued)

#### (i) Equities Held

	Quantity	Fair Value December 31, 2023 \$
Labrador Gold Corp.	8,520,000	1,235,400
Golden Planet Mining Corp.	13,289,586	1,993,438
Other <sup>1</sup>		2,565,720
Total equities held		5,794,558

	Quantity	Fair Value December 31, 2022 \$
Labrador Gold Corp.	13,800,000	4,071,000
Tonogold Resources Inc.	22,611,329	1,224,991
Other <sup>1</sup>		2,927,595
Total equities held		8,223,586

1. Aggregate of all equity investments held with individual fair values of less than \$1 million.

#### (ii) Warrants Held

	Quantity	Fair Value December 31, 2023 \$
Goliath Resources Inc.	1,800,000	1,082,730
Other <sup>2</sup>		847,317
Total warrants held <sup>1</sup>		1,930,047

	Quantity	Fair Value December 31, 2022 \$
Vulcan Minerals Inc.	4,750,000	1,299,127
Santacruz Silver Mining Ltd.	24,133,334	3,461,386
Goliath Resources Inc.	2,500,000	2,216,825
Other <sup>2</sup>		2,848,936
Total warrants held <sup>1</sup>		9,826,274

1. The cost of warrants acquired through participation in private placements of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the purchase price is allocated to common shares based on the fair value of a common share at the date of the transaction and any residual remaining is allocated to common share purchase warrants.

2. Aggregate of all warrant investments held with individual fair values of less than \$1 million.

## PALISADES GOLDCORP LTD.

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### 6. NET INVESTMENT LOSSES

Net investment losses consist of the following:

	Year ended December 31, 2023	Year ended December 31, 2022
Net realized losses on disposal of investments	\$ (3,599,389)	\$ (8,471,843)
Net change in unrealized losses on investments	(7,364,603)	(37,855,595)
<b>Net investment losses</b>	<b>\$(10,963,992)</b>	<b>\$(46,327,438)</b>

### 7. ASSETS HELD FOR DISTRIBUTION

At December 31, 2021, included in assets held for distribution were 6,625,653 shares of Nevada King Gold Corp. with an estimated fair value of \$2,385,235 and 17,523,107 shares of Goldspot Discoveries Corp. with an estimated fair value of \$16,121,258. On March 14, 2022, the Company completed a distribution of 6,275,653 shares of Nevada King Gold Corp. with an estimated fair value of \$2,321,992. On April 28, 2022, the Company completed a distribution of 7,328,110 shares of Goldspot Discoveries Corp. with an estimated fair value of \$4,616,709. On June 20, 2022, the Company distributed to its shareholders the remaining 10,194,997 shares of Goldspot Discoveries Corp. with an estimated fair value of \$3,772,150.

On May 25, 2022, the Company reclassified its investment in 13,289,586 shares of Golden Planet with an estimated fair value of \$11,960,627 to assets held for distribution (see Note 4 (ii)). As at September 30, 2023, the distribution was not completed yet and the timing of the distribution was still unknown, and as such on September 30, 2023 the Company reclassified shares of Golden Planet back to investments (see Note 5). At December 31, 2023 and 2022, the estimated fair value of this investment was \$1,993,438.

### 8. INVESTMENT IN NEW FOUND GOLD

As at December 31, 2023, the investment in New Found Gold Corp. ("New Found") represents 25.03% (2022 – 26.67%) of New Found's issued and outstanding common shares and the companies have a director and officer in common, being the Director and Executive Chairman of the Company.

The following table illustrates the summarised financial information of the Company's investment in New Found as at December 31, 2023:

	December 31, 2023 \$
<b>Summarised Statement of Financial Position</b>	
Current assets	62,375,526
Non-current assets	829,397,913
Current liabilities	(19,007,634)
Non-current liabilities	(68,839)
Net Assets	872,696,966
The Company's ownership interest	25.03%
Share of New Found's net assets	218,399,205
<b>Summarised Statement of Loss and Comprehensive Loss</b>	
Revenues	-
Loss from continuing operations	(80,319,341)
Post-tax loss from discontinued operations	-
Net loss and comprehensive loss for year	(80,319,341)
Share of New Found's loss for the year ended December 31, 2023	(21,020,996)



## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars Unless Otherwise Noted)

### **8. INVESTMENT IN NEW FOUND GOLD (continued)**

The Company performs an impairment assessment on its investment in New Found at each period end. The assessment is based on the review of the recent share price history, review of the industry statistics and assessment of the current market conditions. At December 31, 2023, it was concluded that the investment in New Found is impaired and should be written-down to its estimated fair value of at December 31, 2023 of \$218,399,205. During the year ended December 31, 2023, the Company recognized an impairment write-down on its investment in New Found of \$19,562,087 (2022 - \$136,843,921), which was included in the consolidated loss and comprehensive loss for the year.

The following table illustrates the movement in investment in associate for the years ended December 31, 2023 and 2022:

<b>Net Carrying amount – December 31, 2021</b>	<b>\$ 418,166,497</b>
Additional interest acquired	1,750,000
Share of loss from operations of associate	(24,938,130)
Gain on dilution of equity interest	478,018
Impairment loss	(136,843,921)
<b>Net Carrying amount – December 31, 2022</b>	<b>\$ 258,612,464</b>
Share of loss from operations of associate	(21,020,996)
Gain on dilution of equity interest	369,824
Impairment loss	(19,562,087)
<b>Net Carrying amount – December 31, 2023</b>	<b>\$ 218,399,205</b>

The estimated fair value of investment in New Found was \$218,399,205 at December 31, 2023 (2022 - \$254,877,016).

### **9. RELATED PARTY BALANCES AND TRANSACTIONS**

All transactions with related parties have occurred in the normal course of operations and on terms and conditions that are similar to those of transactions with unrelated parties and are measured at the amount of consideration paid or received. A summary of the Company's related party transactions is as follows:

#### *Disposition of Investments*

There were no sales of investments to related parties during the year ended December 31, 2023.

During the year ended December 31, 2022, 26,593 shares of Silver Bullion SG with a fair value of \$3,000,000 were sold to the Company's Chief Executive Officer, Collin Kettell, for gross proceeds of \$3,000,000. In addition, the Company sold shares of other private company investments with an aggregate fair value of \$4,912,139 to Collin Kettell for gross proceeds of \$4,912,139.

There are no ongoing contractual commitments resulting from these transactions with related parties.

#### *Key management personnel compensation*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, or companies owned or controlled by them.

## PALISADES GOLDCORP LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 9. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Year ended December 31, 2023	Position	Salaries and Consulting \$	Bonus \$	Share-based compensation \$	Total \$
	Chairman and Chief Executive Officer	330,000	82,500	6,875,238	7,287,738
	Chief Financial Officer	270,000	67,500	2,386,446	2,723,946
	Non-executive director	72,000	-	95,458	167,458
	Non-executive director	72,000	-	95,458	167,458
	Non-executive director	72,000	-	95,458	167,458
	<b>Total</b>	<b>816,000</b>	<b>150,000</b>	<b>9,548,058</b>	<b>10,514,058</b>

Year ended December 31, 2022	Position	Salaries and Consulting \$	Bonus \$	Share-based compensation \$	Total \$
	Chairman and Chief Executive Officer	330,000	-	-	330,000
	Chief Financial Officer	270,000	-	-	270,000
	Non-executive director	72,000	-	-	72,000
	Non-executive director	72,000	-	-	72,000
	Non-executive director	72,000	-	-	72,000
	<b>Total</b>	<b>816,000</b>	<b>-</b>	<b>-</b>	<b>816,000</b>

Under the terms of their management agreements, certain officers of the Company are entitled to 24 months of base pay in the event of their agreements being terminated without cause.

At December 31, 2023, there was \$1,970 payable to Collin Kettell for expense reimbursements included in accounts payable and accrued liabilities (December 31, 2022 - \$Nil).

On February 1, 2023, the Company granted 4,201,000 stock options to directors and officers with an exercise price of \$4.20 per share for a period of five years (see Note 10). The options vested immediately.

### 10. SHARE CAPITAL

#### *Authorized Share Capital*

At December 31, 2023 and 2022, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

#### *Share Consolidation*

Effective June 30, 2022, the Company completed a 2-for-1 share consolidation. All share and per share amounts have been retroactively restated to reflect the share consolidation.

#### *Details of Common Shares Issued/Re-Purchased in 2023*

There were no shares issued during the year ended December 31, 2023.

## PALISADES GOLDCORP LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 10. SHARE CAPITAL (continued)

On March 15, 2023, the Board of Directors of the Company has agreed that up to 2,467,298 shares will be acquired under the normal course issuer bid (the "NCIB"), constituting approximately 5.0% of the issued and outstanding shares. The Company submitted a Notice of Intention to Make a Normal Course Issuer Bid (the "Notice") to the TSXV. The Notice was accepted by the TSXV on March 29, 2023. The NCIB will expire on September 30, 2024, unless terminated earlier.

During the year ended December 31, 2023, the Company repurchased 1,442,000 of its previously issued and outstanding common shares at a weighted-average price of \$2.44 per common share for a total price of \$3,511,843. Out of 1,442,000 re-purchased common shares, 1,342,000 were returned to treasury and cancelled, with the remaining 100,000 shares cancelled subsequent to December 31, 2023 (see Note 17).

#### *Details of Common Shares Issued/Re-Purchased in 2022*

On June 2, 2022, the Company sold the remaining balance of 161,682 Silver Bullion SG shares (see Note 5) to the Company's shareholders in exchange for their 2,254,761 shares of the Company. The fair market value of 2,254,761 shares of the Company received as consideration of \$17,810,889 was estimated based on the fair value of the net assets of the Company as at June 2, 2022 divided by the number of shares outstanding since it has been determined that the Company's net assets, comprised mainly of its investment portfolio are representative of the fair value of its shares. There was no gain or loss recognized on the sale. 2,254,761 shares of the Company received as a result of the sale of 161,682 Silver Bullion SG shares were returned to treasury and cancelled on June 30, 2022.

On December 15, 2021, the Company incorporated 1338072 BC Ulc. On December 31, 2021, the Company's wholly owned subsidiary Palisade Global transferred its 12,967,575 shares of the Company to 1338072 BC Ulc in exchange for shares of 1338072 BC Ulc. On April 9, 2022, Palisade Global was dissolved whereas its investment in 1338072 BC Ulc was transferred to the Company as part of the transfer of assets on dissolution. Effective June 22, 2022, the Company completed an amalgamation with its wholly-owned subsidiary, 1338072 BC Ulc. As a result of the amalgamation, the Company acquired ownership of an aggregate of 12,967,575 shares of the Company. These shares were returned to treasury and cancelled on June 30, 2022, which resulted in the remaining balance of treasury shares of Nil at December 31, 2022.

#### *Warrants*

The continuity of warrants for the year ended December 31, 2023 is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2022	Issued	Exercised	Cancelled/ Expired	Outstanding December 31, 2023
October 11, 2024	\$2.48	356,983	-	-	-	356,983
November 19, 2023	\$2.81	157,087	-	-	(157,087)	-
		514,070	-	-	(157,087)	356,983
Weighted average exercise price \$		2.59	-	-	2.81	2.48
Weighted average contractual remaining life (years)		1.51	-	-	-	0.78

**PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2023 and 2022

*(Expressed in Canadian Dollars Unless Otherwise Noted)***10. SHARE CAPITAL (continued)**

The continuity of warrants for the year ended December 31, 2022 is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2021	Issued	Exercised	Cancelled/ Expired	Outstanding December 31, 2022
October 11, 2024	\$2.48	356,983	-	-	-	356,983
November 19, 2023	\$2.81	157,087	-	-	-	157,087
		514,070	-	-	-	514,070
Weighted average exercise price \$		2.70	-	-	-	2.59
Weighted average contractual remaining life (years)		2.51	-	-	-	1.51

*Stock Option Plan*

The Company has a share purchase option compensation plan that allows it to grant share purchase options to its officers, directors, employee and service providers based on the maximum number of eligible shares not exceeding 10% in the aggregate of the Company's outstanding common shares at the time of grant.

*Stock Options*

The continuity of stock options for the year ended December 31, 2023 is as follows is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2022	Issued	Exercised	Cancelled/ Expired	Outstanding December 31, 2023
May 21, 2026	\$10.60	732,812	-	-	(732,812)	-
February 1, 2028	\$4.20	-	4,201,000	-	-	4,201,000
		732,812	4,201,000	-	(732,812)	4,201,000
Weighted average exercise price \$		10.60	4.20	-	10.60	4.20
Weighted average contractual remaining life (years)		3.39	5.00	-	-	4.09

The continuity of stock options for the year ended December 31, 2022 is as follows is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2021	Issued	Exercised	Cancelled/ Expired	Outstanding December 31, 2022
May 21, 2026	\$10.60	5,053,886	-	-	(4,321,074)	732,812
		5,053,886	-	-	(4,321,074)	732,812
Weighted average exercise price \$		10.60	-	-	-	10.60
Weighted average contractual remaining life (years)		4.39	-	-	-	3.39

## PALISADES GOLDCORP LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 10. SHARE CAPITAL (continued)

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Year ended December 31, 2023
Risk-free interest rate	2.93%
Expected option life in years	5.0
Expected share price volatility(i)	84.59%
Grant date share price (ii)	\$3.50
Grant date fair value	\$2.27
Expected forfeiture rate	-
Expected dividend yield	Nil

(i) The expected share price volatility is based on the average historical share price of comparable companies over the life of the options.

(ii) The grant date share price has been estimated based on the market price of the Company's shares right after completion of the IPO in February 2023.

### 11. BASIC AND DILUTED EARNINGS PER COMMON SHARE

Diluted loss per common share did not include the effect of 100,000 (2022 – Nil) common shares held by the Company as treasury stock. Diluted loss per common share at December 31, 2023 did not include the effect of 4,201,000 (2022 – 732,812) stock options and 356,983 (2022 – 514,070) warrants outstanding as their effect was anti-dilutive.

### 12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Year ended December 31, 2023	Year ended December 31, 2022
	\$	\$
Non-cash investing and financing activities:		
Investments in shares of Golden Planet added on reclassification from assets held for distribution (Note 4(i))	1,993,438	-
Investments added on sale of Godzilla (Note 4(i))	-	2,510,800
Investments in shares of Nevada King distributed to shareholders at fair value (Note 7)	-	(2,321,992)
Investments in shares of Goldspot Discoveries Corp. distributed to shareholders at fair value (Note 7)	-	(8,388,859)
Investments in private company shares sold for shares of the Company (Note 9)	-	(17,810,889)
Cash paid for interest	-	(266)

## PALISADES GOLDCORP LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 13. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial income tax expense and pre-tax net profit is as follows:

	2023	2022
	\$	\$
Income before income taxes	<u>(63,043,808)</u>	<u>(206,957,671)</u>
Combined federal and provincial statutory income tax rate	<u>27.00%</u>	<u>27.00%</u>
Expected income tax	(17,021,828)	(55,878,571)
Non-deductible expenditures	2,471,326	4,465
Change in estimate	41	(2,332,800)
Change in deferred tax assets not recognized	-	59,401
Other	<u>68,556</u>	<u>(649,718)</u>
Income tax recovery	<u>(14,381,905)</u>	<u>(58,797,223)</u>

Deferred taxes reflect the net tax effects of differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2023	2022
	\$	\$
Deferred income tax liabilities		
Investments, including investment in associate	(56,768,124)	(67,432,685)
Investments held for distribution	-	-
Deferred income tax assets		
Non-capital losses carryforward	4,523,327	777,916
Other	91,433	119,500
Net deferred tax liability	<u>(52,153,364)</u>	<u>(66,535,269)</u>

As at December 31, 2023, the Company has Canadian non-capital loss carry forwards of \$16,753,063 (2022 - \$2,881,169) which may be carried forward and applied against future income for Canadian income tax purposes, subject to final determination by tax authorities, expiring in 2043.

### 14. CONTINGENT LIABILITY

On November 15, 2019, ThreeD Capital Inc. ("ThreeD") and 1313366 Ontario Inc. ("131" and together with ThreeD, the "Plaintiffs") each entered into share purchase agreements (the "Share Purchase Agreements") with the Company under which the Company agreed to purchase the 13,500,000 Common Shares of New Found owned by ThreeD and the 4,000,000 Common Shares of New Found owned by 131 for \$0.08 per Common Share. The transactions closed on November 20, 2019.

On March 10, 2020, ThreeD Capital Inc. and 131 filed a statement of claim in the Ontario Superior Court of Justice against Collin Kettell, New Found and the Company (the "ThreeD Claim"). Mr. Kettell is a Chairman and Chief Executive Officer of both the Company and New Found. Pursuant to the ThreeD Claim, the Plaintiffs are challenging the validity of the sale of 17,500,000 Common Shares by the Plaintiffs to the Company on November 20, 2019.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars Unless Otherwise Noted)

### **14. CONTINGENT LIABILITY (continued)**

ThreeD and 131 claim that at the time of negotiation and execution of the Share Purchase Agreements, the Company and Mr. Kettell were aware of positive drill results from New Found's 2019 Drill Program and the results were not disclosed to ThreeD and 131 to their detriment. The Company and Mr. Kettell strongly deny ThreeD and 131's allegations. ThreeD and 131 have made specific claims for (a) rescission of the Share Purchase Agreements on the basis of oppression or unfair prejudice; (b) or alternatively, damages in the amount of \$21,000,000 for the alleged improper actions by Mr. Kettell and the Company, (c) a declaration that the Company and Collin Kettell, as shareholder or director and/or officer of New Found, have had acted in a manner that is oppressive, unfairly prejudicial or unfairly disregarded their interests, (d) a declaration that the Company and Collin Kettell engaged in insider trading contrary to section 138 of the *Securities Act* (Ontario), (e) unjust enrichment and (f) interests and costs. The Company and Mr. Kettell refute each of the specific claims made by the Plaintiffs.

The Company filed a statement of defence in response to the ThreeD Claim on June 12, 2020, pursuant to which, among other things, the Company denies that it is a proper party to the ThreeD Claim and the allegations against it therein, including because no relief is claimed against the Company in paragraph 1 of the ThreeD Claim. The action has now progressed through the production of documents and oral examinations for discovery stages.

In early 2022, the Plaintiffs formally amended their statement of claim to increase the amount claimed to \$229,000,000 and to advance a direct claim of oppressive conduct against the Company. While continuing to deny any and all liability to the Plaintiffs, the Company has amended its defence to include specific denials of the new allegations of oppressive conduct against it. The parties completed an additional round of examinations for discovery in January 2023, following which the plaintiffs set the action down for trial. The parties had a mediation meeting on October 3, 2023, but were unable to settle the case. A trial date has been set for January 2025.

The outcome of this claim cannot be determined at this time and therefore no amount has been accrued for.

### **15. FINANCIAL RISK MANAGEMENT**

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is not exposed to significant credit risk on its cash and cash equivalents since they are placed with major financial institutions that have high credit ratings. The credit risk exposure of the Company's investments is represented by their values disclosed. There have been no changes in management's methods for managing credit risk since December 31, 2022.

#### *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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company generates cash flow primarily from proceeds from the disposition of its investments and interest income. The Company invests in junior resource companies, which can at times be relatively illiquid. If the Company decides to dispose of securities of a particular issuer, it may not be able to do so at the time at favourable prices, or at all. Additionally, the amounts at which the Company's private company investments could be disposed of currently may differ from their carrying values since there is no active market to dispose of these investments. The Company has also relied on the issuance of shares to fund its activities and may require doing so again in the future.

There were no changes in management's methods for managing liquidity risk since December 31, 2022.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2023 and 2022

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

### **15. FINANCIAL RISK MANAGEMENT (continued)**

At December 31, 2023, the Company has \$73,874 (December 31, 2022 - \$178,309) in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

#### *Market risk*

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is focused on junior companies in the resource and mining sector. Changes in the future pricing and demand of these commodities can have a material impact on the market value of the investments. The nature of such investments is normally dependent on the invested company being able to raise additional capital to further development and to determine the commercial viability of its resource properties. The value of each investment is also influenced by the outlook of the issuer and by general economic and political conditions. Management mitigates the risk of loss resulting from this concentration by monitoring the trading value of the investments on a regular basis. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value.

There were no changes in management's methods for managing market risk since December 31, 2022. The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer, although the Company's investment activities are concentrated on junior companies in the resource and mining sector. The Company also requires approval from the board of directors for purchases of investments over a certain cost threshold.

A 5% change in the future pricing and trading value of the Company's investments (with all other variables held constant) as at December 31, 2023, would change the Company's total comprehensive income (loss) by \$386,230 (December 31, 2022 - \$902,493).

#### *(i) 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 risks.

#### *(ii) Foreign exchange risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company may have financial instruments denominated in foreign currencies such as the U.S. dollar and the Australian dollar. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of its financial instruments.

The Company does not hedge its exposure to fluctuations in foreign exchange rates.

There were no changes in management's methods for managing currency risk since December 31, 2022.

A 5% change in the exchange rate of the Company's investments held in foreign currencies relative to the Canadian dollar would change the Company's total comprehensive income (loss) by \$980 (December 31, 2022 - \$63,504).



## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2023 and 2022

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

### **16. CAPITAL MANAGEMENT**

The Company manages its cash and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technology and products and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company will require capital resources to carry its plans and operations through its current operating period.

The Company is not subject to externally imposed capital requirements.

There were no changes in management's approach to capital management since the year ended December 31, 2022.

### **17. SUBSEQUENT EVENT**

#### *Re-purchase of common shares*

Subsequent to December 31, 2023, 100,000 common shares re-purchased by the Company during the year ended December 31, 2023 (see Note 10) were returned to the treasury and cancelled.

**SCHEDULE "B"  
ANNUAL MD&A**

See attached.

## **Palisades Goldcorp Ltd.**

### Management's Discussion and Analysis

For the years ended December 31, 2023 and 2022

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The following discussion is management's assessment and analysis ("MD&A") of the results and financial condition of Palisades Goldcorp Ltd. (the "Company" or "Palisades") and should be read in conjunction with the accompanying audited consolidated financial statements and related notes as at December 31, 2023 and 2022, and for the years then ended. The financial data was prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, (collectively, "**forward-looking statements**"), that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business, activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, including those described under the headings "Risks and Uncertainties" and "Cautionary Notes Regarding Forward-Looking Statements" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those expressed or implied in forward-looking statements. The effective date of this report is April 1, 2024.

### **Description of Business**

The Company was incorporated on August 30, 2019 as Palisades Acquisitions Corp. under the Business Corporations Act in the Province of British Columbia. On September 24, 2019, the Company changed its name to Palisades Goldcorp Ltd.

The address of the Company's registered office is Suite 3500, The Stack, 1133 Melville Street, Vancouver, British Columbia V6E 4E5. The address of the Company's head office is WeWork, c/o Palisades Goldcorp Ltd., 595 Burrard Street, Office 1600, Vancouver, British Columbia, Canada, V7X 1L4.

The Company is a resource investment company and merchant bank focused on junior companies in the resource and mining sector. The Company is focused on providing retail and institutional investors with exposure in the junior resource space. The Company expects to continue to make investments, pursuant to its dual investment strategy, to achieve broad sector exposure with upside in the event of appreciation in mineral commodities prices, while also providing the potential to realize appreciation in net asset values as a result of discoveries by issuers in which the Company holds larger positions. At present, Palisades has a portfolio of equity investments, or securities convertible into equity investments, in over 50 junior resource issuers.

On February 6, 2023, the Company completed an initial public offering and listed on the TSX Venture Exchange as a Tier 2 issuer under the symbol "PALI".

As of the date of this MD&A, the Company's Board of Directors consisted of the following: Collin Kettell (Executive Chairman), Gregor Gregersen, Elizabeth Harrison and William Hayden.

Additional information relating to the Company is available on the Company's website at [www.palisades.ca](http://www.palisades.ca), and under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Strategic Investments**

Since its inception in 2019, Palisades has built positions in strategic assets as follows:

#### *New Found Gold Corp.*

As at December 31, 2023, the investment in New Found Gold Corp. ("New Found") represented 25.03% of New Found's issued and outstanding common shares (December 31, 2022 – 26.67%) and the companies have a director and officer in common, being the Director and Executive Chairman. The Company maintained significant influence over New Found at December 31, 2023 and 2022 and as a result accounted for it as an investment in associate. The carrying value of investment in New Found was \$218,399,205 at December 31, 2023 (December 31, 2022 - \$254,877,016).

**Palisades Goldcorp Ltd.**  
Management's Discussion and Analysis  
For the years ended December 31, 2023 and 2022

As of the date of this MD&A, the investment in New Found represented 24.68% of New Found's issued and outstanding common shares.

New Found is advancing its 100% owned Queensway gold project, located on the Trans-Canada highway 15km west of Gander, Newfoundland, with a 500,000m drill campaign underway focused along the Appleton fault and along the JBP fault.

The following table illustrates the summarised financial information of the Company's investment in New Found as at December 31, 2023:

	December 31, 2023
	\$
<b>Summarised Statement of Financial Position</b>	
Current assets	62,375,526
Non-current assets	829,397,913
Current liabilities	(19,007,634)
Non-current liabilities	(68,839)
<b>Net Assets</b>	<b>872,696,966</b>
The Company's ownership interest	25.03%
Share of New Found's net assets	218,399,205
<b>Summarised Statement of Loss and Comprehensive Loss</b>	
Revenues	-
Loss from continuing operations	(80,319,341)
Post-tax loss from discontinued operations	-
<b>Net loss and comprehensive loss for the period</b>	<b>(80,319,341)</b>
Share of New Found's loss for the period from January 1, 2023 to December 31, 2023	(21,020,996)

The following table illustrates the movement in investment in associate for the period from December 31, 2021 to December 31, 2023:

<b>Net Carrying amount – December 31, 2021</b>	<b>\$ 418,166,497</b>
Additional interest acquired during the period	1,750,000
Share of loss from operations of associate during the period	(24,938,130)
Gain on dilution of equity interest	478,018
Impairment loss	(136,843,921)
<b>Net Carrying amount – December 31, 2022</b>	<b>\$ 258,612,464</b>
Share of loss from operations of associate during the period	(21,020,996)
Gain on dilution of equity interest	369,824
Impairment loss	(19,562,087)
<b>Net Carrying amount – December 31, 2023</b>	<b>\$ 218,399,205</b>

The estimated fair value of investment in New Found was \$218,399,205 at December 31, 2023 (December 31, 2022 - \$254,877,016).

**Palisades Goldcorp Ltd.**  
Management's Discussion and Analysis  
For the years ended December 31, 2023 and 2022

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*Distribution of shares of Nevada King Gold Corp.*

Palisades owned 36.75% of Nevada King Gold Corp. ("Nevada King") as of October 18, 2021. On October 18, 2021, in order to enable shareholders of the Company to directly benefit from the Company's equity position in Nevada King, the Company agreed to transfer all shares of Nevada King controlled by the Company (89,075,602 Nevada King shares) to its shareholders.

The Company distributed 82,449,949 shares of Nevada King on November 3, 2021. On March 14, 2022, the Company completed a distribution of 6,275,653 shares of Nevada King with an estimated fair value of \$2,321,992. The remaining 350,000 shares of Nevada King with an estimated fair value of \$98,000 were sold for gross proceeds of \$95,843 during the year ended December 31, 2022.

*Distribution of shares of Golden Planet Mining Corp.*

On May 25, 2022, in order to enable shareholders of the Company to directly benefit from the Company's equity position in Golden Planet Mining Corp. ("Golden Planet"), the Company agreed to distribute all shares of Golden Planet to its shareholders on a basis proportionate with their shareholdings in the Company. The distribution was approved by the Company's shareholders on May 25, 2022, and as a result the Company has reclassified its investment in Golden Planet with an estimated fair value at the time of reclassification of \$11,960,627 to assets held for distribution. As at December 31, 2023, the distribution was not completed yet and the timing of the distribution was still unknown. As such in September 2023 the Company reclassified shares of Golden Planet back to investments. At December 31, 2023 and 2022, the fair value of this investment was estimated at \$1,993,438.

*Purchase and sale of Godzilla Gold Corp.*

In December 2021, the Company agreed to sell its shares of Godzilla Gold Corp. ("Godzilla") representing 62.77% interest in Godzilla to Golden Planet Mining Corp., a company with a director and officer in common, for shares of Golden Planet with an estimated fair value of \$2,510,800. The sale was completed on January 31, 2022. As a result, the Company has deconsolidated Godzilla from its consolidated financial statements and recorded a gain on sale of \$2,670,118 during the year ended December 31, 2022.

*Goldspot Discoveries Corp.*

On April 28, 2022, the Company distributed 7,328,110 shares of Goldspot Discoveries Corp. ("Goldspot") to its shareholders with an estimated fair value of \$4,616,709. On September 20, 2022, the Company distributed to its shareholders the remaining 10,194,997 shares of Goldspot with an estimated fair value of \$3,772,150.

**Investment Portfolio**

The following information regarding the investment portfolio of Palisades is historical as at the dates indicated and may change due to the ongoing investment activities of the Company, in addition to fluctuations in the fair values of investments. The fair values of investments have been measured in accordance with the Company's accounting policies and the amounts at which the Company's investments could be disposed of currently may differ from their varying values for a variety of reasons (see *Risk Factors* below for further details).

The portfolio consists of investments in marketable securities and warrants as follows:

	December 31, 2023	December 31, 2022
Equities held (i)	\$ 5,794,558	\$ 8,223,586
Warrants held (ii)	1,930,047	9,826,274
Total investments	\$ 7,724,605	\$ 18,049,860

**Palisades Goldcorp Ltd.**

## Management's Discussion and Analysis

For the years ended December 31, 2023 and 2022

## (i) Equities Held

	Quantity	Fair Value December 31, 2023 \$
Labrador Gold Corp.	8,520,000	1,235,400
Golden Planet Mining Corp.	13,289,586	1,993,438
Other <sup>1</sup>		2,565,720
Total equities held		5,794,558

1. Aggregate of all equity investments held with individual fair values of less than \$1 million.

	Quantity	Fair Value December 31, 2022 \$
Labrador Gold Corp.	13,800,000	4,071,000
Tonogold Resources Inc.	22,611,329	1,224,991
Other <sup>1</sup>		2,927,595
Total equities held		8,223,586

1. Aggregate of all equity investments held with individual fair values of less than \$1 million.

## (ii) Warrants Held

	Quantity	Fair Value December 31, 2023 \$
Goliath Resources Inc.	1,800,000	1,082,730
Other <sup>2</sup>		847,317
Total warrants held <sup>1</sup>		1,930,047

	Quantity	Fair Value December 31, 2022 \$
Vulcan Minerals Inc.	4,750,000	1,299,127
Santacruz Silver Mining Ltd.	24,133,334	3,461,386
Goliath Resources Inc.	2,500,000	2,216,825
Other <sup>2</sup>		2,848,936
Total warrants held <sup>1</sup>		9,826,274

1. The cost of warrants acquired through participation in private placements of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the purchase price is allocated to common shares based on the fair value of a common share at the date of the transaction and any residual remaining is allocated to common share purchase warrants.

2. Aggregate of all warrant investments held with individual fair values of less than \$1 million.

## OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

### Select Annual Information

Selected annual information from the audited financial statements for the years ended December 31, 2023, 2022 and 2021 is presented in the table below.

<b>Selected Annual Financial Information</b>	<b>Year ended December 31, 2023</b>	<b>Year ended December 31, 2022</b>	<b>Year ended December 31, 2021</b>
	\$	\$	\$
Total revenue	<b>(10,877,238)</b>	(46,146,440)	7,850,294
Total expenses	<b>(52,166,570)</b>	(164,690,559)	(259,379,364)
Total other income	-	3,879,328	612,927,196
Net income (loss) and comprehensive income (loss) attributable to owners of the Company	<b>(48,661,903)</b>	(148,078,541)	262,926,596
Net income (loss) and comprehensive income (loss) for the year	<b>(48,661,903)</b>	(148,160,448)	257,829,283
Earnings (loss) per share – basic	<b>(1.00)</b>	(3.00)	2.59
Earnings (loss) per share – diluted	<b>(1.00)</b>	(3.00)	2.56
Total assets	<b>226,980,639</b>	284,092,667	534,603,700
Total non-current financial liabilities	-	-	-

Total assets decreased to \$226,980,639 at December 31, 2023, from \$284,092,667 at December 31, 2022, primarily as a result of a decrease in the equity investment in New Found Gold Corp. of \$40,213,259 mainly due to a loss from equity investment of \$19,562,087 and an impairment write-down on equity investment of \$21,020,996 recognized in the current period, a decrease in investments of \$10,325,255 primarily due to unrealized losses of \$7,364,603 recognized during the current year, offset by \$1,993,438 in shares of Golden Planet reclassified to investments from assets held for sale, and a decrease in cash of \$4,552,102. The most significant assets at December 31, 2023 were cash of \$838,113 (December 31, 2022: \$5,390,215), investments of \$7,724,605 (December 31, 2022: \$18,049,860), and an investment in New Found Gold Corp. of \$218,399,205 (December 31, 2022: \$258,612,464).

Total assets decreased to \$284,092,667 at December 31, 2022, from \$534,603,700 at December 31, 2021, primarily as a result of a decrease in the equity investment in New Found Gold Corp. of \$159,554,033 due to a loss on equity investment recognized in the current period of \$24,938,130 and an impairment write-down of \$136,843,921; a decrease in assets held for distribution of \$16,513,056 mainly due to a distribution to the Company's shareholders of 6,275,653 shares of Nevada King with an estimated fair value of \$2,321,992, a distribution to the Company's shareholders of 17,523,107 shares of Goldspot with an estimated fair value of \$8,388,859; a decrease in investments of \$70,829,184 due to sales of investments in 2022 for total cash proceeds of \$16,546,811 and a sale of Silver Bullion SG shares in exchange for 2,254,761 shares of the Company with an estimated fair value of \$17,810,889. The most significant assets at December 31, 2022 were cash of \$5,390,215 (December 31, 2021: \$8,423,997), investments of \$18,049,860 (December 31, 2021: \$88,879,044), assets held for distribution of \$1,993,438 (December 31, 2021: \$18,506,494), and an investment in New Found Gold Corp. of \$258,612,464 (December 31, 2021: \$418,166,497).

### *Year ended December 31, 2023 and 2022*

During the year ended December 31, 2023, net loss decreased by \$99,498,545 to net loss of \$48,661,903 compared to net loss of \$148,160,448 for the year ended December 31, 2022. The decrease is largely due to:

- A decrease in net investment losses of \$35,363,446 from net investment losses of \$46,327,438 for the year ended December 31, 2022 to net investment losses of \$10,963,992 recognized in the current year. The decrease is due to less investment activity and more favourable price fluctuations in the current year compared to the comparative year. During the year ended December 31, 2023, the Company recognized \$7,364,603 in unrealized losses on its investments compared to \$37,855,595 in unrealized losses recognized in the year ended December 31, 2022.

## **Palisades Goldcorp Ltd.**

### Management's Discussion and Analysis

For the years ended December 31, 2023 and 2022

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- A decrease in loss from equity investment of \$3,917,134 from \$24,938,130 in 2022 to \$21,020,996 in 2023, and a decrease in impairment loss on equity investment of \$117,281,834 from \$136,843,921 in 2022 to \$10,562,087 in 2023. The Company started accounting for its investment in New Found as an investment in associate on June 21, 2021, when it was concluded that it had lost control over New Found. At December 31, 2023, it was concluded that the investment in New Found is impaired and should be written-down to its estimated fair value at December 31, 2023 of \$218,399,205.

Offset by:

- An increase of \$9,548,058 in share-based compensation from \$Nil during the year ended December 31, 2022 to \$9,548,058 during the year ended December 31, 2023. The increase is due to 4,201,000 stock options granted to directors and officers on February 1, 2023 with an exercise price of \$4.20 per share for a period of five years. There were no options granted during the comparative year.
- In the prior year the Company recognized a gain on sale of Godzilla of \$2,670,118. There was no such gain recognized in the current year ended December 31, 2023.
- In the prior year, the Company recognized a recovery of loans previously written-off of \$1,846,539 based on collections of loans in 2022, offset by an impairment loss on convertible notes which were not collected upon maturity of \$587,329. There were no such gains /losses recognized in the current year ended December 31, 2023.
- The Company recognized a deferred income tax recovery of \$14,381,905 during the year ended December 31, 2023 compared to a deferred income tax recovery of \$58,797,223 during the year ended December 31, 2022. The recovery recognised in 2023 is a mainly due to a reduction in the value of investments, assets held for sale and investment in New Found at December 31, 2023 as compared to December 31, 2022, which resulted in a corresponding decrease in the related deferred income liability recognized on the difference between accounting and tax basis of these assets.

The Company recorded a net loss and comprehensive loss attributable to owners of the Company of \$48,661,903 or \$1.00 basic and diluted loss per share for the year ended December 31, 2023 (December 31, 2022: net loss of \$148,078,541 or \$3.00 basic and diluted loss per share).

#### ***Three months ended December 31, 2023 and 2022***

During the three months ended December 31, 2023, net loss increased by \$8,569,280 to \$18,855,694 compared to net loss of \$10,286,414 for the three months ended December 31, 2022. The change is largely due to:

- An increase in impairment loss on equity investment of \$19,562,087 from \$Nil in 2022 to \$19,562,087 in 2023, offset by a decrease in loss from equity investment of \$1,326,303 from \$6,684,420 in 2022 to \$5,358,117 in 2023. At December 31, 2023, it was concluded that the investment in New Found is impaired and should be written-down to its estimated fair value at December 31, 2023 of \$218,399,205. No such write-downs were recorded at December 31, 2022.

Offset by:

- A decrease in net investments losses of \$6,218,040. The Company recorded net investment gains of \$333,560, dividend income of \$5,014 and interest income of \$7,783 for the three months ended December 31, 2023 compared to net investment losses of \$5,884,480, dividend income of \$Nil and interest income of \$39,855 for the three months ended December 31, 2022. The main reason for the change is the price fluctuations which resulted in a higher value of investments held by the Company at December 31, 2023 compared to December 31, 2022.



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## Management's Discussion and Analysis

For the years ended December 31, 2023 and 2022

- An increase in the deferred income tax recovery of \$3,331,895. The Company recorded a deferred income tax recovery of \$5,916,994 for the three months ended December 31, 2023 compared to \$2,585,099 for the three months ended December 31, 2022. The liability arises when there is a difference between accounting and tax basis of investments. The recovery in the fourth quarter of 2023 is a mainly due to a reduction in the investment in New Found at December 31, 2023 upon an impairment write-down recognized on investment in New Found at December 31, 2023 of \$19,562,087, which resulted in a corresponding decrease in the related deferred income liability recognized on shares of New Found. No such write-down was recognized during the three months ended December 31, 2022.

The Company recorded a net loss and comprehensive loss attributable to owners of the Company of \$18,855,694 and \$0.39 basic and diluted loss per share for the three months ended December 31, 2023 (three months ended December 31, 2022: net loss and comprehensive loss attributable to owners of the Company of \$92,672,872 and \$0.96 basic and diluted loss).

**Cash Flows**

	December 31, 2023	December 31, 2022
	\$	\$
Cash used in operating activities	(1,040,258)	(3,033,782)
Net cash used in financing activities	(3,511,843)	-
Change in cash	(4,552,101)	(3,033,782)
Cash, beginning of year	5,390,215	8,423,997
Cash, end of year	838,114	5,390,215

**Operating Activities**

Cash used in operating activities for the year ended December 31, 2023 was \$1 million compared to \$3 million used for the year ended December 31, 2022. Cash movements from operating activities can fluctuate with changes in net income, non-cash items, such as foreign exchange and deferred income tax expenses, and working capital. The main reason for the decrease in cash used in 2023 was a decrease in repayments of accounts payable and accrued liabilities in 2023 compared to 2022 which resulted in a cash outflow of \$0.1 million in 2023 (2022 – cash outflow of \$14.9 million).

**Financing Activities**

Cash used in financing activities was \$3.5 million for the year ended December 31, 2023 compared to \$Nil for the year ended December 31, 2022. During the year ended December 31, 2023, the Company repurchased 1,442,000 of its previously issued and outstanding common shares at a weighed average price of \$2.44 per common share for approximately \$3.5 million. There were no share re-purchases during the year ended December 31, 2022.

**Palisades Goldcorp Ltd.**  
Management's Discussion and Analysis  
For the years ended December 31, 2023 and 2022

**Summary of Quarterly Results**

	2023				2022			
	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$
Total revenue <sup>(1)</sup>	346,357	(2,835,322)	(5,409,812)	(2,978,461)	(5,844,625)	(4,216,193)	(33,096,484)	(2,989,138)
Net loss and comprehensive loss for the period attributable to owners of the Company	(18,855,694)	(6,271,354)	(7,231,140)	(16,303,715)	(10,286,414)	(4,841,298)	(130,348,918)	(2,601,911)
Net loss and comprehensive loss for the period	(18,855,694) <sup>(3)</sup>	(6,271,354) <sup>(4)</sup>	(7,231,140) <sup>(5)</sup>	(16,303,715) <sup>(6)</sup>	(10,286,414) <sup>(7)</sup>	(4,841,298) <sup>(8)</sup>	(130,348,918) <sup>(9)</sup>	(2,683,818)
Loss per common share basic <sup>(2)</sup>	(0.39)	(0.13)	(0.15)	(0.33)	(0.21)	(0.10)	(2.53)	(0.03)
Loss per common share diluted <sup>(2)</sup>	(0.39)	(0.13)	(0.15)	(0.33)	(0.21)	(0.10)	(2.53)	(0.03)

- (1) Total revenue consists of net investment gains (losses), interest income and dividend income.
- (2) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.
- (3) Increase of net loss and comprehensive loss from prior quarter primarily driven by an impairment loss on investment in New Found of \$19,562,087 recognized in the current quarter with no such loss recognized in the prior quarter, offset by an increase in deferred income tax recovery of \$2,882,621 and higher investment gains recognized in the current quarter whereas investment gains increased by \$3,184,878 in the current period compared to prior period.
- (4) Decrease of net loss and comprehensive loss from prior quarter primarily driven by a decrease in net investment losses of \$2,578,969, offset by an increase in loss from equity investment of \$1,884,120.
- (5) Decrease of net loss and comprehensive loss from prior quarter primarily driven by a decrease in stock-based compensation of \$9,548,058, a decrease in loss from equity investment of \$1,132,361, and an increase in deferred income tax recovery of \$449,334, offset by an increase in net investment losses of \$2,414,340.
- (6) Increase of net loss and comprehensive loss from prior quarter primarily driven by an increase in stock-based compensation of \$9,548,058, offset by a decrease in net investment losses of \$2,866,164 and a decrease in loss from equity investment of \$1,336,594.
- (7) Increase of net loss and comprehensive loss from prior quarter primarily driven by an increase in net investment losses of \$1,646,699, an increase in loss on equity investment in New Found of \$1,519,806, and a decrease in deferred income tax recovery of \$2,012,079.
- (8) Decrease of net loss and comprehensive loss from prior quarter primarily driven by an impairment loss on investment in New Found of \$136,843,921 recognized in the prior quarter with no such loss recognized in the current quarter, offset by a corresponding decrease in deferred income tax recovery of \$41,840,759, and higher investment losses recognized in the comparative quarter whereas investment losses decreased by \$28,858,848 in the current period compared to prior period.
- (9) Increase of net loss and comprehensive loss from prior quarter primarily driven by an impairment loss on investment in New Found of \$136,843,921 recognized in the current quarter with no impairment losses recognized in the first quarter of 2022, net investment losses of \$33,096,629 recognized in the current quarter compared to \$3,108,548 in net investment losses recognized in the first quarter of 2022, offset by a gain on deconsolidation of Godzilla of \$2,670,118 recognized in the comparative quarter with no such gain recognized in the current period.

## **Liquidity and Capital Resources**

As at December 31, 2023, the Company had cash of \$838,113 and current assets of \$8,581,434 to settle current liabilities of \$73,874, all of which is comprised of accounts payable and accrued liabilities that are due within one year of the statement of financial position.

The Company relies upon various sources of funds for its ongoing operating and investing activities. These sources include proceeds from dispositions of investments, interest and dividend income from investments and capital raising activities such as equity financings.

As at December 31, 2023, the Company had working capital of \$8,507,560 consisting primarily of cash and cash equivalents, and investments. The Company has adequate working capital to fund its expected operating and investing activities through the next twelve months. The Company does not have bank debt or banking credit facilities in place as at the date of this report.

## **Outstanding Share Data**

As at December 31, 2023, there were 48,003,977 common shares issued and outstanding. As at the date of this report, there were 47,903,977 common shares issued and outstanding.

As at December 31, 2023, there were 4,201,000 stock options and 356,983 warrants outstanding. As at the date of this report, there were 4,201,000 stock options and 356,983 warrants outstanding.

### *Stock Option Plan*

The Company has a share purchase option compensation plan that allows it to grant share purchase options to its officers, directors, employee and service providers based on the maximum number of eligible shares not exceeding 10% in the aggregate of the Company's outstanding common shares at the time of grant.

## **Related Party Transactions**

All transactions with related parties have occurred in the normal course of operations and on terms and conditions that are similar to those of transactions with unrelated parties and are measured at the amount of consideration paid or received. A summary of the Company's related party transactions is as follows:

### *Disposition of Investments*

There were no sales of investments to related parties during the year ended December 31, 2023.

During the year ended December 31, 2022, 26,593 shares of Silver Bullion SG with a fair value of \$3,000,000 were sold to the Company's Chief Executive Officer, Collin Kettell, for gross proceeds of \$3,000,000. In addition, the Company sold shares of other private company investments with an aggregate fair value of \$4,912,139 to Collin Kettell for gross proceeds of \$4,912,139.

There are no ongoing contractual commitments resulting from these transactions with related parties.

### *Key management personnel compensation*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, or companies owned or controlled by them.

**Palisades Goldcorp Ltd.**

## Management's Discussion and Analysis

For the years ended December 31, 2023 and 2022

<b>Year ended December 31, 2023</b>	<b>Position</b>	<b>Salaries and Consulting \$</b>	<b>Bonus \$</b>	<b>Share-based compensation \$</b>	<b>Total \$</b>
	Chairman and Chief				
Collin Kettell	Executive Officer	330,000	82,500	6,875,238	7,287,738
Bassam Moubarak	Chief Financial Officer	270,000	67,500	2,386,446	2,723,946
Gregor Gregersen	Non-executive director	72,000	-	95,458	167,458
Elizabeth Harrison	Non-executive director	72,000	-	95,458	167,458
William Hayden	Non-executive director	72,000	-	95,458	167,458
<b>Total</b>		<b>816,000</b>	<b>150,000</b>	<b>9,548,058</b>	<b>10,514,058</b>

<b>Year ended December 31, 2022</b>	<b>Position</b>	<b>Salaries and Consulting \$</b>	<b>Bonus \$</b>	<b>Share-based compensation \$</b>	<b>Total \$</b>
	Chairman and Chief				
Collin Kettell	Executive Officer	330,000	-	-	330,000
Bassam Moubarak	Chief Financial Officer	270,000	-	-	270,000
Gregor Gregersen	Non-executive director	72,000	-	-	72,000
Elizabeth Harrison	Non-executive director	72,000	-	-	72,000
William Hayden	Non-executive director	72,000	-	-	72,000
<b>Total</b>		<b>816,000</b>	<b>-</b>	<b>-</b>	<b>816,000</b>

Under the terms of their management agreements, certain officers of the Company are entitled to 24 months of base pay in the event of their agreements being terminated without cause.

At December 31, 2023, there was \$1,970 payable to Collin Kettell for expense reimbursements included in accounts payable and accrued liabilities (December 31, 2022 - \$Nil).

On February 1, 2023, the Company granted 4,201,000 stock options to directors and officers with an exercise price of \$4.20 per share for a period of five years. The options vested immediately.

**Contingent Liability**

On November 15, 2019, ThreeD Capital Inc. ("ThreeD") and 1313366 Ontario Inc. ("131" and together with ThreeD, the "Plaintiffs") each entered into share purchase agreements (the "Share Purchase Agreements") with the Company under which the Company agreed to purchase the 13,500,000 Common Shares of New Found owned by ThreeD and the 4,000,000 Common Shares of New Found owned by 131 for \$0.08 per Common Share. The transactions closed on November 20, 2019. On March 10, 2020, ThreeD Capital Inc. and 131 filed a statement of claim in the Ontario Superior Court of Justice against Collin Kettell, New Found and the Company (the "ThreeD Claim"). Mr. Kettell is a Chairman and Chief Executive Officer of both the Company and New Found. Pursuant to the ThreeD Claim, the Plaintiffs are challenging the validity of the sale of 17,500,000 Common Shares by the Plaintiffs to the Company on November 20, 2019.

ThreeD and 131 claim that at the time of negotiation and execution of the Share Purchase Agreements, the Company and Mr. Kettell were aware of positive drill results from New Found's 2019 Drill Program and the results were not disclosed to ThreeD and 131 to their detriment. The Company and Mr. Kettell strongly deny ThreeD and 131's allegations. ThreeD and 131 have made specific claims for (a) rescission of the Share Purchase Agreements on the basis of oppression or unfair prejudice; (b) or alternatively, damages in the amount of \$21,000,000 for the alleged improper actions by Mr. Kettell and the Company, (c) a declaration that the Company and Collin Kettell, as shareholder or director and/or officer of New Found, have had acted in a manner that is oppressive, unfairly prejudicial or unfairly disregarded their interests, (d) a declaration that the Company and Collin Kettell engaged in insider trading contrary to section 138 of the *Securities*

## **Palisades Goldcorp Ltd.**

### Management's Discussion and Analysis

For the years ended December 31, 2023 and 2022

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*Act* (Ontario), (e) unjust enrichment and (f) interests and costs. The Company and Mr. Kettell refute each of the specific claims made by the Plaintiffs.

The Company filed a statement of defence in response to the ThreeD Claim on June 12, 2020, pursuant to which, among other things, the Company denies that it is a proper party to the ThreeD Claim and the allegations against it therein, including because no relief is claimed against the Company in paragraph 1 of the ThreeD Claim.

The action has now progressed through the production of documents and oral examinations for discovery stages.

In early 2022, the Plaintiffs formally amended their statement of claim to increase the amount claimed to \$229,000,000 and to advance a direct claim of oppressive conduct against the Company. While continuing to deny any and all liability to the Plaintiffs, the Company has amended its defence to include specific denials of the new allegations of oppressive conduct against it. The parties completed an additional round of examinations for discovery in January 2023, following which the plaintiffs set the action down for trial. The parties had a mediation meeting on October 3, 2023, but were unable to settle the case. A trial date has been set for January 2025.

The outcome of this claim cannot be determined at this time and therefore no amount has been accrued for.

## **Risks and Uncertainties**

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist. The Company is in the business of acquiring equity participation in pre-IPO and early stage public resource companies with undeveloped or undervalued high quality projects. The Company's investing activities are, by their nature, subject to a number of inherent risks, including liquidity, market, interest rate, currency, commodity and credit risks associated with financial instruments, all of which can have a significant impact on the Company's financial condition and results of operations. The Company is also exposed to a number of risks and uncertainties that are common to resource exploration companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks.

### **Risks Relating to the Company**

#### *Changes in commodity prices*

The net asset value of the Company's portfolio of investments will be significantly affected by changes in the market price of commodities, and as a result, fluctuations in the price of commodities, and in particular, the price of gold, may cause significant changes to the price of the Company's shares. The price of gold and other commodities fluctuate daily and are affected by factors beyond the control of Palisades, including levels of supply and demand and industrial development, inflation and interest rates, global currency prices, geo-political events and global health pandemics. External economic factors that affect commodity prices can be influenced by changes in international investment patterns, monetary systems and political developments.

A decline in commodity prices could cause a corresponding decline in the net asset value of the Company's portfolio and the price of its shares, which may have an adverse effect on the Company's investors.

All commodities, by their nature, are subject to wide price fluctuations, and future material commodity price declines will result in a decrease in revenue for producers of such commodities and may cause a suspension or termination of production by such producers, which would, in the event such producers form part of Company's portfolio of investments, likely result in a loss of the net asset value of the Company's portfolio. Even if Company's portfolio contains a diversified base of commodity issuers, commodity markets have historically been cyclical and a general downturn in commodity prices could result in a significant decrease in the value of the Company's portfolio.

*No control over mining operations*

The Company is not directly involved in the operation of the mines owned and operated by the entities in which the Company holds an interest (the "Mining Operations"). As such, the net asset value of the Company's portfolio will be dependent on the decisions, actions and operations of third-party mine owners and operators. These owners and operators generally will have the power to determine the way a property is exploited, including decisions to expand, continue or reduce or suspend or discontinue production from a property, decisions about the marketing of products extracted from the property and decisions to advance exploration efforts and conduct development of a non-producing property. The interests of third-party mine owners and operators and those of the Company in respect of a relevant project or property may not always be aligned. The inability of the Company to control the operations of entities in which it holds an interest may result in a material adverse effect on the net asset value of the Company's portfolio and its financial condition. In addition, the mine owners or operators may take action contrary to policies or objectives of the Company; have difficulty obtaining or be unable to obtain the financing necessary to move projects forward; or experience financial, operational or other difficulties, including insolvency which, in each case, may have a material adverse effect on the Company.

The Company is also subject to the risk that a specific mine or project may be put on care and maintenance or have its operations suspended, on both a temporary or permanent basis.

Issuers in which the Company holds an interest from time to time may announce transactions, including the sale or transfer of the projects the issuer holds or the issuer itself, over which the Company has no control. If such transactions are completed, there is no guarantee that the transaction will be beneficial to the Company. If any such transaction is announced, there is no certainty that such transaction will be completed, or completed as announced, and any consequences of such non-completion on the Company may be difficult or impossible to predict.

The Company is subject to the risk that Mining Operations may shut down on a temporary or permanent basis due to issues including but not limited to economic conditions, lack of financial capital, flooding, fire, weather related events, mechanical malfunctions, community or social related issues, social unrest, the failure to receive permits or having existing permits revoked, collapse of mining infrastructure, including tailings ponds, expropriation and other risks.

These issues are common in the mining industry and can occur frequently. There is a risk that the carrying values of the Company's assets may not be recoverable if Mining Operations or the operators or owners of the mining operations experience any of these issues.

The exact effect on a particular issuer or mining operation of the occurrence of any of these issues cannot be predicted, but such issues may result in the Mining Operations becoming uneconomic resulting in their shutdown and closure, which may have a material and adverse effect on the Company.

*No guaranteed return*

The Company's investments in securities of public entities are subject to volatility in the share prices of such entities. There can be no assurance that an active trading market for any of the subject securities is sustainable. The trading prices of the subject securities could be subject to wide fluctuations in response to various factors beyond our control, including, quarterly variations in the subject entities' results of operations, changes in earnings (if any), estimates by analysts, conditions in the industry of the subject companies and general market or economic conditions.

In recent years, equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific entities. Such market fluctuations could adversely affect the market price of our investments. There is no guarantee the Company's investments will earn any positive return in the short term or long term. The Company may never earn any return on its investment and may lose its entire investment. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. Our past performance provides no assurance of our future success.

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#### *Third-party reporting*

As the holder of an equity interest, the Company may have limited access to data on the operations of an issuer or to the actual underlying properties held by any such issuer. This limited access to data or disclosure regarding operations could affect the ability of Palisades to evaluate the prospects of its investments, which could result in losses in the Company's portfolio, short term fluctuations in the value of our investments or missed investment opportunities, each of which could materially and adversely affect the Company.

#### *Non-controlling interest*

The Company investments include equity securities of entities that the Company does not control. These securities may be acquired by the Company in the secondary market or through purchases of securities from the issuer. Any such investment is subject to the risk that the entity in which the investment is made may make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the issuer may take risks or otherwise act in a manner that does not serve our interests. If any of the foregoing were to occur, the value of the Company's investments could decrease and the financial condition could materially suffer as a result.

#### *Strategy for acquisitions*

As Palisades executes on its business plan, it intends to acquire interests in additional third parties or further its position in entities in which the Company already holds interest in. The Company cannot offer any assurance that it will be able to complete any acquisition or proposed business transactions on favourable terms or at all, or that any completed acquisitions or proposed transactions will benefit the Company. In addition, any such acquisition or other transaction may have other transaction specific risks associated with it, including risks related to the completion of the transaction, the project operators or the jurisdictions in which assets may be acquired. Additionally, the Company may from time to time consider opportunities to restructure its equity investments where it believes such a restructuring may provide a long-term benefit to the Company, even if such restructuring may reduce near-term value or result in the Company incurring transaction related costs.

#### *Due diligence*

The due diligence process that the Company undertakes in connection with its investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Company conducts due diligence that the Company deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company relies on the resources available to the Company, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigations with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment ultimately being successful for the Company. In the event that our due diligence process does not reveal material issues with respect to a proposed investment, and the Company proceeds with the investment, the investment may not be beneficial to us and the Company could lose its entire investment.

#### *Private issuers and illiquid securities*

From time to time, the Company may invest in private issuers whose securities do not trade on any public exchange. Investments in private issuers are subject to numerous re-sale restrictions and there may not be any market for these securities. These limitations may impair our ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments and do not represent a readily available source of capital for us.

Investments in private issuers may offer relatively high potential returns but will also be subject to a relatively high degree of risk. There can be no assurance that a market will develop for any of our private company investments or

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that we will otherwise be able to realize a return on such investments.

The value attributed to securities of a private issuer (which is typically initially recorded at the transaction value, being the fair value at the time of acquisition, and is thereafter subject to adjustment in accordance with our accounting policies) may not reflect the amount for which they can be sold. Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within a short period of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed for the investments, and such determined fair value could be higher than the value the market ultimately ascribes to such investments.

The Company also holds illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time we are able to do so, and the value of such securities could materially decline during such period. Illiquid investments are subject to various risks, particularly the risk that we will be unable to realize our investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit from the investment. In some cases, the Company may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities, which could materially and adversely affect our ability to profitably liquidate such investments.

The Company may also make direct investments in publicly-traded securities that have low trading volumes. Accordingly, it may be difficult for us to make trades in these securities without adversely affecting the price of such securities, which could harm the profitability of our investment in such securities.

#### *Change in material investments*

From time to time the Company may make investments that are disproportionately material to the Company's portfolio. As of the date of this MD&A, the Company's success is largely dependent on its investment in New Found Gold. Any adverse development affecting the operation of, production from or recoverability of mineral reserves from the properties owned or operated by New Found Gold, or other issuers in which we have a material investment, such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage or the inability to secure supply agreements on commercially suitable terms, may have a material adverse effect on the net asset value of Palisades' portfolio and the financial condition of Palisades.

#### *Negative cash flow from operating activities*

The Company had negative cash flow from operating activities during its most recently completed financial year. The mining Operations are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration programs with respect to the Mining Operations are exploratory in nature. There is no assurance that any of the Mining Operations will generate earnings, operate profitably or provide a return on the Company's investment in the future. Accordingly, the Company may continue to operate at a loss and may be required to obtain additional financing in order to meet its future cash commitments.

#### *Dependence on key personnel*

Palisades is dependent on the services of a small number of key management personnel. The ability of Palisades to manage its activities and its business will depend in large part on the efforts of these individuals. There can be no assurance that Palisades will be successful in engaging or retaining key personnel. The loss of the services of a member of the management of Palisades could have a material adverse effect on the Company. From time to time, Palisades may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. The number of persons skilled in the acquisition of equity investments in entities that own or operate mines or mineral properties is limited and competition for such persons is intense. Recruiting and retaining qualified personnel is critical to the success of Palisades and there can be no assurance that Palisades will be successful in recruiting and retaining the personnel it needs to successfully operate its business. If Palisades is not successful in attracting and retaining qualified personnel, the ability of Palisades to execute on its business model and strategy could



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be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

#### *Conflicts of interest*

As part of the Company's business plan, from time to time, the Company may invest in issuers with which its directors and officers are affiliated, whether as directors, officers, promoters, founders, significant shareholders or otherwise. Further, most of the Company's directors and officers do not devote their full time to the affairs of the Company and also serve as directors or officers of other public companies.

In such instances, there exists the possibility for such directors and officers to be in a position where there is a conflict of interest between their personal interests or their duties to such other issuer, and their duties to the Company. For example, Collin Kettell, CEO and director of Palisades, is the Founder, CEO and Executive Chairman of New Found Gold, in which the Company has made a substantial investment. Mr. Moubarak, CFO of Palisades, also provides consulting services to New Found Gold through BM Strategic. Such conflicts of interest may compromise the Company's ability to exit certain investments, or engage in new investment opportunities, which may result in a material adverse effect on the net asset value of our investment portfolio or our financial condition.

#### *Global financial conditions*

Events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mining industry, have been and continue to be impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market confidence and liquidity. A slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and the net asset value of our portfolio.

A number of issues related to economic conditions could have a material adverse effect on our business, financial condition and the net asset value of our portfolio, including: (a) contraction in credit markets could impact the cost and availability of financing for the Company and the issuers the Company invests in and the Company's and their overall liquidity; (b) the volatility of commodity prices impacts the revenues, profits, losses and cash flow of the issuers that the Company invests in and, consequently, the net asset value of the Company's portfolio and its financial condition; (c) recessionary pressures could adversely impact demand for metal production, which could adversely affect the net asset value of the Company's portfolio and its financial condition; (d) volatile energy, commodity and consumables prices and currency exchange rates could impact the production costs of the issuers that the Company invests in, and consequently, the net asset value of the Company's portfolio and its financial condition; and (e) the devaluation and volatility of global stock markets could impact the valuation of the Company's equity and other securities and potentially limit the ability to complete offerings of the Company's securities.

#### *Inflation*

The operating costs of the issuers we invest in could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices and additional government intervention through stimulus spending or additional regulations and any inability to manage these costs may impact, among other things, future development decisions, which could have a material adverse impact on such issuer's financial performance and ultimately adversely impact the financial condition of Palisades.

#### *Natural disasters, terrorist acts, civil unrest, pandemics and other disruptions*

Natural disasters, terrorist acts, civil unrest, pandemics and other disruptions, including global response to such events as it relates to sanctions, quarantines, trade embargos and military support, may adversely affect Palisades or the issuers in which the Company invests. Upon the occurrence of a natural disaster, or upon commencement of war, riot or civil unrest, the impacted country, province, state or region may not efficiently and quickly recover from such event, which could have a material adverse effect on Palisades to the extent that Palisades has invested in issuers with

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investments in such country, province, state or region. Terrorist attacks, public health crises, including epidemics, pandemics or outbreaks of new infectious disease or viruses, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, natural disasters, national emergencies, acts of war, technological attacks and related events can result in volatility and disruption to local and global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to Palisades and/or its investments, all of which may have a material adverse effect on the net asset value of Palisades' portfolio, Palisades' financial condition and the price of Palisades' shares.

#### *Future financing; future securities issuances*

There can be no assurance that Palisades will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could impede Palisades' investment strategy or result in delay or postponement of Palisades' business activities, which may result in a material and adverse effect on Palisades' financial condition, the value of its portfolio or the price of its shares. Palisades may require new capital to continue to grow its business and there are no assurances that capital will be available when needed, if at all. In the event that Palisades is required to raise additional capital through issuance of its shares, or securities convertible into or exchangeable for its shares, such issuance will result in dilution to existing shareholders.

#### *Litigation affecting properties owned by entities in which Palisades has an interest in*

Potential litigation may arise on a mine or mineral property owned or operated by an entity in which Palisades holds an interest (for example, litigation between joint venture partners or between operators and original property owners or neighbouring property owners). Palisades will not generally have any influence on the litigation and will not generally have access to data or information regarding the litigation. Any such litigation that results in the cessation or reduction of production from a property (whether temporary or permanent) could have a material and adverse effect on the net asset value of Palisades' portfolio, its financial condition and the price of Palisades' shares.

#### *Changes in tax laws impacting Palisades*

There can be no assurance that new tax laws, regulations, policies or interpretations will not be enacted or brought into being in the jurisdictions in which Palisades operates or in the jurisdictions of the mines and mineral properties owned or operated by entities in which Palisades has an interest, in each case which could have a material adverse effect on Palisades. Additionally, no assurance can be given that existing taxation rules will not be applied in a manner which could result in Palisades being subject to additional taxation or which could otherwise have a material adverse effect on the net asset value of Palisades' portfolio or its financial condition. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make equity investments or other investments by Palisades less attractive to counterparties. Such changes could adversely affect the ability of Palisades to acquire new assets or make future investments.

#### *Information systems and cyber security*

Palisades' information systems (including those of any of its counterparties) may be vulnerable to the increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to these systems or Palisades' information through fraud or other means of deception. Palisades' operations depend, in part, on how well Palisades (as well as its counterparties) protect networks, equipment, information technology systems and software against damage from threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact Palisades' reputation and financial condition. Although to date Palisades has not experienced any losses relating to cyber-attacks or other information security breaches, there can be no assurance that Palisades or its counterparties will not incur such losses in the future. Palisades' risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain an area of attention.

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#### *Activist shareholders*

Publicly traded companies are often subject to demands or publicity campaigns from activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There can be no assurance that Palisades will not be subject to any such campaign, including proxy contests, media campaigns or other activities. Responding to challenges from activist shareholders can be costly and time consuming and may have an adverse effect on Palisades' reputation.

In addition, responding to such campaigns would likely divert the attention and resources of Palisades' management and Board, which could have an adverse effect on Palisades' business and results of operations. Even if Palisades were to undertake changes or actions in response to activism, activist shareholders may continue to promote or attempt to effect further changes and may attempt to acquire control of Palisades. If shareholder activists are ultimately elected to the Board, this could adversely affect Palisades' business and future operations. This type of activism can also create uncertainty about Palisades' future strategic direction, resulting in loss of future business opportunities, which could adversely affect Palisades' business, future operations, profitability and Palisades' ability to attract and retain qualified personnel.

#### *Reputation damage*

Reputational damage can be the result of the actual or perceived occurrence of any number of events, and could include negative publicity, whether true or not. While Palisades does not ultimately have direct control over how it is perceived by others, reputational loss could have a material adverse impact on our financial performance, financial condition and growth prospects.

#### *Expansion of business model*

Palisades' business has been focused on the acquisition and management of interests in entities that own or operate mines and mineral properties. However, Palisades may pursue acquisitions outside this area, including, without limitation, engaging in stream financing or engaging in investments in mining services businesses. Expansion of Palisades' activities into new areas would present challenges and risks that it has not faced in the past. The failure to manage these challenges and risks successfully may result in a material and adverse effect on Palisades' results of operations, financial condition and the price of Palisades' Common Shares.

## **Risks Related to Mines and Mining Operations**

#### *Risk factors applicable to entities in which Palisades holds an interest*

Palisades will be subject to many of the same risk factors applicable to the owners and operators of any mine as a result of its junior mining investment portfolio. In the event that any of these risks should materialize, the value of Palisades' investment portfolio, its financial condition and/or the price of its shares may be materially and adversely affected.

#### *Exploration, development and operating risks*

Mining involves a high degree of risk. Mines and projects owned and operated by entities in which Palisades has or may acquire an equity interest are subject to all of the hazards and risks normally encountered in the exploration, development and production of metals, including weather-related events, unusual and unexpected geology formations, seismic activity, rock bursts, cave-ins, pit-wall failures, flooding, environmental hazards and the discharge of toxic chemicals, explosions and other conditions involved in the drilling, blasting and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to property, injury or loss of life, environmental damage, work stoppages, delays in production, increased production costs and possible legal liability. Any of these hazards and risks and other acts of God could shut down Mining Operations temporarily or permanently. Mining Operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability for the owners or operators of the Mining Operations.

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The exploration for, development, mining and processing of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines.

Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the owners or operators of Mining Operations will result in profitable commercial Mining Operations. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: cash costs associated with extraction and processing, the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; and political stability. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in one or more of the Mining Operations not receiving an adequate return on invested capital. Accordingly, there can be no assurance the Mining Operations which are not currently in production will be brought into a state of commercial production.

#### *Climate Change*

Climate change legislation and treaties are being introduced more frequently by governments globally. Regulation in respect of emission levels and the efficient use of energy is becoming more stringent. Continuation of the current regulatory trend in respect of climate change could have the impact of increasing costs at those mines and mineral properties owned and operated by entities in which Palisades has an interest. Climate change could produce adverse impacts to underlying Mining Operations through the disruption of Mining Operations and their associated resource supply lines because of extreme weather events and natural disasters. There can be no assurance that efforts to mitigate risks from climate change can be effective and that physical risks resulting from climate change will not have an adverse impact on Mining Operations.

#### *Environmental Risks*

All phases of mine operation or development are subject to governmental regulation including environmental regulation in the various jurisdictions in which they operate. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the mines and mineral properties owned or operated by entities in which Palisades has an interest. Also, unknown environmental hazards may exist on the properties at present which were caused by previous or existing owners or operators of the properties and which could impair the commercial success, levels of production and continued feasibility and project development and mining operations on these properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

#### *Government regulation, permits and authorizations*

The exploration and development activities related to mine operations are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupational health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing specific mine operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with

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compliance with such laws and regulations could become such that the owners or operators of mines or projects would not proceed with the development of, or continue to operate, a mine. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder and claims for damages to property and persons resulting from mining operations could result in substantial costs and liabilities for the owners or operators of mines or projects in the future such that they would not proceed with the development of, or continue to operate, a mine.

Government approvals, licences and permits are currently, and will in the future be, required in connection with Mining Operations. To the extent such approvals are required and not obtained, Mining Operations may be curtailed or prohibited from proceeding with planned operations, which could have an impact on the business and financial condition of Palisades. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Mining Operations, resulting in increased capital expenditures or production costs, reduced levels of production at producing properties or abandonment or delays in development of properties.

#### *Permitting and access*

The operation of a mine or project is subject to receipt and maintenance of permits from appropriate governmental authorities. The mines and projects owned or operated by entities in which Palisades has an interest may be subject to delays in connection with obtaining access to the property and all necessary renewals of permits for existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of these properties, permits from appropriate governmental authorities may be required. There can be no assurance that the owners or operators of the mines or projects will continue to hold all permits necessary to develop or continue operating at any particular property.

#### *Infrastructure*

Natural resource exploration, development and mining activities are dependent on the availability of mining, drilling and related equipment in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment to the owners and operators of mines or projects and may delay exploration, development or extraction activities. Certain equipment may not be immediately available or may require long lead time orders. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration, development or production at a mine or project. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect operations at a mine or project.

#### *Dependence on operator's employees*

Production from the properties owned or operated by entities in which Palisades holds an interest depends on the efforts of operators' employees. There is competition for persons with mining expertise. The ability of the owners and operators of such properties to hire and retain geologists and persons with mining expertise is key to those operations. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in the jurisdictions in which those operations are conducted. Changes in such legislation or otherwise in the relationships of the owners and operators of such properties with their employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on such operations.

If these factors cause the owners and operators of such properties to decide to cease production at one or more of the properties, such decision could have a material adverse effect on the business and financial condition of Palisades.

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#### *Risks related to mineral reserves and resources*

The mineral reserves and resources on properties owned by entities that Palisades holds or may hold an interest in are estimates only, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of minerals will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted by the owners or operators of the properties. Further, it may take many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change. Market price fluctuations of commodities, as well as increased production and capital costs or reduced recovery rates, may render the proven and probable reserves on properties owned and operated by entities in which Palisades holds an interest unprofitable to develop at a particular site or sites for periods of time or may render reserves containing relatively lower grade mineralization uneconomic. Moreover, short-term operating factors relating to the reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause reserves to be reduced or not extracted. Estimated reserves may have to be recalculated based on actual production experience. The economic viability of a mineral deposit may also be impacted by other attributes of a particular deposit, such as size, grade and proximity to infrastructure; by governmental regulations and policy relating to price, taxes, royalties, land tenure, land use permitting, the import and export of minerals and environmental protection; and by political and economic stability.

Resource estimates in particular must be considered with caution. Resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill holes or other limited information, which is not necessarily indicative of the conditions between and around drill holes. Such resource estimates may require revision as more drilling or other exploration information becomes available or as actual production experience is gained. Further, resources may not have demonstrated economic viability and may never be extracted by the operator of a property.

It should not be assumed that any part or all of the mineral resources on properties owned or operated by entities in which Palisades holds or may hold an interest in constitute or will be converted into reserves. Any of the foregoing factors may require operators to reduce their reserves and resources, which may have a material adverse effect on Palisades' business, results of operations and financial condition.

#### *Depleted mineral reserve replacement*

A mining company operating a specific mine will be required to replace and expand mineral reserves depleted by a mine's production to maintain production levels over a long-term. It is possible to replace depleted mineral reserves by expanding known ore bodies through exploration, locating new deposits or acquiring new mines or projects. Mineral exploration is highly speculative in nature. It can take several years to develop a potential site of mineralization. There is no assurance that current or future exploration programs conducted by mining issuers in which Palisades holds an interest will be successful in replacing mining depletion. There is a risk that the depletion of mineral reserves owned by issuers in which Palisades holds an interest will not be replenished by discoveries or acquisitions, which, over time, could reduce the value of Palisades' investment portfolio.

#### *Uninsured risks*

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. Mining companies may or may not maintain insurance in adequate amounts, including insurance for workers' compensation, theft, general liability, all risk property, automobile, directors and officer's liability and fiduciary liability and others. Such insurance, however, contains exclusions and limitations on coverage. Accordingly, a mining company's insurance policies may not provide coverage for all losses related to their business (and may not cover environmental liabilities and losses). The occurrence of losses, liabilities or damage not covered by such insurance policies could have a material adverse effect on the mining companies' profitability, results of operations and financial condition.

#### *Land title*

Although title to specific mines or projects may have been reviewed by or on behalf of Palisades in connection with its investment, no assurances can be given that there are no title defects affecting the properties and mineral claims owned or used by specific mines or projects. Companies may not have conducted surveys of the claims in which they hold direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. It is possible that a specific mine or project may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, mining companies may be unable to operate the specific mine or project as permitted or to enforce their rights with respect to that specific mine or project which may ultimately impair the value of Palisades' investment in such mining companies.

#### *First Nations land claims*

Certain mines or mineral properties owned and operated by entities in which the Company has an interest may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. Additional uncertainty has arisen due to the decision of the Supreme Court of Canada in *Tsilhqot'in Nation v. British Columbia* (2014 SCC 44), which recognized the Tsilhqot'in Nation as holding aboriginal title to approximately 1,900 square kilometres of territory in the interior of British Columbia. This decision represents the first successful claim for aboriginal title in Canada and may lead other First Nations in British Columbia to pursue aboriginal title in their traditional land-use areas.

The impact of any such claim on the mineral properties of entities in which the Company has an interest cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights, by way of negotiated settlements or judicial pronouncements, affecting issuers in which the Company has an interest would not have an adverse effect on the value of the Company's investment portfolio or financial condition.

In addition, there is no assurance that any such issuer will be able to maintain practical working relationships with First Nations.

#### *Indigenous peoples*

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. Palisades holds interests in entities that own and operate mines or mineral properties located in areas presently or previously inhabited or used by indigenous peoples. There may be certain obligations on the government to consult with indigenous people regarding actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. From time to time, Palisades may hold interests in entities with properties that are subject to the opposition of one or more groups of indigenous people who oppose the operation, further development, or new development on such project. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the Company or the owner/operators' activities.

Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous people. Claims and protests of indigenous people may disrupt or delay activities of the owners/operators of Palisades' equity interest.

#### *International interests*

The Company may from time to time make investments in entities with projects or properties located outside of Canada, and could be exposed to political, economic or other risks or uncertainties as a result. These types of risks or uncertainties may differ between countries and can include but are not limited to, terrorism, hostage taking, military repression, crime, political instability, currency controls, fluctuations in currency exchange rates, inflation rates, labour unrest, risk of war or civil unrest, expropriation and nationalization, renegotiation or nullification of mining or mineral concessions, licenses, permits, authorizations and contracts, illegal mining or mineral exploration, taxation

## **Palisades Goldcorp Ltd.**

### Management's Discussion and Analysis

For the years ended December 31, 2023 and 2022

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changes, modifications, amendments or changes to mining and mineral laws, regulations, policies, and changes to government regulations in respect of foreign investment and mining.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the operations or profitability of the Mining Operations in these countries. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety and the rewarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation, cancellation or dispute of licenses or entitlements which could result in substantial costs, losses and liabilities in the future.

The occurrence of these various factors and uncertainties related to the economic and political risks for operations in foreign jurisdictions cannot be accurately predicted and could have an adverse effect on the Mining Operations resulting in substantial costs, losses and liabilities in the future.

#### *Permitting, construction and development*

Palisades may hold interests in entities with mines and projects that may be in various stages of permitting, construction, development and expansion. Construction, development and expansion of such mines or projects is subject to numerous risks, including, but not limited to: delays in obtaining equipment, materials, and services essential to completing construction of such projects in a timely manner; delays or inability to obtain all required permits; changes in environmental or other government regulations; currency exchange rates; labour shortages; and fluctuation in metal prices. There can be no assurance that the owners or operators of such mines or projects will have the financial, technical and operational resources to complete the permitting, construction, development and expansion of such mines or projects in accordance with current expectations or at all.

## **Material Accounting Policies**

Refer to the most recent annual consolidated financial statements for description of accounting policies used by the Company. There have been no changes in accounting policies since December 31, 2022.

### **Critical accounting judgments, estimates and assumptions**

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the consolidated financial statements are as follows:

(i) Determination of fair values

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements. The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair



## **Palisades Goldcorp Ltd.**

### **Management's Discussion and Analysis**

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value is measured or disclosed in the consolidated financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring or disclosing the fair value, and to provide additional disclosure in connection therewith.

#### 1) Publicly-traded investments (i.e., securities of issuers that are public companies)

Securities including shares, options, warrants which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted bid prices at the statement of financial position dates or the closing trade price on the last day the security traded if there were no trades at the statement of financial position dates.

Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 10%. In determining the discount for such investments, the Company considers the nature and length of the restriction. For options and warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, an option pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value.

#### 2) Private company investments (securities of issuers that are not public companies)

All privately-held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may be adjusted using one or more of the valuation indicators described below. These are included in Level 3 in Note 5 to the Company's consolidated financial statements for the years ended December 31, 2023 and 2022. Options and warrants of private companies are valued using an option pricing model when there are sufficient and reliable observable market inputs; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments. The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed.

##### (ii) Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

##### (iii) Business combinations versus asset acquisition

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require the Company to make certain judgements as to whether or not the assets acquired and liabilities assumed include the inputs, substantive processes, and outputs necessary to constitute a business as defined in IFRS 3 – Business Combinations.

Based on assessments of the relevant facts and circumstances, the Company concluded that the acquisition in Note 4 to the Company's consolidated financial statements did not meet the criteria of a business combination; therefore, the transactions were accounted for as asset acquisitions.

## **Palisades Goldcorp Ltd.**

### Management's Discussion and Analysis

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(iv) Determination of whether the Company has control of subsidiaries, joint control of joint arrangements or significant influence over investees

Determination of whether the Company has control of subsidiaries or joint control of joint arrangements requires an assessment of the activities of the investee that significantly affect the investee's returns, including strategic, operational and financing decision-making, appointment, remuneration and termination of the key management personnel and when decisions related to those activities are under the control of the Company or require unanimous consent from the investors.

(v) Impairment assessment for investments in associate

An associate is an entity over which the investor has significant influence but not control and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20%, if the Company has the power to participate in the financial and operating policy decisions affecting the entity. The Company's share of the net assets and net earnings or loss is accounted for in the consolidated financial statements using the equity method of accounting. Any distributions received from the associate reduce the carrying amount of the investment.

At each balance sheet date, management considers whether there is objective evidence of impairment in associates. The net investment in an associate is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment and that loss event or events have a negative impact on the estimated future cash flows from the net investment that can be reliably estimated. If there is such evidence, management determines the amount of impairment to record, if any, in relation to the associate.

Impairment write-downs recognized during the year are described in Note 8 to the Company's consolidated financial statements for the years ended December 31, 2023 and 2022.

(vi) Valuation of options granted

The fair value of share purchase options granted is determined at the issue date using the Black-Scholes option pricing model. The Black-Scholes model involves nine key inputs to determine the fair value of an option, which are: risk-free interest rate, exercise price, market price at the grant date, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. When estimating the market price of shares for purposes of the valuation of the stock options issued to directors and officers on February 1, 2023, management used the share market price right after completion of the initial public offering by the Company's on February 6, 2023 of \$3.50 per share as an estimate of the market price of shares as of February 1, 2023. In management's opinion, this price accurately reflects the market price of shares as of the option grant date as it is based on observable market data. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. These estimates impact the values of share-based compensation expense and reserves.

### **Initial application of standards, interpretations and amendments to standards and interpretations in the reporting period**

The IASB issued certain new accounting standards or amendments that are mandatory for accounting periods on or after January 1, 2023, including amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2, and IAS 8 Accounting Policies, Changes in Accounting Estimates. The effect of such new accounting standards or amendments did not have a material impact on the Company and therefore the Company did not record any adjustments to the consolidated financial statements.

### **New and amended IFRS standards not yet effective**

Certain new accounting standards or interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards and interpretations are not expected to have a material impact on the Company's consolidated financial statements.

### **Financial Risk Management**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is not exposed to significant credit risk on its cash and cash equivalents since they are placed with major financial institutions that have high credit ratings. The credit risk exposure of the Company's investments are represented by their values disclosed.

There have been no changes in management's methods for managing credit risk since December 31, 2022.

#### *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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company generates cash flow primarily from proceeds from the disposition of its investments and interest income. The Company invests in junior resource companies, which can at times be relatively illiquid. If the Company decides to dispose of securities of a particular issuer, it may not be able to do so at the time at favourable prices, or at all. Additionally, the amounts at which the Company's private company investments could be disposed of currently may differ from their carrying values since there is no active market to dispose of these investments. The Company has also relied on the issuance of shares to fund its activities and may require doing so again in the future.

There were no changes in management's methods for managing liquidity risk since December 31, 2022.

At December 31, 2023, the Company has \$73,874 (December 31, 2022 - \$178,309) in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

#### *Market risk*

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is focused on junior companies in the resource and mining sector. Changes in the future pricing and demand of these commodities can have a material impact on the market value of the investments. The nature of such investments is normally dependent on the invested company being able to raise additional capital to further development and to determine the commercial viability of its resource properties. The value of each investment is also influenced by the outlook of the issuer and by general economic and political conditions.

Management mitigates the risk of loss resulting from this concentration by monitoring the trading value of the investments on a regular basis. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value.

There were no changes in management's methods for managing market risk since December 31, 2022. The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer, although the Company's

## **Palisades Goldcorp Ltd.**

### Management's Discussion and Analysis

For the years ended December 31, 2023 and 2022

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investment activities are concentrated on junior companies in the resource and mining sector. The Company also requires approval from the board of directors for purchases of investments over a certain cost threshold. A 5% change in the future pricing and trading value of the Company's investments (with all other variables held constant) as at December 31, 2023, would change the value of investments with a corresponding change in total comprehensive (loss) income by \$386,230 (December 31, 2022 - \$902,493).

#### *(i) 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 risks.

#### *(ii) Foreign exchange risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company may have financial instruments denominated in foreign currencies such as the U.S. dollar and the Australian dollar. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of its financial instruments.

The Company does not hedge its exposure to fluctuations in foreign exchange rates.

There were no changes in management's methods for managing currency risk since December 31, 2022.

A 5% change in the exchange rate of the Company's investments held in foreign currencies relative to the Canadian dollar would change the value of investments with a corresponding change in total comprehensive (loss) income by \$980 (December 31, 2022 - \$63,504).

#### *Capital management*

The Company manages its cash and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technology and products and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company will require capital resources to carry its plans and operations through its current operating period. The Company is not subject to externally imposed capital requirements. There were no changes in management's approach to capital management during the year ended December 31, 2023.

## **Cautionary Notes Regarding Forward-Looking Statements**

This MD&A contains forward looking statements which reflect management's expectations regarding the Company's future growth, results from operations (including, without limitation, statements about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to; the Company's future business plans; expectations regarding the ability to raise further capital; the market price of gold; expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations; the

## **Palisades Goldcorp Ltd.**

### Management's Discussion and Analysis

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ability to retain and/or maintain any require permits, licenses or other necessary approvals for the exploration or development of its mineral properties; government regulation of mineral exploration and development operations; the Company's compensation policy and practices; the Company's expected reliance on key management personnel, advisors and consultants;

Forward-looking statements are not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, without limitation, assumptions about: the ability to raise any necessary additional capital on reasonable terms; future prices of gold and other metal prices; the timing and results of exploration and drilling programs; the demand for, and price of gold; that general business and economic conditions will not change in a material adverse manner; future currency exchange rates and interest rates; operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner; the Company's ability to attract and retain skilled personnel; political and regulatory stability; the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms; obtaining required renewals for existing approvals, licenses and permits on favourable terms; requirements under applicable laws; sustained labour stability; stability in financial and capital goods markets; availability of equipment.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements.

Such risks include, without limitation: the Company may fail to find a commercially viable deposit at any of its mineral properties; there are no resources or mineral reserves on any of the properties in which the Company has an interest; the Company's plans may be adversely affected by the Company's reliance on historical data compiled by previous parties involved with its mineral properties; mineral exploration and development are inherently risky; the mineral exploration industry is intensely competitive; additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company; fluctuations in the demand for gold; the Company may not be able to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business; the Company's exploration activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted; the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations; there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned; the Company faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company; public health crises may adversely impact the Company's business; the volatility of global capital markets over the past several years has generally made the raising of capital more difficult; compliance with environmental regulations can be costly; social and environmental activism can negatively impact exploration, development and mining activities; the success of the Company is largely dependent on the performance of its directors and officers; the Company's operations may be adversely affected by First Nations land claims; the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business; the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company; the Company's future profitability may depend upon the world market prices of gold; there is no existing public market for the Company's securities and an active and liquid one may never develop, which could impact the liquidity of the Company's securities; dilution from future equity financing could negatively impact holders of the Company's securities; failure to adequately meet infrastructure requirements could have a material adverse effect on the Company's business; the Company's projects now or in the future may be adversely affected by risks outside the control of the Company; the Company is subject to various risks associated with climate change; other factors discussed under "*Risk and Uncertainties*".

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended.

**Palisades Goldcorp Ltd.**  
Management's Discussion and Analysis  
For the years ended December 31, 2023 and 2022

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The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking statements contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

**Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

**Proposed Transactions**

There are no proposed transactions at the date of this report.

**Additional Information**

Additional information relating to the Company is available on its website at [www.palisades.ca](http://www.palisades.ca).

**SCHEDULE "C"**  
**INTERIM FINANCIAL STATEMENTS**

See attached.

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**PALISADES GOLDCORP LTD.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2024 AND 2023**

*(Unaudited - Expressed in Canadian Dollars)*

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**PALISADES GOLDCORP LTD.**  
**Condensed Interim Statements of Financial Position**  
*(Unaudited - Expressed in Canadian Dollars)*

	Note	September 30, 2024 \$	December 31, 2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		282,654	838,113
Investments	4	7,821,243	7,724,605
Prepaid expenses and deposits		32,699	18,716
<b>Total current assets</b>		<b>8,136,596</b>	<b>8,581,434</b>
<b>Non-current assets</b>			
Investment in New Found Gold Corp.	6	159,974,915	218,399,205
<b>Total non-current assets</b>		<b>159,974,915</b>	<b>218,399,205</b>
<b>Total Assets</b>		<b>168,111,511</b>	<b>226,980,639</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	82,456	73,874
<b>Total current liabilities</b>		<b>82,456</b>	<b>73,874</b>
<b>Non-current liabilities</b>			
Deferred tax liability		36,280,978	52,153,364
<b>Total non-current liabilities</b>		<b>36,280,978</b>	<b>52,153,364</b>
<b>EQUITY</b>			
Share capital	8	32,520,798	32,716,793
Treasury shares	8	-	(195,995)
Contributed surplus	8	46,803,829	46,803,829
Retained earnings		52,423,450	95,428,774
<b>Total equity</b>		<b>131,748,077</b>	<b>174,753,401</b>
<b>Total Equity and Liabilities</b>		<b>168,111,511</b>	<b>226,980,639</b>

**NATURE OF OPERATIONS (Note 1)**  
**SUBSEQUENT EVENT (Note 14)**

These condensed interim financial statements are authorized for issue by the Board of Directors on November 25, 2024. They are signed on the Company's behalf by:

"Gregor Gregersen" , Director

"Elizabeth Harrison" , Director

**PALISADES GOLDCORP LTD.**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
(Unaudited - Expressed in Canadian Dollars)

		Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
	Note	\$	\$	\$	\$
<b>Income (loss)</b>					
Net investment gains (losses)	5	1,259,655	(2,851,318)	1,088,393	(11,297,552)
Dividend income		-	810	-	12,210
Interest income		766	15,186	8,156	61,747
Total income (loss)		1,260,421	(2,835,322)	1,096,549	(11,223,595)
<b>Expenses</b>					
Consulting and salaries	7	234,250	240,563	707,165	864,732
Corporate development		32,027	34,657	101,037	93,280
Foreign exchange loss		396	1,887	686	2,959
Loss from equity investment	6	7,734,577	6,099,586	13,721,526	15,662,879
Gain on dilution of equity interest	6	(237,891)	(19,972)	(549,298)	(29,584)
Impairment loss on equity investment	6	-	-	29,699,485	10 -
Office and sundry		23,606	22,624	77,295	72,483
Professional fees		60,519	78,574	617,115	673,182
Share-based compensation	7,8	-	-	-	9,548,058
Transfer agent and regulatory fees		13,241	8,302	27,478	109,066
Travel		10,545	4,184	16,987	50,470
Total expenses		7,871,270	6,470,405	44,419,476	27,047,525
<b>Other (loss)</b>					
Settlement of legal claim	11	-	-	(15,554,783)	-
Total other (loss)		-	-	(15,554,783)	-
<b>(Loss) before income taxes</b>		<b>(6,610,849)</b>	<b>(9,305,727)</b>	<b>(58,877,710)</b>	<b>(38,271,120)</b>
<b>Income tax (recovery)</b>					
Current		-	-	-	-
Deferred		(1,823,227)	(3,034,373)	(15,872,386)	(8,464,911)
<b>Net (loss) and comprehensive (loss) for the period</b>		<b>(4,787,622)</b>	<b>(6,271,354)</b>	<b>(43,005,324)</b>	<b>(29,806,209)</b>
(Loss) per share – basic (\$)		(0.10)	(0.13)	(0.90)	(0.61)
(Loss) per share – diluted (\$)		(0.10)	(0.13)	(0.90)	(0.61)
Weighted average number of shares outstanding					
Basic	9	47,903,977	48,830,640	47,905,436	49,095,197
Diluted	9	47,903,977	48,830,640	47,905,436	49,095,197

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

**PALISADES GOLDCORP LTD.**  
**Condensed Interim Statements of Cash Flows**  
*(Unaudited - Expressed in Canadian Dollars)*

	Nine months ended September 30, 2024 \$	Nine months ended September 30, 2023 \$
<b>Cash flows from operating activities</b>		
(Loss) for the period	(43,005,324)	(29,806,209)
Items not affecting cash:		
Investment losses	(1,088,393)	11,307,250
Deferred income tax (recovery)	(15,872,386)	(8,464,911)
Impairment loss on equity investment	29,699,485	-
Gain on dilution of equity interest	(549,298)	(29,584)
Settlement of legal claim	15,552,577	-
Share-based compensation	-	9,548,058
Loss from equity investment	13,721,526	15,662,879
	<u>(1,541,813)</u>	<u>(1,782,517)</u>
Adjustments for:		
Proceeds on disposal of investments	4,295,697	7,670,927
Purchases of investments	(3,303,942)	(6,452,602)
Increase in interest and other receivables	-	33,300
(Increase) in prepaid expenses and deposits	(13,983)	(68,582)
Increase (decrease) in accounts payable and accrued liabilities	8,582	(115,230)
Net cash (used in) operating activities	<u>(555,459)</u>	<u>(714,704)</u>
<b>Cash flows from financing activities</b>		
Re-purchase of common shares	-	(3,315,848)
Net cash used in financing activities	<u>-</u>	<u>(3,315,848)</u>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(555,459)</b>	<b>(4,030,552)</b>
Cash and cash equivalents at beginning of period	838,113	5,390,215
<b>Cash and cash equivalents at end of period</b>	<b>282,654</b>	<b>1,359,663</b>

**SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Note 10)**

*The accompanying notes are an integral part of these condensed interim financial statements.*

**PALISADES GOLDCORP LTD.**  
**Condensed Interim Statement of Changes in Equity**  
*(Expressed in Canadian dollars)*

	Number of shares	Amount \$	Treasury Shares \$	Contributed surplus \$	Retained earnings \$	Total equity \$
<b>Balance at December 31, 2022</b>	49,345,977	36,032,641	-	37,255,771	144,090,677	217,379,089
Shares re-purchased and cancelled (Note 8)	(1,242,000)	(3,089,753)	-	-	-	(3,089,753)
Shares re-purchased and not yet cancelled (Note 8)	-	-	(226,095)	-	-	(226,095)
Share-based compensation (Note 7,8)	-	-	-	9,548,058	-	9,548,058
Total comprehensive loss for the period	-	-	-	-	(29,806,209)	(29,806,209)
<b>Balance at September 30, 2023</b>	48,103,977	32,942,888	(226,095)	46,803,829	114,284,468	193,805,090
Shares re-purchased and cancelled (Note 8)	(100,000)	(226,095)	-	-	-	(226,095)
Shares re-purchased and not yet cancelled (Note 8)	-	-	30,100	-	-	30,100
Total comprehensive loss for the period	-	-	-	-	(18,855,694)	(18,855,694)
<b>Balance at December 31, 2023</b>	48,003,977	32,716,793	(195,995)	46,803,829	95,428,774	174,753,401
Shares re-purchased and cancelled (Note 8)	(100,000)	(195,995)	195,995	-	-	-
Total comprehensive loss for the period	-	-	-	-	(43,005,324)	(43,005,324)
<b>Balance at September 30, 2024</b>	47,903,977	32,520,798	-	46,803,829	52,423,450	131,748,077

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

## **PALISADES GOLDCORP LTD.**

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

### **1. NATURE OF OPERATIONS**

Palisades Goldcorp Ltd. (the “Company”) was incorporated on August 30, 2019 as Palisades Acquisitions Corp. under the Business Corporations Act in the Province of British Columbia. The address of the Company’s registered office is 25<sup>th</sup> Floor, 700 West Georgia St., Vancouver, British Columbia V7Y 1B3. On September 24, 2019 the Company changed its name to Palisades Goldcorp Ltd. On February 6, 2023, the Company completed an initial public offering and listed on the TSX Venture Exchange (“TSXV”) as a Tier 2 issuer under the symbol “PALI”.

The Company is a resource investment company and merchant bank focused on junior companies in the resource and mining sector. The Company seeks to acquire equity participation in pre-IPO and early stage public resource companies with undeveloped or undervalued high-quality projects. The Company focuses on companies that are in need of financial resources to realize their full potential, are undervalued in capital markets and/or operate in jurisdictions with low to moderate local political risk.

### **2. BASIS OF PREPARATION**

#### **a) Statement of compliance**

The Company’s condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as applicable to interim financial reports including International Accounting Standards 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”).

These condensed interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS, as issued by the IASB.

#### **b) Basis of presentation**

The condensed interim financial statements have been prepared on a historical cost basis, except for investments measured at fair value, and are presented in Canadian dollars.

#### **c) Critical accounting judgments, estimates and assumptions**

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the financial statements are as follows:

##### **(i) Determination of fair values**

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company’s management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements.

## **PALISADES GOLDCORP LTD.**

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

### **2. BASIS OF PREPARATION (continued)**

#### **c) Critical accounting judgments, estimates and assumptions (continued)**

The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring or disclosing the fair value, and to provide additional disclosure in connection therewith (Note 4).

##### 1) Publicly-traded investments (i.e., securities of issuers that are public companies)

Securities including shares, options, warrants which are traded in an active market, such as on a recognized securities exchange and for which no non-standard sales restrictions apply, are presented at fair value based on quoted bid prices at the statement of financial position dates or the closing trade price on the last day the security traded if there were no trades at the statement of financial position dates. These are included in Level 1 in Note 4.

For options and warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, an option pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value. These are included in Level 2 in Note 4.

##### 2) Private company investments (securities of issuers that are not public companies)

All privately-held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may be adjusted using one or more of the valuation indicators described below. These are included in Level 3 in Note 4. Options and warrants of private companies are valued using an option pricing model when there are sufficient and reliable observable market inputs; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed.

The fair value of a privately-held investment may be adjusted if:

- i) there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;
- ii) there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;

## **PALISADES GOLDCORP LTD.**

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

### **2. BASIS OF PREPARATION (continued)**

#### **c) Critical accounting judgments, estimates and assumptions (continued)**

- iii) the investee company is placed into receivership or bankruptcy;
- iv) based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern; receipt/denial by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed/prohibit with its project(s);
- v) filing by the investee company of a National Instrument 43-101 technical report in respect of a previously noncompliant resource;
- vi) release by the investee company of positive/negative exploration results; and
- vii) important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately-held investment are based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that could be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

#### **(ii) Income taxes**

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

#### **(iii) Determination of whether the Company has significant influence over investees**

Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20%, if the Company has the power to participate in the financial and operating policy decisions affecting the entity. Determination of whether the Company has significant influence over investees requires an assessment of the activities of the investee that significantly affect the investee's returns, including strategic, operational and financing decision-making, appointment, remuneration and termination of the key management personnel and when decisions related to those activities can be influenced by the Company.

Based on the assessment of the relevant facts and circumstances, primarily, the Company's ownership interests, board representation and ability to influence operating, strategic and financing decisions, it has been concluded that the Company has maintained significant influence over New Found Gold Corp. ("New Found") during the period from June 21, 2021 to September 30, 2024 and as a result accounted for it as an investment in associate (see Note 6).

## **PALISADES GOLDCORP LTD.**

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

### **2. BASIS OF PREPARATION (continued)**

#### **c) Critical accounting judgments, estimates and assumptions (continued)**

##### **(v) Impairment assessment for investment in associate**

At each balance sheet date, management considers whether there is objective evidence of impairment in associates, including one or more loss events that would evidence a significant or prolonged decline in the fair value of the investment in associate below its carrying value. The net investment in an associate is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment and that loss event or events have a negative impact on the estimated future cash flows from the net investment that can be reliably estimated. If there is such evidence, management determines the amount of impairment to record, if any, in relation to the associate.

Impairment write-downs recognized during the nine months ended September 30, 2024 and during the year ended December 31, 2023 are described in Note 6.

##### **(vi) Valuation of options granted**

The fair value of share purchase options granted is determined at the issue date using the Black-Scholes option pricing model. The Black-Scholes model involves six key inputs to determine the fair value of an option, which are: risk-free interest rate, exercise price, market price at the grant date, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. These estimates impact the values of share-based compensation expense and reserves.

#### **d) Initial application of standards, interpretations and amendments to standards and interpretations in the reporting period**

The IASB issued certain new accounting standards or amendments that are mandatory for accounting periods on or after January 1, 2024, including amendments to IAS 1 "Classification of Liabilities as Current or Non-Current", amendments to IFRS 16 "Leases", and amendments to IAS 7 "Statement of Cash Flow" and IFRS 7 "Financial Instruments Disclosures". The effect of such new accounting standards or amendments did not have a material impact on the Company and therefore the Company did not record any adjustments to the financial statements.

#### **e) New and amended IFRS standards not yet effective**

Certain new accounting standards or interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards and interpretations are not expected to have a material impact on the Company's financial statements, except for IFRS 18 "Presentation and Disclosure in Financial Statements".

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements and has an effective date of January 1, 2027. The effects of the adoption of IFRS 18 on the Company's financial statements have not yet been determined.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

The policies applied in these condensed interim financial statements are the same as those applied in the most recent annual consolidated financial statements and were consistently applied to all the periods presented.



## PALISADES GOLDCORP LTD.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 4. FINANCIAL INSTRUMENTS HIERARCHY AND INVESTMENTS

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's investments according to the fair value hierarchy are as follows as at September 30, 2024:

<b>Investments</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total fair value \$
Equities	3,662,731	-	1,993,438	5,656,169
Warrants	-	2,165,074	-	2,165,074
<b>Total Investments</b>	<b>3,662,731</b>	<b>2,165,074</b>	<b>1,993,438</b>	<b>7,821,243</b>

The Company's investments according to the fair value hierarchy are as follows as at December 31, 2023:

<b>Investments</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total fair value \$
Equities	3,801,120	-	1,993,438	5,794,558
Warrants	21,750	1,908,297	-	1,930,047
<b>Total Investments</b>	<b>3,822,870</b>	<b>1,908,297</b>	<b>1,993,438</b>	<b>7,724,605</b>
Investments denominated in foreign currencies	19,606	-	-	19,606
% of investments denominated in foreign currencies	1.0%	-	-	0.5%

There were no movements between levels during the nine months ended September 30, 2024 or the year ended December 31, 2023.

Warrants held by the Company are classified at fair value through profit or loss, with any gains or losses arising on remeasurement recognized in profit or loss. Within Level 2, the Company includes warrants that do not have a quoted market price and are valued using a Black-Scholes option pricing model using assumptions including risk free interest rate, expected dividend yield, expected volatility and expected remaining life of the warrant which are supported by observable market conditions. The use of reasonably possible alternative assumptions would not significantly affect the Company's results.

## PALISADES GOLDCORP LTD.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 4. FINANCIAL INSTRUMENTS HIERARCHY AND INVESTMENTS (continued)

Within Level 3, the Company includes private company investments which are not quoted on an exchange. The key assumptions used in the valuation of these investments include, but are not limited to, the value at which a recent financing was done by the investee, company-specific information, review of adjusted net book values, liquidation analysis, trends in general market conditions, the share performance of comparable publicly-traded companies and a strategic review. A +/- 10% change on the fair value of these investments will result in a corresponding +/- \$199,344 (December 31, 2023 - \$199,344) change to the total fair value of these investments. The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments.

Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments.

The following tables represent the changes in fair value measurements of financial instruments.

	Level 1	Level 2	Level 3	Total
Balance, December 31, 2023	\$ 3,822,870	\$ 1,908,297	\$ 1,993,438	\$ 7,724,605
Purchases of equities	3,303,942	-	-	3,303,942
Sales of equities	(4,117,515)	-	-	(4,117,515)
Exercises and sales of warrants	604,405	(576,126)	-	28,279
Net unrealized losses and foreign exchange losses	49,029	832,903	-	881,932
Balance, September 30, 2024	\$ 3,662,731	\$ 2,165,074	\$ 1,993,438	\$ 7,821,243

	Level 1	Level 2	Level 3	Total
Balance, December 31, 2022	\$ 8,448,836	\$ 9,601,024	\$ -	\$ 18,049,860
Purchases of equities	6,792,702	-	-	6,792,702
Sales of equities	(10,111,368)	-	-	(10,111,368)
Reclassified from assets held for distribution	-	-	1,993,438	1,993,438
Exercises and sales of warrants	1,215,883	(2,851,307)	-	(1,635,424)
Net unrealized losses and foreign exchange losses	(2,523,183)	(4,841,420)	-	(7,364,603)
Balance, December 31, 2023	\$ 3,822,870	\$ 1,908,297	\$ 1,993,438	\$ 7,724,605

## PALISADES GOLDCORP LTD.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 4. FINANCIAL INSTRUMENTS HIERARCHY AND INVESTMENTS (continued)

#### (i) Equities Held

	Quantity	Fair Value September 30, 2024 \$
Golden Planet Mining Corp.	13,289,586	1,993,438
Other <sup>1</sup>		3,662,731
Total equities held		5,656,169

	Quantity	Fair Value December 31, 2023 \$
Labrador Gold Corp.	8,520,000	1,235,400
Golden Planet Mining Corp.	13,289,586	1,993,438
Other <sup>1</sup>		2,565,720
Total equities held		5,794,558

1. Aggregate of all equity investments held with individual fair values of less than \$1 million.

#### (ii) Warrants Held

	Quantity	Fair Value September 30, 2024 \$
Goliath Resources Inc.	896,000	894,120
Other <sup>2</sup>		1,270,954
Total warrants held <sup>1</sup>		2,165,074

	Quantity	Fair Value December 31, 2023 \$
Goliath Resources Inc.	1,800,000	1,082,730
Other <sup>2</sup>		847,317
Total warrants held <sup>1</sup>		1,930,047

1. The cost of warrants acquired through participation in private placements of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the purchase price is allocated to common shares based on the fair value of a common share at the date of the transaction and any residual remaining is allocated to common share purchase warrants.

2. Aggregate of all warrant investments held with individual fair values of less than \$0.5 million.

## PALISADES GOLDCORP LTD.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 5. NET INVESTMENT LOSSES

Net investment losses consist of the following:

	Three months September 30, 2024 \$	Three months September 30, 2023 \$	Nine months September 30, 2024 \$	Nine months September 30, 2023 \$
Net realized gains (losses) on disposal of investments	169,702	(1,605,376)	206,461	(3,201,937)
Net change in unrealized gains (losses) on investments	1,089,953	(1,245,942)	881,932	(8,095,615)
<b>Net investment gains (losses)</b>	<b>1,259,655</b>	<b>(2,851,318)</b>	<b>1,088,393</b>	<b>(11,297,552)</b>

### 6. INVESTMENT IN NEW FOUND GOLD

As at September 30, 2024, the investment in New Found represents 21.82% (December 31, 2023 – 25.03%) of New Found's issued and outstanding common shares and the companies have a director and officer in common, being the Director and Executive Chairman of the Company.

The following table illustrates the summarised financial information of the Company's investment in New Found as at September 30, 2024:

	September 30, 2024 \$	December 31, 2023 \$
<b>Summarised Statement of Financial Position</b>		
Current assets	46,576,199	62,375,526
Non-current assets	697,344,127	829,397,913
Current liabilities	(10,691,905)	(19,007,634)
Non-current liabilities	(69,191)	(68,839)
Net Assets	733,159,230	872,696,966
The Company's ownership interest	21.82%	25.03%
Share of New Found's net assets	159,974,915	218,399,205
<b>Summarised Statement of Loss and Comprehensive Loss</b>		
Revenues	-	-
Loss from continuing operations	(60,779,026)	(59,346,466)
Post-tax loss from discontinued operations	-	-
Net loss and comprehensive loss for period	(60,779,026)	(59,346,466)
Share of New Found's loss for the period	(13,721,526)	(15,662,879)

The Company performs an impairment assessment on its investment in New Found at each period end. The assessment is based on review of internal indicators such as New Found's economic performance, as well as external indicators including New Found's share price history, industry statistics and market conditions. During the nine months ended September 30, 2024, the Company recognized an impairment write-down on its investment in New Found of \$29,699,485 (year ended December 31, 2023 - \$19,562,087), which was included in the loss and comprehensive loss for the period.

Schedule "C" to Appendix "G"

## PALISADES GOLDCORP LTD.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 6. INVESTMENT IN NEW FOUND GOLD (continued)

The following table illustrates the movement in investment in associate from December 31, 2022 to September 30, 2024:

<b>Net Carrying amount – December 31, 2022</b>	<b>\$ 258,612,464</b>
Share of loss from operations of associate	(21,020,996)
Gain on dilution of equity interest	369,824
Impairment loss	(19,562,087)
<b>Net Carrying amount – December 31, 2023</b>	<b>\$ 218,399,205</b>
Transferred in settlement of legal claim (Note 11)	(15,552,577)
Share of loss from operations of associate	(13,721,526)
Gain on dilution of equity interest	549,298
Impairment loss	(29,699,485)
<b>Net Carrying amount – September 30, 2024</b>	<b>\$ 159,974,915</b>

The fair value of investment in New Found was estimated at \$149,683,166 at September 30, 2024 (December 31, 2023 - \$218,399,205).

### 7. RELATED PARTY BALANCES AND TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and on terms and conditions that are similar to those of transactions with unrelated parties and are measured at the amount of consideration paid or received. A summary of the Company's related party transactions is as follows:

#### *Key management personnel compensation*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, or companies owned or controlled by them.

<b>Three months ended</b>		<b>Salaries and</b>		<b>Share-based</b>	
<b>September 30, 2024</b>	<b>Position</b>	<b>Consulting</b>	<b>Bonus</b>	<b>compensation</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	Chairman and Chief				
Collin Kettell	Executive Officer	82,500	-	-	82,500
Bassam Moubarak	Chief Financial Officer	67,500	-	-	67,500
Gregor Gregersen	Non-executive director	18,000	-	-	18,000
Elizabeth Harrison	Non-executive director	18,000	-	-	18,000
William Hayden	Former non-executive director	18,000	-	-	18,000
<b>Total</b>		<b>204,000</b>	<b>-</b>	<b>-</b>	<b>204,000</b>

**PALISADES GOLDCORP LTD.**

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

*(Expressed in Canadian Dollars Unless Otherwise Noted)***7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

<b>Three months ended September 30, 2023</b>	<b>Position</b>	<b>Salaries and Consulting \$</b>	<b>Bonus \$</b>	<b>Share-based compensation \$</b>	<b>Total \$</b>
	Chairman and Chief				
Collin Kettell	Executive Officer	82,500	-	-	82,500
Bassam Moubarak	Chief Financial Officer	67,500	-	-	67,500
Gregor Gregersen	Non-executive director	18,000	-	-	18,000
Elizabeth Harrison	Non-executive director	18,000	-	-	18,000
William Hayden	Former non-executive director	18,000	-	-	18,000
<b>Total</b>		<b>204,000</b>	<b>-</b>	<b>-</b>	<b>204,000</b>

<b>Nine months ended September 30, 2024</b>	<b>Position</b>	<b>Salaries and Consulting \$</b>	<b>Bonus \$</b>	<b>Share-based compensation \$</b>	<b>Total \$</b>
	Chairman and Chief				
Collin Kettell	Executive Officer	247,500	-	-	247,500
Bassam Moubarak	Chief Financial Officer	202,500	-	-	202,500
Gregor Gregersen	Non-executive director	54,000	-	-	54,000
Elizabeth Harrison	Non-executive director	54,000	-	-	54,000
William Hayden	Former non-executive director	54,000	-	-	54,000
<b>Total</b>		<b>612,000</b>	<b>-</b>	<b>-</b>	<b>612,000</b>

<b>Nine months ended September 30, 2023</b>	<b>Position</b>	<b>Salaries and Consulting \$</b>	<b>Bonus \$</b>	<b>Share-based compensation \$</b>	<b>Total \$</b>
	Chairman and Chief				
Collin Kettell	Executive Officer	247,620	82,500	6,875,238	7,205,358
Bassam Moubarak	Chief Financial Officer	202,500	70,875	2,386,446	2,659,821
Gregor Gregersen	Non-executive director	54,000	-	95,458	149,458
Elizabeth Harrison	Non-executive director	54,000	-	95,458	149,458
William Hayden	Former non-executive director	54,000	-	95,458	149,458
<b>Total</b>		<b>612,120</b>	<b>153,375</b>	<b>9,548,058</b>	<b>10,313,553</b>

Under the terms of their management agreements, certain officers of the Company are entitled to 24 months of base pay in the event of their agreements being terminated without cause.

At September 30, 2024, there was \$10,623 payable to Collin Kettell for expense reimbursements included in accounts payable and accrued liabilities (December 31, 2023 - \$1,970).

On February 1, 2023, the Company granted 4,201,000 stock options to directors and officers with an exercise price of \$4.20 per share for a period of five years (see Note 8). The options vested immediately.

## PALISADES GOLDCORP LTD.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 8. SHARE CAPITAL

#### *Authorized Share Capital*

At September 30, 2024 and December 31, 2023, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

#### *Details of Common Shares Issued/Re-Purchased in 2024 and 2023*

There were no shares issued during the nine months ended September 30, 2024 or the year ended December 31, 2023.

On March 15, 2023, the Board of Directors of the Company has agreed that up to 2,467,298 shares will be acquired under the normal course issuer bid (the "NCIB"), constituting approximately 5.0% of the issued and outstanding shares. The Company submitted a Notice of Intention to Make a Normal Course Issuer Bid (the "Notice") to the TSXV. The Notice was accepted by the TSXV on March 29, 2023. The NCIB will expire on September 30, 2024, unless terminated earlier.

During the year ended December 31, 2023, the Company repurchased 1,442,000 of its previously issued and outstanding common shares at a weighted-average price of \$2.44 per common share for a total price of \$3,511,843. Out of 1,442,000 re-purchased common shares, 1,342,000 were returned to treasury and cancelled, with the remaining 100,000 shares cancelled during the nine months ended September 30, 2024.

#### *Warrants*

The continuity of warrants for the nine months ended September 30, 2024 is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2023	Issued	Exercised	Cancelled/ Expired	Outstanding September 30, 2024
October 11, 2024	\$2.48	356,983	-	-	-	356,983
		356,983	-	-	-	356,983
Weighted average exercise price \$		2.48	-	-	-	2.48
Weighted average contractual remaining life (years)		0.78	-	-	-	0.03

The continuity of warrants for the nine months ended September 30, 2023 is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2022	Issued	Exercised	Cancelled/ Expired	Outstanding September 30, 2023
October 11, 2024	\$2.48	356,983	-	-	-	356,983
November 19, 2023	\$2.81	157,087	-	-	-	157,087
		514,070	-	-	-	514,070
Weighted average exercise price \$		2.59	-	-	-	2.59
Weighted average contractual remaining life (years)		1.51	-	-	-	1.01

## PALISADES GOLDCORP LTD.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 8. SHARE CAPITAL (continued)

#### Stock Option Plan

The Company has a share purchase option compensation plan that allows it to grant share purchase options to its officers, directors, employee and service providers based on the maximum number of eligible shares not exceeding 10% in the aggregate of the Company's outstanding common shares at the time of grant.

#### Stock Options

The continuity of stock options for the nine months ended September 30, 2024 is as follows is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2023	Issued	Exercised	Cancelled/ Expired	Outstanding September 30, 2024
February 1, 2028	\$4.20	4,201,000	-	-	-	4,201,000
		4,201,000	-	-	-	4,201,000
Weighted average exercise price \$		4.20	-	-	-	4.20
Weighted average contractual remaining life (years)		4.09	-	-	-	3.34

The continuity of stock options for the nine months ended September 30, 2023 is as follows is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2022	Issued	Exercised	Cancelled/ Expired	Outstanding September 30, 2023
May 21, 2026	\$10.60	732,812	-	-	-	732,812
February 1, 2028	\$4.20	-	4,201,000	-	-	4,201,000
		732,812	4,201,000	-	-	4,933,812
Weighted average exercise price \$		10.60	4.20	-	-	5.15
Weighted average contractual remaining life (years)		3.39	5.00	-	-	4.34

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Nine months ended September 30, 2023
Risk-free interest rate	2.93%
Expected option life in years	5.0
Expected share price volatility(i)	84.59%
Grant date share price (ii)	\$3.50
Grant date fair value	\$2.27
Expected forfeiture rate	-
Expected dividend yield	Nil

(i) The expected share price volatility is based on the average historical share price of comparable companies over the life of the options.

(ii) The grant date share price has been estimated based on the market price of the Company's shares right after completion of the IPO in February 2023.



## PALISADES GOLDCORP LTD.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars Unless Otherwise Noted)

### 9. BASIC AND DILUTED LOSS PER COMMON SHARE

Diluted loss per common share at September 30, 2024 did not include the effect of 4,201,000 (September 30, 2023 – 4,201,000) stock options and 356,983 (September 30, 2023 – 514,070) warrants outstanding as their effect was anti-dilutive.

### 10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
	\$	\$
Investments in shares of NewFound Gold transferred in settlement of legal claim (Note 11)	15,552,577	-
Investments in shares of Golden Planet added on reclassification from assets held for distribution (Note 4(i))	-	1,993,438
Cash paid for income taxes	-	-
Cash paid for interest	3,264	-

### 11. SETTLEMENT OF LEGAL CLAIM

On November 15, 2019, ThreeD Capital Inc. (“ThreeD”) and 1313366 Ontario Inc. (“131” and together with ThreeD, the “Plaintiffs”) each entered into share purchase agreements (the “Share Purchase Agreements”) with the Company under which the Company agreed to purchase the 13,500,000 Common Shares of New Found owned by ThreeD and the 4,000,000 Common Shares of New Found owned by 131 for \$0.08 per Common Share. The transactions closed on November 20, 2019.

On March 10, 2020, ThreeD Capital Inc. and 131 filed a statement of claim in the Ontario Superior Court of Justice (the “ThreeD Claim”) against Collin Kettell, New Found and the Company (the “Defendants”). Mr. Kettell is a Chairman and Chief Executive Officer of both the Company and New Found. Pursuant to the ThreeD Claim, the Plaintiffs are challenging the validity of the sale of 17,500,000 Common Shares by the Plaintiffs to the Company on November 20, 2019.

ThreeD and 131 claim that at the time of negotiation and execution of the Share Purchase Agreements, the Company and Mr. Kettell were aware of positive drill results from New Found’s 2019 Drill Program and the results were not disclosed to ThreeD and 131 to their detriment. The Company and Mr. Kettell strongly deny ThreeD and 131’s allegations. ThreeD and 131 have made specific claims for (a) rescission of the Share Purchase Agreements on the basis of oppression or unfair prejudice; (b) or alternatively, damages in the amount of \$21,000,000 for the alleged improper actions by Mr. Kettell and the Company, (c) a declaration that the Company and Collin Kettell, as shareholder or director and/or officer of New Found, have had acted in a manner that is oppressive, unfairly prejudicial or unfairly disregarded their interests, (d) a declaration that the Company and Collin Kettell engaged in insider trading contrary to section 138 of the *Securities Act* (Ontario), (e) unjust enrichment and (f) interests and costs. The Company and Mr. Kettell refute each of the specific claims made by the Plaintiffs.

The Company filed a statement of defence in response to the ThreeD Claim on September 12, 2020, pursuant to which, among other things, the Company denies that it is a proper party to the ThreeD Claim and the allegations against it therein, including because no relief is claimed against the Company in paragraph 1 of the ThreeD Claim. The action has now progressed through the production of documents and oral examinations for discovery stages.

## **PALISADES GOLDCORP LTD.**

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars Unless Otherwise Noted)

### **11. SETTLEMENT OF LEGAL CLAIM (continued)**

In early 2022, the Plaintiffs formally amended their statement of claim to increase the amount claimed to \$229,000,000 and to advance a direct claim of oppressive conduct against the Company. While continuing to deny any and all liability to the Plaintiffs, the Company has amended its defence to include specific denials of the new allegations of oppressive conduct against it. The parties completed an additional round of examinations for discovery in January 2023, following which the plaintiffs set the action down for trial. The parties had a mediation meeting on October 3, 2023, but were unable to settle the case.

On June 5, 2024, the Company entered into a settlement agreement, according to which the Company agreed to transfer 3,380,000 common shares of New Found with a total estimated fair value of \$15,987,400 to ThreeD and 131, and New Found agreed to issue 370,000 common shares to ThreeD and 131. The carrying value of 3,380,000 New Found shares transferred by the Company to Three D and 131 was \$15,552,578. The Company recognized a settlement of legal claim expense of \$15,554,783, which was comprised of the total value of shares transferred of \$15,987,400, legal and filing fees of \$2,205, offset by a gain on transfer of New Found shares of \$434,822, and included in the loss and comprehensive loss for the three and nine months ended September 30, 2024.

The settlement agreement resolves the litigation between ThreeD, 131, Palisades and the Company completely, does not include any admission of liability, and provides for fulsome releases by ThreeD and 131.

### **12. FINANCIAL RISK MANAGEMENT**

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is not exposed to significant credit risk on its cash and cash equivalents since they are placed with major financial institutions that have high credit ratings. The credit risk exposure of the Company's investments is represented by their values disclosed. There have been no changes in management's methods for managing credit risk since December 31, 2023.

#### *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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company generates cash flow primarily from proceeds from the disposition of its investments and interest income. The Company invests in junior resource companies, which can at times be relatively illiquid. If the Company decides to dispose of securities of a particular issuer, it may not be able to do so at the time at favourable prices, or at all. Additionally, the amounts at which the Company's private company investments could be disposed of currently may differ from their carrying values since there is no active market to dispose of these investments. The Company has also relied on the issuance of shares to fund its activities and may require doing so again in the future.

There were no changes in management's methods for managing liquidity risk since December 31, 2023.

At September 30, 2024, the Company has \$82,456 (December 31, 2023 - \$73,874) in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

## **PALISADES GOLDCORP LTD.**

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars Unless Otherwise Noted)

### **12. FINANCIAL RISK MANAGEMENT (continued)**

#### *Market risk*

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is focused on junior companies in the resource and mining sector. Changes in the future pricing and demand of these commodities can have a material impact on the market value of the investments. The nature of such investments is normally dependent on the invested company being able to raise additional capital to further development and to determine the commercial viability of its resource properties. The value of each investment is also influenced by the outlook of the issuer and by general economic and political conditions. Management mitigates the risk of loss resulting from this concentration by monitoring the trading value of the investments on a regular basis. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value.

There were no changes in management's methods for managing market risk since December 31, 2023. The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer, although the Company's investment activities are concentrated on junior companies in the resource and mining sector. The Company also requires approval from the board of directors for purchases of investments over a certain cost threshold.

A 5% change in the future pricing and trading value of the Company's investments (with all other variables held constant) as at September 30, 2024 would change the Company's total comprehensive income (loss) by \$391,062 (December 31, 2023 - \$386,230).

#### *(i) 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 risks.

#### *(ii) Foreign exchange risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company may have financial instruments denominated in foreign currencies such as the U.S. dollar and the Australian dollar. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of its financial instruments.

The Company does not hedge its exposure to fluctuations in foreign exchange rates.

There were no changes in management's methods for managing currency risk since December 31, 2023.

A 5% change in the exchange rate of the Company's investments held in foreign currencies relative to the Canadian dollar as at September 30, 2024 would change the Company's total comprehensive income (loss) by \$Nil (December 31, 2023 - \$980).

## **PALISADES GOLDCORP LTD.**

Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

### **13. CAPITAL MANAGEMENT**

The Company manages its cash and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technology and products and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company will require capital resources to carry its plans and operations through its current operating period.

The Company is not subject to externally imposed capital requirements.

There were no changes in management's approach to capital management since the year ended December 31, 2023.

### **14. SUBSEQUENT EVENT**

#### *Warrant Expiry*

Subsequent to September 30, 2024, 356,983 warrants with an exercise price of \$2.48 expired.

**SCHEDULE "D"**  
**INTERIM MD&A**

See attached.

## **Palisades Goldcorp Ltd.**

### Management's Discussion and Analysis

For the three and nine months ended September 30, 2024 and 2023

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The following discussion is management's assessment and analysis ("MD&A") of the results and financial condition of Palisades Goldcorp Ltd. (the "Company" or "Palisades") and should be read in conjunction with the accompanying condensed interim financial statements and related notes as at September 30, 2024 and December 31, 2023 and for the three and nine months ended September 30, 2024 and 2023. The financial data was prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by international Accounting Standard Boards ("IASB") and all figures are reported in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, (collectively, "**forward-looking statements**"), that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business, activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, including those described under the headings "Risks and Uncertainties" and "Cautionary Notes Regarding Forward-Looking Statements" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those expressed or implied in forward-looking statements. The effective date of this report is November 25, 2024.

#### **Description of Business**

The Company was incorporated on August 30, 2019 as Palisades Acquisitions Corp. under the Business Corporations Act in the Province of British Columbia. On September 24, 2019, the Company changed its name to Palisades Goldcorp Ltd.

The address of the Company's registered office is 25<sup>th</sup> Floor, 700 West Georgia St., Vancouver, British Columbia V7Y 1B3. The address of the Company's head office is 555 Burrard Street, P.O. Box 272, Vancouver, British Columbia V7X 1M8.

The Company is a resource investment company and merchant bank focused on junior companies in the resource and mining sector. The Company is focused on providing retail and institutional investors with exposure in the junior resource space. The Company expects to continue to make investments, pursuant to its dual investment strategy, to achieve broad sector exposure with upside in the event of appreciation in mineral commodities prices, while also providing the potential to realize appreciation in net asset values as a result of discoveries by issuers in which the Company holds larger positions. At present, Palisades has a portfolio of equity investments, or securities convertible into equity investments, in over 50 junior resource issuers.

On February 6, 2023, the Company completed an initial public offering and listed on the TSX Venture Exchange as a Tier 2 issuer under the symbol "PALI".

As of the date of this MD&A, the Company's Board of Directors consisted of the following: Collin Kettell (Executive Chairman), Gregor Gregersen and Elizabeth Harrison.

Additional information relating to the Company is available on the Company's website at [www.palisades.ca](http://www.palisades.ca), and under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## Palisades Goldcorp Ltd.

### Management's Discussion and Analysis

For the three and nine months ended September 30, 2024 and 2023

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#### Strategic Investments

Since its inception in 2019, Palisades has built positions in strategic assets as follows:

##### *New Found Gold Corp.*

As at September 30, 2024, the investment in New Found Gold Corp. ("New Found") represented 21.82% of New Found's issued and outstanding common shares (December 31, 2023 – 25.03%) and the companies have a director and officer in common, being the Director and Executive Chairman. The Company has maintained significant influence over New Found from June 21, 2021 to September 30, 2024 and as a result accounted for it as an investment in associate. The carrying value of investment in New Found was \$159,974,915 at September 30, 2024 (December 31, 2023 - \$218,399,205).

As of the date of this MD&A, the investment in New Found represented 21.81% of New Found's issued and outstanding common shares.

New Found is advancing its 100% owned Queensway gold project, located on the Trans-Canada highway 15km west of Gander, Newfoundland, with a 650,000m drill campaign underway focused along the Appleton fault and along the JBP fault.

The following table illustrates the summarised financial information of the Company's investment in New Found as at September 30, 2024:

	September 30, 2024
	\$
<b>Summarised Statement of Financial Position</b>	
Current assets	46,576,199
Non-current assets	697,344,127
Current liabilities	(10,691,905)
Non-current liabilities	(69,191)
Net Assets	733,159,230
The Company's ownership interest	21.82%
Share of New Found's net assets	159,974,915
<b>Summarised Statement of Loss and Comprehensive Loss</b>	
Revenues	-
Loss from continuing operations	(60,779,026)
Post-tax loss from discontinued operations	-
Net loss and comprehensive loss for period	(60,779,026)
Share of New Found's loss for the nine months ended September 30, 2024	(13,721,526)

The Company performs an impairment assessment on its investment in New Found at each period end. The assessment is based on review of internal indicators such as New Found's economic performance, as well as external indicators including New Found's share price history, industry statistics and market conditions. During the nine months ended September 30, 2024, the Company recognized an impairment write-down on its investment in New Found of \$29,699,485 (year ended December 31, 2023 - \$19,562,087), which was included in the loss and comprehensive loss for the period.

## Palisades Goldcorp Ltd.

### Management's Discussion and Analysis

For the three and nine months ended September 30, 2024 and 2023

The following table illustrates the movement in investment in associate from December 31, 2022 to September 30, 2024:

<b>Net Carrying amount – December 31, 2022</b>	<b>\$ 258,612,464</b>
Share of loss from operations of associate	(21,020,996)
Gain on dilution of equity interest	369,824
Impairment loss	(19,562,087)
<b>Net Carrying amount – December 31, 2023</b>	<b>\$ 218,399,205</b>
Transferred in settlement of legal claim	(15,552,577)
Share of loss from operations of associate	(13,721,526)
Gain on dilution of equity interest	549,298
Impairment loss	(29,699,485)
<b>Net Carrying amount – September 30, 2024</b>	<b>\$ 159,974,915</b>

The fair value of investment in New Found was estimated at \$149,683,166 at September 30, 2024 (December 31, 2023 - \$218,399,205).

### Investment Portfolio

The following information regarding the investment portfolio of Palisades is historical as at the dates indicated and may change due to the ongoing investment activities of the Company, in addition to fluctuations in the fair values of investments. The fair values of investments have been measured in accordance with the Company's accounting policies and the amounts at which the Company's investments could be disposed of currently may differ from their varying values for a variety of reasons (see *Risk Factors* below for further details).

The portfolio consists of investments in marketable securities and warrants as follows:

	September 30, 2024	December 31, 2023
Equities held (i)	\$ 5,656,169	\$ 5,794,558
Warrants held (ii)	2,165,074	1,930,047
Total investments	\$ 7,821,243	\$ 7,724,605

#### (i) Equities Held

	Quantity	Fair Value September 30, 2024 \$
Golden Planet Mining Corp.	13,289,586	1,993,438
Other <sup>1</sup>		3,662,731
Total equities held		5,656,169

	Quantity	Fair Value December 31, 2023 \$
Labrador Gold Corp.	8,520,000	1,235,400
Golden Planet Mining Corp.	13,289,586	1,993,438
Other <sup>1</sup>		2,565,720
Total equities held		5,794,558

1. Aggregate of all equity investments held with individual fair values of less than \$1 million.



**Palisades Goldcorp Ltd.**

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2024 and 2023

## (ii) Warrants Held

	Quantity	Fair Value September 30, 2024 \$
Goliath Resources Inc.	896,000	894,120
Other <sup>2</sup>		1,270,954
Total warrants held <sup>1</sup>		2,165,074

	Quantity	Fair Value December 31, 2023 \$
Goliath Resources Inc.	1,800,000	1,082,730
Other <sup>2</sup>		847,317
Total warrants held <sup>1</sup>		1,930,047

1. The cost of warrants acquired through participation in private placements of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the purchase price is allocated to common shares based on the fair value of a common share at the date of the transaction and any residual remaining is allocated to common share purchase warrants.
2. Aggregate of all warrant investments held with individual fair values of less than \$0.5 million.

**OVERALL PERFORMANCE AND RESULTS OF OPERATIONS**

Total assets decreased by \$58,869,128 to \$168,111,511 at September 30, 2024, from \$226,980,639 at December 31, 2023, primarily as a result of a decrease in the equity investment in New Found Gold Corp. of \$58,424,290 due to a transfer of 3,380,000 shares of New Found with a total estimated fair value of \$15,552,577 to ThreeD Capital Inc. and 1313366 Ontario Inc. pursuant to a settlement agreement resolving the lawsuit that was filed against the Company by ThreeD Capital Inc. and 1313366 Ontario Inc., an impairment loss on the remaining investment in New Found of \$29,699,485, and a loss on equity investment in New Found recognized in the current period of \$13,721,526 offset by a gain on dilution of equity interest of \$549,298. The most significant assets at September 30, 2024 were cash of \$282,654 (December 31, 2023: \$838,113), investments of \$7,821,243 (December 31, 2023: \$7,724,605), and an investment in New Found Gold Corp. of \$159,974,915 (December 31, 2023: \$218,399,205).

***Nine months ended September 30, 2024 and 2023***

During the nine months ended September 30, 2024, net loss increased by \$13,199,115 to net loss of \$43,005,324 compared to \$29,806,209 for the nine months ended September 30, 2023. The change is largely due to:

- An increase in impairment loss on investment in New Found of \$29,699,485 from \$Nil in the nine months ended September 30, 2023 to \$29,699,485 in the nine months ended September 30, 2024, offset by a decrease in loss from equity investment of \$1,941,353 from \$15,662,879 in 2023 to \$13,721,526 in 2024. At June 30, 2024, it was concluded that the investment in New Found is impaired and should be written-down to its estimated fair value at June 30, 2024 of \$167,471,601. No such write-downs were recorded at September 30, 2023. The amount of the loss from equity investment fluctuates based on the results of operations of New Found and the Company's ownership of shares of New Found.

## **Palisades Goldcorp Ltd.**

### Management's Discussion and Analysis

For the three and nine months ended September 30, 2024 and 2023

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- An increase in settlement of legal claim of \$15,554,783 from \$Nil in the nine months ended September 30, 2023 to \$15,554,783 in the nine months ended September 30, 2024. The Company recognized a settlement of legal claim expense of \$15,554,783 during the nine months ended September 30, 2024 pursuant to a settlement agreement resolving the lawsuit that was filed against the Company by ThreeD Capital Inc. and 1313366 Ontario Inc.

Offset by:

- A decrease in net investment losses of \$12,385,945 from \$11,297,552 in net investment losses in 2023 to \$1,088,393 in net investment gains in 2024 as a result of a decrease in net unrealized losses on investments from \$8,095,615 in unrealized losses in 2023 to unrealized gains of \$881,932, and a decrease in realized losses on disposal of investments from \$3,201,937 to realized gains on disposal of investments of \$206,461.
- A decrease in stock-based compensation of \$9,548,058 from \$9,548,058 in the nine months ended September 30, 2023 to \$Nil in the nine months ended September 30, 2024. The decrease is due to 4,201,000 stock options granted to directors and officers on February 1, 2023 with an exercise price of \$4.20 per share for a period of five years. There were no options granted during the current period ended September 30, 2024.
- An increase in the deferred income tax recovery recognized during the period of \$7,407,475 from a deferred income tax recovery of \$8,464,911 recognized during the nine months ended September 30, 2023 to \$15,872,386 during the nine months ended September 30, 2024. A larger recovery recognised in the current period is mainly a result of a more significant reduction in the value of investment in New Found during the nine months ended September 30, 2024 compared to the previous period, which resulted in a corresponding decrease in the related deferred income liability recognized on the difference between accounting and tax basis of these assets.

The Company recorded a net loss and comprehensive loss attributable to owners of the Company of \$43,005,324 and \$0.90 basic and diluted loss per share for the nine months ended September 30, 2024 (nine months ended September 30, 2023: net loss and comprehensive loss attributable to owners of the Company of \$29,806,209 and \$0.61 basic and diluted loss per share).

### ***Three months ended September 30, 2024 and 2023***

During the three months ended September 30, 2024, net loss decreased by \$1,483,732 to net loss of \$4,787,622 compared to net loss of \$6,271,354 for the three months ended September 30, 2023. The change is largely due to:

- A decrease in net investment losses of \$4,110,973 from \$2,851,318 in 2023 to net investment gains of \$1,259,655 in 2024 as a result of a decrease in net unrealized losses on investments from \$1,245,942 in 2023 to net unrealized gains of \$1,089,953, and a decrease in realized losses on disposal of investments from \$1,605,376 to realized gains on disposal of investments of \$169,702.

Offset by:

- An increase in loss from equity investment of \$1,634,991 from \$6,099,586 in 2023 to \$7,734,577 in 2024. The amount of the loss from equity investment fluctuates based on the results of operations of New Found and the Company's ownership of shares of New Found.
- The Company recorded a deferred income tax recovery of \$1,823,227 for the three months ended September 30, 2024 compared to a deferred income tax recovery of \$3,034,373 for the three months ended September 30, 2023. A larger recovery recognised in the comparative period is mainly a result of a more significant reduction in the value of the investment in New Found during the three months ended September 30, 2023 compared to the current period, which resulted in a corresponding increase in the related deferred income liability recognized on the difference between accounting and tax basis of this asset.

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The Company recorded a net loss and comprehensive loss attributable to owners of the Company of \$4,787,622 and \$0.10 basic and diluted loss per share for the three months ended September 30, 2024 (the three months ended September 30, 2023: a net loss and comprehensive loss attributable to owners of the Company of \$6,271,354 and \$0.13 basic and diluted loss per share).

### Cash Flows

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
	\$	\$
Cash (used in) operating activities	(555,459)	(714,704)
Cash (used in) financing activities	-	(3,315,848)
Change in cash	(555,459)	(4,030,552)
Cash, beginning of period	838,113	5,390,215
Cash, end of period	282,654	1,359,663

### Operating Activities

Cash used in operating activities for the nine months ended September 30, 2024 was \$0.6 million compared to \$0.7 million used in operating activities for the nine months ended September 30, 2023. Cash movements from operating activities can fluctuate with changes in net income / loss, non-cash items, such as foreign exchange, deferred income tax expenses, and working capital. During the nine months ended September 30, 2024, the Company received \$4.3 million from disposals of investments, and used \$3.3 million on purchases of investments, compared to \$7.6 million received from disposals and \$6.5 million used on purchases of investments during the comparative period ended September 30, 2023. During the comparative period ended September 30, 2023, the Company also used \$3.5 million to re-purchase its common shares.

### Summary of Quarterly Results

	2024				2023				2022
	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	
Total revenue <sup>(1)</sup>	1,260,421	217,993	(381,865)	346,357	(2,835,322)	(5,409,812)	(2,978,461)	(5,844,625)	
Net loss and comprehensive loss for the period	(4,787,622)	(35,293,701)	(2,924,001)	(18,855,694)	(6,271,354)	(7,231,140)	(16,303,715)	(10,286,414)	
Net loss and comprehensive loss for the period	(4,787,622) <sup>(3)</sup>	(35,293,701) <sup>(4)</sup>	(2,924,001) <sup>(5)</sup>	(18,855,694) <sup>(6)</sup>	(6,271,354) <sup>(7)</sup>	(7,231,140) <sup>(8)</sup>	(16,303,715) <sup>(9)</sup>	(10,286,414)	
Loss per common share basic <sup>(2)</sup>	(0.10)	(0.74)	(0.06)	(0.39)	(0.13)	(0.15)	(0.33)	(0.21)	
Loss per common share diluted <sup>(2)</sup>	(0.10)	(0.74)	(0.06)	(0.39)	(0.13)	(0.15)	(0.33)	(0.21)	

(1) Total revenue consists of net investment gains (losses), interest income and dividend income.

(2) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

## **Palisades Goldcorp Ltd.**

### Management's Discussion and Analysis

For the three and nine months ended September 30, 2024 and 2023

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- (3) Decrease of net loss and comprehensive loss from prior quarter primarily driven by a decrease in impairment loss on equity investment in New Found of \$29,699,485, a decrease in settlement of legal claim of \$15,554,783, and a decrease in deferred income tax recovery of \$11,019,309, offset by an increase in loss from equity investment of \$5,002,560.
- (4) Increase of net loss and comprehensive loss from prior quarter primarily driven by an impairment loss on equity investment in New Found of \$29,699,485, settlement of legal claim of \$15,554,783, offset by an increase in net investment gains of \$603,786, a decrease in loss from equity investment of \$522,915 and an increase in deferred income tax recovery of \$11,635,913.
- (5) Decrease of net loss and comprehensive loss from prior quarter primarily driven by a decrease in an impairment loss on investment in New Found of \$19,562,087, a decrease in loss from equity investment of \$2,103,185, offset by a decrease in net investment gains of \$721,084 and a decrease in deferred income tax recovery of \$4,710,371.
- (6) Increase of net loss and comprehensive loss from prior quarter primarily driven by an impairment loss on investment in New Found of \$19,562,087 recognized in the current quarter with no such loss recognized in the prior quarter, offset by an increase in deferred income tax recovery of \$2,882,621 and higher investment gains recognized in the current quarter whereas investment gains increased by \$3,184,878 in the current period compared to prior period.
- (7) Decrease of net loss and comprehensive loss from prior quarter primarily driven by a decrease in net investment losses of \$2,578,969, offset by an increase in loss from equity investment of \$1,884,120.
- (8) Decrease of net loss and comprehensive loss from prior quarter primarily driven by a decrease in stock-based compensation of \$9,548,058, a decrease in loss from equity investment of \$1,132,361, and an increase in deferred income tax recovery of \$449,334, offset by an increase in net investment losses of \$2,414,340.
- (9) Increase of net loss and comprehensive loss from prior quarter primarily driven by an increase in stock-based compensation of \$9,548,058, offset by a decrease in net investment losses of \$2,866,164 and a decrease in loss from equity investment of \$1,336,594.

## **Liquidity and Capital Resources**

As at September 30, 2024, the Company had cash of \$282,654 and current assets of \$8,136,596 to settle current liabilities of \$82,456 all of which is comprised of accounts payable and accrued liabilities that are due within one year of the statement of financial position.

The Company relies upon various sources of funds for its ongoing operating and investing activities. These sources include proceeds from dispositions of investments, interest and dividend income from investments and capital raising activities such as equity financings.

As at September 30, 2024, the Company had a working capital of \$8,054,140 consisting primarily of cash and cash equivalents and investments. The Company has adequate working capital to fund its expected operating and investing activities through the next twelve months. The Company does not have bank debt or banking credit facilities in place as at the date of this report.

## **Outstanding Share Data**

As at September 30, 2024 and as of the date of this report, there were 47,903,977 common shares issued and outstanding.

As at September 30, 2024, there were 4,201,000 stock options and 356,983 warrants outstanding. As at the date of this report, there were 4,201,000 stock options and no warrants outstanding.

## **Stock Option Plan**

The Company has a share purchase option compensation plan that allows it to grant share purchase options to its officers, directors, employee and service providers based on the maximum number of eligible shares not exceeding 10% in the aggregate of the Company's outstanding common shares at the time of grant.

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## Management's Discussion and Analysis

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**Related Party Transactions**

All transactions with related parties have occurred in the normal course of operations and on terms and conditions that are similar to those of transactions with unrelated parties and are measured at the amount of consideration paid or received. A summary of the Company's related party transactions is as follows:

*Key management personnel compensation*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, or companies owned or controlled by them.

<b>Three months ended September 30, 2024</b>	<b>Position</b>	<b>Salaries and Consulting \$</b>	<b>Bonus \$</b>	<b>Share-based compensation \$</b>	<b>Total \$</b>
	Chairman and Chief				
Collin Kettell	Executive Officer	82,500	-	-	82,500
Bassam Moubarak	Chief Financial Officer	67,500	-	-	67,500
Gregor Gregersen	Non-executive director	18,000	-	-	18,000
Elizabeth Harrison	Non-executive director	18,000	-	-	18,000
William Hayden	Former non-executive director	18,000	-	-	18,000
<b>Total</b>		<b>204,000</b>	<b>-</b>	<b>-</b>	<b>204,000</b>

<b>Three months ended September 30, 2023</b>	<b>Position</b>	<b>Salaries and Consulting \$</b>	<b>Bonus \$</b>	<b>Share-based compensation \$</b>	<b>Total \$</b>
	Chairman and Chief				
Collin Kettell	Executive Officer	82,500	-	-	82,500
Bassam Moubarak	Chief Financial Officer	67,500	-	-	67,500
Gregor Gregersen	Non-executive director	18,000	-	-	18,000
Elizabeth Harrison	Non-executive director	18,000	-	-	18,000
William Hayden	Former non-executive director	18,000	-	-	18,000
<b>Total</b>		<b>204,000</b>	<b>-</b>	<b>-</b>	<b>204,000</b>

<b>Nine months ended September 30, 2024</b>	<b>Position</b>	<b>Salaries and Consulting \$</b>	<b>Bonus \$</b>	<b>Share-based compensation \$</b>	<b>Total \$</b>
	Chairman and Chief				
Collin Kettell	Executive Officer	247,500	-	-	247,500
Bassam Moubarak	Chief Financial Officer	202,500	-	-	202,500
Gregor Gregersen	Non-executive director	54,000	-	-	54,000
Elizabeth Harrison	Non-executive director	54,000	-	-	54,000
William Hayden	Former non-executive director	54,000	-	-	54,000
<b>Total</b>		<b>612,000</b>	<b>-</b>	<b>-</b>	<b>612,000</b>

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<b>Nine months ended September 30, 2023</b>	<b>Position</b>	<b>Salaries and Consulting \$</b>	<b>Bonus \$</b>	<b>Share-based compensation \$</b>	<b>Total \$</b>
Collin Kettell	Chairman and Chief Executive Officer	247,620	82,500	6,875,238	7,205,358
Bassam Moubarak	Chief Financial Officer	202,500	70,875	2,386,446	2,659,821
Gregor Gregersen	Non-executive director	54,000	-	95,458	149,458
Elizabeth Harrison	Non-executive director	54,000	-	95,458	149,458
William Hayden	Former non-executive director	54,000	-	95,458	149,458
<b>Total</b>		<b>612,120</b>	<b>153,375</b>	<b>9,548,058</b>	<b>10,313,553</b>

Under the terms of their management agreements, certain officers of the Company are entitled to 24 months of base pay in the event of their agreements being terminated without cause.

At September 30, 2024, there was \$10,623 payable to Collin Kettell for expense reimbursements included in accounts payable and accrued liabilities (December 31, 2023 - \$1,970).

On February 1, 2023, the Company granted 4,201,000 stock options to directors and officers with an exercise price of \$4.20 per share for a period of five years. The options vested immediately.

### Settlement of a Legal Claim

On November 15, 2019, ThreeD Capital Inc. ("ThreeD") and 1313366 Ontario Inc. ("131" and together with ThreeD, the "Plaintiffs") each entered into share purchase agreements (the "Share Purchase Agreements") with the Company under which the Company agreed to purchase the 13,500,000 Common Shares of New Found owned by ThreeD and the 4,000,000 Common Shares of New Found owned by 131 for \$0.08 per Common Share. The transactions closed on November 20, 2019.

On March 10, 2020, ThreeD Capital Inc. and 131 filed a statement of claim in the Ontario Superior Court of Justice against Collin Kettell, New Found and the Company (the "ThreeD Claim"). Mr. Kettell is a Chairman and Chief Executive Officer of both the Company and New Found. Pursuant to the ThreeD Claim, the Plaintiffs are challenging the validity of the sale of 17,500,000 Common Shares by the Plaintiffs to the Company on November 20, 2019.

ThreeD and 131 claim that at the time of negotiation and execution of the Share Purchase Agreements, the Company and Mr. Kettell were aware of positive drill results from New Found's 2019 Drill Program and the results were not disclosed to ThreeD and 131 to their detriment. The Company and Mr. Kettell strongly deny ThreeD and 131's allegations. ThreeD and 131 have made specific claims for (a) rescission of the Share Purchase Agreements on the basis of oppression or unfair prejudice; (b) or alternatively, damages in the amount of \$21,000,000 for the alleged improper actions by Mr. Kettell and the Company, (c) a declaration that the Company and Collin Kettell, as shareholder or director and/or officer of New Found, have had acted in a manner that is oppressive, unfairly prejudicial or unfairly disregarded their interests, (d) a declaration that the Company and Collin Kettell engaged in insider trading contrary to section 138 of the *Securities Act* (Ontario), (e) unjust enrichment and (f) interests and costs. The Company and Mr. Kettell refute each of the specific claims made by the Plaintiffs.

The Company filed a statement of defence in response to the ThreeD Claim on September 12, 2020, pursuant to which, among other things, the Company denies that it is a proper party to the ThreeD Claim and the allegations against it therein, including because no relief is claimed against the Company in paragraph 1 of the ThreeD Claim. The action has now progressed through the production of documents and oral examinations for discovery stages.

## **Palisades Goldcorp Ltd.**

### **Management's Discussion and Analysis**

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In early 2022, the Plaintiffs formally amended their statement of claim to increase the amount claimed to \$229,000,000 and to advance a direct claim of oppressive conduct against the Company. While continuing to deny any and all liability to the Plaintiffs, the Company has amended its defence to include specific denials of the new allegations of oppressive conduct against it. The parties completed an additional round of examinations for discovery in January 2023, following which the plaintiffs set the action down for trial. The parties had a mediation meeting on October 3, 2023, but were unable to settle the case.

On June 5, 2024, the Company entered into a settlement agreement, according to which the Company agreed to transfer 3,380,000 common shares of New Found with a total estimated fair value of \$15,987,400 to ThreeD and 131, and New Found agreed to issue 370,000 common shares to ThreeD and 131. The carrying value of 3,380,000 New Found shares transferred by the Company to Three D and 131 was \$15,552,578. The Company recognized a settlement of legal claim expense of \$15,554,783, which was comprised of the total value of shares transferred of \$15,987,400, legal and filing fees of \$2,205, offset by a gain on transfer of New Found shares of \$434,822, and included in the loss and comprehensive loss for the three and nine months ended September 30, 2024.

The settlement agreement resolves the litigation between ThreeD, 131, Palisades and the Company completely, does not include any admission of liability, and provides for fulsome releases by ThreeD and 131.

## **Risks and Uncertainties**

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist. The Company is in the business of acquiring equity participation in pre-IPO and early stage public resource companies with undeveloped or undervalued high quality projects. The Company's investing activities are, by their nature, subject to a number of inherent risks, including liquidity, market, interest rate, currency, commodity and credit risks associated with financial instruments, all of which can have a significant impact on the Company's financial condition and results of operations. The Company is also exposed to a number of risks and uncertainties that are common to resource exploration companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks.

### **Risks Relating to the Company**

#### *Changes in commodity prices*

The net asset value of the Company's portfolio of investments will be significantly affected by changes in the market price of commodities, and as a result, fluctuations in the price of commodities, and in particular, the price of gold, may cause significant changes to the price of the Company's shares. The price of gold and other commodities fluctuate daily and are affected by factors beyond the control of Palisades, including levels of supply and demand and industrial development, inflation and interest rates, global currency prices, geo-political events and global health pandemics. External economic factors that affect commodity prices can be influenced by changes in international investment patterns, monetary systems and political developments.

A decline in commodity prices could cause a corresponding decline in the net asset value of the Company's portfolio and the price of its shares, which may have an adverse effect on the Company's investors.

All commodities, by their nature, are subject to wide price fluctuations, and future material commodity price declines will result in a decrease in revenue for producers of such commodities and may cause a suspension or termination of production by such producers, which would, in the event such producers form part of Company's portfolio of investments, likely result in a loss of the net asset value of the Company's portfolio. Even if Company's portfolio contains a diversified base of commodity issuers, commodity markets have historically been cyclical and a general downturn in commodity prices could result in a significant decrease in the value of the Company's portfolio.

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### Management's Discussion and Analysis

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#### *No control over mining operations*

The Company is not directly involved in the operation of the mines owned and operated by the entities in which the Company holds an interest (the "Mining Operations"). As such, the net asset value of the Company's portfolio will be dependent on the decisions, actions and operations of third-party mine owners and operators. These owners and operators generally will have the power to determine the way a property is exploited, including decisions to expand, continue or reduce or suspend or discontinue production from a property, decisions about the marketing of products extracted from the property and decisions to advance exploration efforts and conduct development of a non-producing property. The interests of third-party mine owners and operators and those of the Company in respect of a relevant project or property may not always be aligned. The inability of the Company to control the operations of entities in which it holds an interest may result in a material adverse effect on the net asset value of the Company's portfolio and its financial condition. In addition, the mine owners or operators may take action contrary to policies or objectives of the Company; have difficulty obtaining or be unable to obtain the financing necessary to move projects forward; or experience financial, operational or other difficulties, including insolvency which, in each case, may have a material adverse effect on the Company.

The Company is also subject to the risk that a specific mine or project may be put on care and maintenance or have its operations suspended, on both a temporary or permanent basis.

Issuers in which the Company holds an interest from time to time may announce transactions, including the sale or transfer of the projects the issuer holds or the issuer itself, over which the Company has no control. If such transactions are completed, there is no guarantee that the transaction will be beneficial to the Company. If any such transaction is announced, there is no certainty that such transaction will be completed, or completed as announced, and any consequences of such non-completion on the Company may be difficult or impossible to predict.

The Company is subject to the risk that Mining Operations may shut down on a temporary or permanent basis due to issues including but not limited to economic conditions, lack of financial capital, flooding, fire, weather related events, mechanical malfunctions, community or social related issues, social unrest, the failure to receive permits or having existing permits revoked, collapse of mining infrastructure, including tailings ponds, expropriation and other risks.

These issues are common in the mining industry and can occur frequently. There is a risk that the carrying values of the Company's assets may not be recoverable if Mining Operations or the operators or owners of the mining operations experience any of these issues.

The exact effect on a particular issuer or mining operation of the occurrence of any of these issues cannot be predicted, but such issues may result in the Mining Operations becoming uneconomic resulting in their shutdown and closure, which may have a material and adverse effect on the Company.

#### *No guaranteed return*

The Company's investments in securities of public entities are subject to volatility in the share prices of such entities. There can be no assurance that an active trading market for any of the subject securities is sustainable. The trading prices of the subject securities could be subject to wide fluctuations in response to various factors beyond our control, including, quarterly variations in the subject entities' results of operations, changes in earnings (if any), estimates by analysts, conditions in the industry of the subject companies and general market or economic conditions.

In recent years, equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific entities. Such market fluctuations could adversely affect the market price of our investments. There is no guarantee the Company's investments will earn any positive return in the short term or long term. The Company may never earn any return on its investment and may lose its entire investment. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. Our past performance provides no assurance of our future success.



## **Palisades Goldcorp Ltd.**

### Management's Discussion and Analysis

For the three and nine months ended September 30, 2024 and 2023

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#### *Third-party reporting*

As the holder of an equity interest, the Company may have limited access to data on the operations of an issuer or to the actual underlying properties held by any such issuer. This limited access to data or disclosure regarding operations could affect the ability of Palisades to evaluate the prospects of its investments, which could result in losses in the Company's portfolio, short term fluctuations in the value of our investments or missed investment opportunities, each of which could materially and adversely affect the Company.

#### *Non-controlling interest*

The Company investments include equity securities of entities that the Company does not control. These securities may be acquired by the Company in the secondary market or through purchases of securities from the issuer. Any such investment is subject to the risk that the entity in which the investment is made may make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the issuer may take risks or otherwise act in a manner that does not serve our interests. If any of the foregoing were to occur, the value of the Company's investments could decrease and the financial condition could materially suffer as a result.

#### *Strategy for acquisitions*

As Palisades executes on its business plan, it intends to acquire interests in additional third parties or further its position in entities in which the Company already holds interest in. The Company cannot offer any assurance that it will be able to complete any acquisition or proposed business transactions on favourable terms or at all, or that any completed acquisitions or proposed transactions will benefit the Company. In addition, any such acquisition or other transaction may have other transaction specific risks associated with it, including risks related to the completion of the transaction, the project operators or the jurisdictions in which assets may be acquired. Additionally, the Company may from time to time consider opportunities to restructure its equity investments where it believes such a restructuring may provide a long-term benefit to the Company, even if such restructuring may reduce near-term value or result in the Company incurring transaction related costs.

#### *Due diligence*

The due diligence process that the Company undertakes in connection with its investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Company conducts due diligence that the Company deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company relies on the resources available to the Company, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigations with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment ultimately being successful for the Company. In the event that our due diligence process does not reveal material issues with respect to a proposed investment, and the Company proceeds with the investment, the investment may not be beneficial to us and the Company could lose its entire investment.

#### *Private issuers and illiquid securities*

From time to time, the Company may invest in private issuers whose securities do not trade on any public exchange. Investments in private issuers are subject to numerous re-sale restrictions and there may not be any market for these securities. These limitations may impair our ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments and do not represent a readily available source of capital for us.

## **Palisades Goldcorp Ltd.**

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**For the three and nine months ended September 30, 2024 and 2023**

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Investments in private issuers may offer relatively high potential returns but will also be subject to a relatively high degree of risk. There can be no assurance that a market will develop for any of our private company investments or that we will otherwise be able to realize a return on such investments.

The value attributed to securities of a private issuer (which is typically initially recorded at the transaction value, being the fair value at the time of acquisition, and is thereafter subject to adjustment in accordance with our accounting policies) may not reflect the amount for which they can be sold. Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within a short period of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed for the investments, and such determined fair value could be higher than the value the market ultimately ascribes to such investments.

The Company also holds illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time we are able to do so, and the value of such securities could materially decline during such period. Illiquid investments are subject to various risks, particularly the risk that we will be unable to realize our investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit from the investment. In some cases, the Company may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities, which could materially and adversely affect our ability to profitably liquidate such investments.

The Company may also make direct investments in publicly-traded securities that have low trading volumes. Accordingly, it may be difficult for us to make trades in these securities without adversely affecting the price of such securities, which could harm the profitability of our investment in such securities.

#### *Change in material investments*

From time to time the Company may make investments that are disproportionately material to the Company's portfolio. As of the date of this MD&A, the Company's success is largely dependent on its investment in New Found Gold. Any adverse development affecting the operation of, production from or recoverability of mineral reserves from the properties owned or operated by New Found Gold, or other issuers in which we have a material investment, such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage or the inability to secure supply agreements on commercially suitable terms, may have a material adverse effect on the net asset value of Palisades' portfolio and the financial condition of Palisades.

#### *Negative cash flow from operating activities*

The Company had negative cash flow from operating activities during its most recently completed financial year. The mining Operations are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration programs with respect to the Mining Operations are exploratory in nature. There is no assurance that any of the Mining Operations will generate earnings, operate profitably or provide a return on the Company's investment in the future. Accordingly, the Company may continue to operate at a loss and may be required to obtain additional financing in order to meet its future cash commitments.

#### *Dependence on key personnel*

Palisades is dependent on the services of a small number of key management personnel. The ability of Palisades to manage its activities and its business will depend in large part on the efforts of these individuals. There can be no assurance that Palisades will be successful in engaging or retaining key personnel. The loss of the services of a member of the management of Palisades could have a material adverse effect on the Company. From time to time, Palisades may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. The number of persons skilled in the acquisition of equity investments in entities that own or operate mines or mineral properties is limited and competition for such persons is intense.

## **Palisades Goldcorp Ltd.**

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Recruiting and retaining qualified personnel is critical to the success of Palisades and there can be no assurance that Palisades will be successful in recruiting and retaining the personnel it needs to successfully operate its business. If Palisades is not successful in attracting and retaining qualified personnel, the ability of Palisades to execute on its business model and strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

#### *Conflicts of interest*

As part of the Company's business plan, from time to time, the Company may invest in issuers with which its directors and officers are affiliated, whether as directors, officers, promoters, founders, significant shareholders or otherwise. Further, most of the Company's directors and officers do not devote their full time to the affairs of the Company and also serve as directors or officers of other public companies.

In such instances, there exists the possibility for such directors and officers to be in a position where there is a conflict of interest between their personal interests or their duties to such other issuer, and their duties to the Company. For example, Collin Kettell, CEO and director of Palisades, is the Founder, CEO and Executive Chairman of New Found Gold, in which the Company has made a substantial investment. Mr. Moubarak, CFO of Palisades, also provides consulting services to New Found Gold through BM Strategic. Such conflicts of interest may compromise the Company's ability to exit certain investments, or engage in new investment opportunities, which may result in a material adverse effect on the net asset value of our investment portfolio or our financial condition.

#### *Global financial conditions*

Events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mining industry, have been and continue to be impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market confidence and liquidity. A slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and the net asset value of our portfolio.

A number of issues related to economic conditions could have a material adverse effect on our business, financial condition and the net asset value of our portfolio, including: (a) contraction in credit markets could impact the cost and availability of financing for the Company and the issuers the Company invests in and the Company's and their overall liquidity; (b) the volatility of commodity prices impacts the revenues, profits, losses and cash flow of the issuers that the Company invests in and, consequently, the net asset value of the Company's portfolio and its financial condition; (c) recessionary pressures could adversely impact demand for metal production, which could adversely affect the net asset value of the Company's portfolio and its financial condition; (d) volatile energy, commodity and consumables prices and currency exchange rates could impact the production costs of the issuers that the Company invests in, and consequently, the net asset value of the Company's portfolio and its financial condition; and (e) the devaluation and volatility of global stock markets could impact the valuation of the Company's equity and other securities and potentially limit the ability to complete offerings of the Company's securities.

#### *Inflation*

The operating costs of the issuers we invest in could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices and additional government intervention through stimulus spending or additional regulations and any inability to manage these costs may impact, among other things, future development decisions, which could have a material adverse impact on such issuer's financial performance and ultimately adversely impact the financial condition of Palisades.

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#### *Natural disasters, terrorist acts, civil unrest, pandemics and other disruptions*

Natural disasters, terrorist acts, civil unrest, pandemics and other disruptions, including global response to such events as it relates to sanctions, quarantines, trade embargos and military support, may adversely affect Palisades or the issuers in which the Company invests. Upon the occurrence of a natural disaster, or upon commencement of war, riot or civil unrest, the impacted country, province, state or region may not efficiently and quickly recover from such event, which could have a material adverse effect on Palisades to the extent that Palisades has invested in issuers with investments in such country, province, state or region. Terrorist attacks, public health crises, including epidemics, pandemics or outbreaks of new infectious disease or viruses, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, natural disasters, national emergencies, acts of war, technological attacks and related events can result in volatility and disruption to local and global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to Palisades and/or its investments, all of which may have a material adverse effect on the net asset value of Palisades' portfolio, Palisades' financial condition and the price of Palisades' shares.

#### *Future financing; future securities issuances*

There can be no assurance that Palisades will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could impede Palisades' investment strategy or result in delay or postponement of Palisades' business activities, which may result in a material and adverse effect on Palisades' financial condition, the value of its portfolio or the price of its shares. Palisades may require new capital to continue to grow its business and there are no assurances that capital will be available when needed, if at all. In the event that Palisades is required to raise additional capital through issuance of its shares, or securities convertible into or exchangeable for its shares, such issuance will result in dilution to existing shareholders.

#### *Litigation affecting properties owned by entities in which Palisades has an interest in*

Potential litigation may arise on a mine or mineral property owned or operated by an entity in which Palisades holds an interest (for example, litigation between joint venture partners or between operators and original property owners or neighbouring property owners). Palisades will not generally have any influence on the litigation and will not generally have access to data or information regarding the litigation. Any such litigation that results in the cessation or reduction of production from a property (whether temporary or permanent) could have a material and adverse effect on the net asset value of Palisades' portfolio, its financial condition and the price of Palisades' shares.

#### *Changes in tax laws impacting Palisades*

There can be no assurance that new tax laws, regulations, policies or interpretations will not be enacted or brought into being in the jurisdictions in which Palisades operates or in the jurisdictions of the mines and mineral properties owned or operated by entities in which Palisades has an interest, in each case which could have a material adverse effect on Palisades. Additionally, no assurance can be given that existing taxation rules will not be applied in a manner which could result in Palisades being subject to additional taxation or which could otherwise have a material adverse effect on the net asset value of Palisades' portfolio or its financial condition. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make equity investments or other investments by Palisades less attractive to counterparties. Such changes could adversely affect the ability of Palisades to acquire new assets or make future investments.

#### *Information systems and cyber security*

Palisades' information systems (including those of any of its counterparties) may be vulnerable to the increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to these systems or Palisades' information through fraud or other means of deception. Palisades' operations depend, in part, on how well Palisades (as well as its counterparties) protect networks, equipment, information technology systems and software against damage from threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact Palisades' reputation and financial condition.

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Although to date Palisades has not experienced any losses relating to cyber-attacks or other information security breaches, there can be no assurance that Palisades or its counterparties will not incur such losses in the future. Palisades' risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain an area of attention.

#### *Activist shareholders*

Publicly traded companies are often subject to demands or publicity campaigns from activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There can be no assurance that Palisades will not be subject to any such campaign, including proxy contests, media campaigns or other activities. Responding to challenges from activist shareholders can be costly and time consuming and may have an adverse effect on Palisades' reputation.

In addition, responding to such campaigns would likely divert the attention and resources of Palisades' management and Board, which could have an adverse effect on Palisades' business and results of operations. Even if Palisades were to undertake changes or actions in response to activism, activist shareholders may continue to promote or attempt to effect further changes and may attempt to acquire control of Palisades. If shareholder activists are ultimately elected to the Board, this could adversely affect Palisades' business and future operations. This type of activism can also create uncertainty about Palisades' future strategic direction, resulting in loss of future business opportunities, which could adversely affect Palisades' business, future operations, profitability and Palisades' ability to attract and retain qualified personnel.

#### *Reputation damage*

Reputational damage can be the result of the actual or perceived occurrence of any number of events, and could include negative publicity, whether true or not. While Palisades does not ultimately have direct control over how it is perceived by others, reputational loss could have a material adverse impact on our financial performance, financial condition and growth prospects.

#### *Expansion of business model*

Palisades' business has been focused on the acquisition and management of interests in entities that own or operate mines and mineral properties. However, Palisades may pursue acquisitions outside this area, including, without limitation, engaging in stream financing or engaging in investments in mining services businesses. Expansion of Palisades' activities into new areas would present challenges and risks that it has not faced in the past. The failure to manage these challenges and risks successfully may result in a material and adverse effect on Palisades' results of operations, financial condition and the price of Palisades' Common Shares.

## **Risks Related to Mines and Mining Operations**

#### *Risk factors applicable to entities in which Palisades holds an interest*

Palisades will be subject to many of the same risk factors applicable to the owners and operators of any mine as a result of its junior mining investment portfolio. In the event that any of these risks should materialize, the value of Palisades' investment portfolio, its financial condition and/or the price of its shares may be materially and adversely affected.

#### *Exploration, development and operating risks*

Mining involves a high degree of risk. Mines and projects owned and operated by entities in which Palisades has or may acquire an equity interest are subject to all of the hazards and risks normally encountered in the exploration, development and production of metals, including weather-related events, unusual and unexpected geology formations, seismic activity, rock bursts, cave-ins, pit-wall failures, flooding, environmental hazards and the discharge of toxic

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chemicals, explosions and other conditions involved in the drilling, blasting and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to property, injury or loss of life, environmental damage, work stoppages, delays in production, increased production costs and possible legal liability.

Any of these hazards and risks and other acts of God could shut down Mining Operations temporarily or permanently. Mining Operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability for the owners or operators of the Mining Operations.

The exploration for, development, mining and processing of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines.

Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the owners or operators of Mining Operations will result in profitable commercial Mining Operations. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: cash costs associated with extraction and processing, the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; and political stability. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in one or more of the Mining Operations not receiving an adequate return on invested capital. Accordingly, there can be no assurance the Mining Operations which are not currently in production will be brought into a state of commercial production.

#### *Climate Change*

Climate change legislation and treaties are being introduced more frequently by governments globally. Regulation in respect of emission levels and the efficient use of energy is becoming more stringent. Continuation of the current regulatory trend in respect of climate change could have the impact of increasing costs at those mines and mineral properties owned and operated by entities in which Palisades has an interest. Climate change could produce adverse impacts to underlying Mining Operations through the disruption of Mining Operations and their associated resource supply lines because of extreme weather events and natural disasters. There can be no assurance that efforts to mitigate risks from climate change can be effective and that physical risks resulting from climate change will not have an adverse impact on Mining Operations.

#### *Environmental Risks*

All phases of mine operation or development are subject to governmental regulation including environmental regulation in the various jurisdictions in which they operate. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the mines and mineral properties owned or operated by entities in which Palisades has an interest. Also, unknown environmental hazards may exist on the properties at present which were caused by previous or existing owners or operators of the properties and which could impair the commercial success, levels of production and continued feasibility and project development and mining operations on these properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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#### *Government regulation, permits and authorizations*

The exploration and development activities related to mine operations are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupational health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing specific mine operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the owners or operators of mines or projects would not proceed with the development of, or continue to operate, a mine. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder and claims for damages to property and persons resulting from mining operations could result in substantial costs and liabilities for the owners or operators of mines or projects in the future such that they would not proceed with the development of, or continue to operate, a mine.

Government approvals, licences and permits are currently, and will in the future be, required in connection with Mining Operations. To the extent such approvals are required and not obtained, Mining Operations may be curtailed or prohibited from proceeding with planned operations, which could have an impact on the business and financial condition of Palisades. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Mining Operations, resulting in increased capital expenditures or production costs, reduced levels of production at producing properties or abandonment or delays in development of properties.

#### *Permitting and access*

The operation of a mine or project is subject to receipt and maintenance of permits from appropriate governmental authorities. The mines and projects owned or operated by entities in which Palisades has an interest may be subject to delays in connection with obtaining access to the property and all necessary renewals of permits for existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of these properties, permits from appropriate governmental authorities may be required. There can be no assurance that the owners or operators of the mines or projects will continue to hold all permits necessary to develop or continue operating at any particular property.

#### *Infrastructure*

Natural resource exploration, development and mining activities are dependent on the availability of mining, drilling and related equipment in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment to the owners and operators of mines or projects and may delay exploration, development or extraction activities. Certain equipment may not be immediately available or may require long lead time orders. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration, development or production at a mine or project. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect operations at a mine or project.

#### *Dependence on operator's employees*

Production from the properties owned or operated by entities in which Palisades holds an interest depends on the efforts of operators' employees. There is competition for persons with mining expertise. The ability of the owners and operators of such properties to hire and retain geologists and persons with mining expertise is key to those operations. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in the jurisdictions in which those operations are conducted.

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Changes in such legislation or otherwise in the relationships of the owners and operators of such properties with their employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on such operations.

If these factors cause the owners and operators of such properties to decide to cease production at one or more of the properties, such decision could have a material adverse effect on the business and financial condition of Palisades.

#### *Risks related to mineral reserves and resources*

The mineral reserves and resources on properties owned by entities that Palisades holds or may hold an interest in are estimates only, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of minerals will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted by the owners or operators of the properties. Further, it may take many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change. Market price fluctuations of commodities, as well as increased production and capital costs or reduced recovery rates, may render the proven and probable reserves on properties owned and operated by entities in which Palisades holds an interest unprofitable to develop at a particular site or sites for periods of time or may render reserves containing relatively lower grade mineralization uneconomic. Moreover, short-term operating factors relating to the reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause reserves to be reduced or not extracted. Estimated reserves may have to be recalculated based on actual production experience. The economic viability of a mineral deposit may also be impacted by other attributes of a particular deposit, such as size, grade and proximity to infrastructure; by governmental regulations and policy relating to price, taxes, royalties, land tenure, land use permitting, the import and export of minerals and environmental protection; and by political and economic stability.

Resource estimates in particular must be considered with caution. Resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill holes or other limited information, which is not necessarily indicative of the conditions between and around drill holes. Such resource estimates may require revision as more drilling or other exploration information becomes available or as actual production experience is gained. Further, resources may not have demonstrated economic viability and may never be extracted by the operator of a property.

It should not be assumed that any part or all of the mineral resources on properties owned or operated by entities in which Palisades holds or may hold an interest in constitute or will be converted into reserves. Any of the foregoing factors may require operators to reduce their reserves and resources, which may have a material adverse effect on Palisades' business, results of operations and financial condition.

#### *Depleted mineral reserve replacement*

A mining company operating a specific mine will be required to replace and expand mineral reserves depleted by a mine's production to maintain production levels over a long-term. It is possible to replace depleted mineral reserves by expanding known ore bodies through exploration, locating new deposits or acquiring new mines or projects. Mineral exploration is highly speculative in nature. It can take several years to develop a potential site of mineralization. There is no assurance that current or future exploration programs conducted by mining issuers in which Palisades holds an interest will be successful in replacing mining depletion. There is a risk that the depletion of mineral reserves owned by issuers in which Palisades holds an interest will not be replenished by discoveries or acquisitions, which, over time, could reduce the value of Palisades' investment portfolio.

#### *Uninsured risks*

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.



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Mining companies may or may not maintain insurance in adequate amounts, including insurance for workers' compensation, theft, general liability, all risk property, automobile, directors and officer's liability and fiduciary liability and others. Such insurance, however, contains exclusions and limitations on coverage.

Accordingly, a mining company's insurance policies may not provide coverage for all losses related to their business (and may not cover environmental liabilities and losses). The occurrence of losses, liabilities or damage not covered by such insurance policies could have a material adverse effect on the mining companies' profitability, results of operations and financial condition.

#### *Land title*

Although title to specific mines or projects may have been reviewed by or on behalf of Palisades in connection with its investment, no assurances can be given that there are no title defects affecting the properties and mineral claims owned or used by specific mines or projects. Companies may not have conducted surveys of the claims in which they hold direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. It is possible that a specific mine or project may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, mining companies may be unable to operate the specific mine or project as permitted or to enforce their rights with respect to that specific mine or project which may ultimately impair the value of Palisades' investment in such mining companies.

#### *First Nations land claims*

Certain mines or mineral properties owned and operated by entities in which the Company has an interest may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. Additional uncertainty has arisen due to the decision of the Supreme Court of Canada in *Tsilhqot'in Nation v. British Columbia* (2014 SCC 44), which recognized the Tsilhqot'in Nation as holding aboriginal title to approximately 1,900 square kilometres of territory in the interior of British Columbia. This decision represents the first successful claim for aboriginal title in Canada and may lead other First Nations in British Columbia to pursue aboriginal title in their traditional land-use areas.

The impact of any such claim on the mineral properties of entities in which the Company has an interest cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights, by way of negotiated settlements or judicial pronouncements, affecting issuers in which the Company has an interest would not have an adverse effect on the value of the Company's investment portfolio or financial condition.

In addition, there is no assurance that any such issuer will be able to maintain practical working relationships with First Nations.

#### *Indigenous peoples*

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. Palisades holds interests in entities that own and operate mines or mineral properties located in areas presently or previously inhabited or used by indigenous peoples. There may be certain obligations on the government to consult with indigenous people regarding actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. From time to time, Palisades may hold interests in entities with properties that are subject to the opposition of one or more groups of indigenous people who oppose the operation, further development, or new development on such project. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the Company or the owner/operators' activities.

Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous people. Claims and protests of indigenous people may disrupt or delay activities of the owners/operators of Palisades' equity interest.

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#### *International interests*

The Company may from time to time make investments in entities with projects or properties located outside of Canada, and could be exposed to political, economic or other risks or uncertainties as a result. These types of risks or uncertainties may differ between countries and can include but are not limited to, terrorism, hostage taking, military repression, crime, political instability, currency controls, fluctuations in currency exchange rates, inflation rates, labour unrest, risk of war or civil unrest, expropriation and nationalization, renegotiation or nullification of mining or mineral concessions, licenses, permits, authorizations and contracts, illegal mining or mineral exploration, taxation changes, modifications, amendments or changes to mining and mineral laws, regulations, policies, and changes to government regulations in respect of foreign investment and mining.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the operations or profitability of the Mining Operations in these countries. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety and the rewarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation, cancellation or dispute of licenses or entitlements which could result in substantial costs, losses and liabilities in the future.

The occurrence of these various factors and uncertainties related to the economic and political risks for operations in foreign jurisdictions cannot be accurately predicted and could have an adverse effect on the Mining Operations resulting in substantial costs, losses and liabilities in the future.

#### *Permitting, construction and development*

Palisades may hold interests in entities with mines and projects that may be in various stages of permitting, construction, development and expansion. Construction, development and expansion of such mines or projects is subject to numerous risks, including, but not limited to: delays in obtaining equipment, materials, and services essential to completing construction of such projects in a timely manner; delays or inability to obtain all required permits; changes in environmental or other government regulations; currency exchange rates; labour shortages; and fluctuation in metal prices. There can be no assurance that the owners or operators of such mines or projects will have the financial, technical and operational resources to complete the permitting, construction, development and expansion of such mines or projects in accordance with current expectations or at all.

## **Critical Accounting Policies and Estimates**

The Company prepares its financial statements using accounting policies consistent with IFRS as issued by the IASB.

The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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In preparing the condensed interim financial statements for the three and nine months ended September 30, 2024 and 2023, the Company applied the critical judgments and estimates disclosed in Notes 2 and 3 of its audited consolidated financial statements for the year ended December 31, 2023.

### **Financial Risk Management**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is not exposed to significant credit risk on its cash and cash equivalents since they are placed with major financial institutions that have high credit ratings. The credit risk exposure of the Company's investments is represented by their values disclosed. There have been no changes in management's methods for managing credit risk since December 31, 2023.

#### *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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company generates cash flow primarily from proceeds from the disposition of its investments and interest income. The Company invests in junior resource companies, which can at times be relatively illiquid. If the Company decides to dispose of securities of a particular issuer, it may not be able to do so at the time at favourable prices, or at all. Additionally, the amounts at which the Company's private company investments could be disposed of currently may differ from their carrying values since there is no active market to dispose of these investments. The Company has also relied on the issuance of shares to fund its activities and may require doing so again in the future.

There were no changes in management's methods for managing liquidity risk since December 31, 2023.

At September 30, 2024, the Company has \$82,456 (December 31, 2023 - \$73,874) in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

#### *Market risk*

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is focused on junior companies in the resource and mining sector. Changes in the future pricing and demand of these commodities can have a material impact on the market value of the investments. The nature of such investments is normally dependent on the invested company being able to raise additional capital to further development and to determine the commercial viability of its resource properties. The value of each investment is also influenced by the outlook of the issuer and by general economic and political conditions. Management mitigates the risk of loss resulting from this concentration by monitoring the trading value of the investments on a regular basis. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value.

There were no changes in management's methods for managing market risk since December 31, 2023. The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer, although the Company's investment activities are concentrated on junior companies in the resource and mining sector. The Company also requires approval from the board of directors for purchases of investments over a certain cost threshold.

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A 5% change in the future pricing and trading value of the Company's investments (with all other variables held constant) as at September 30, 2024 would change the Company's total comprehensive income (loss) by \$391,062 (December 31, 2023 - \$386,230).

*(i) 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 risks.

*(ii) Foreign exchange risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company may have financial instruments denominated in foreign currencies such as the U.S. dollar and the Australian dollar. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of its financial instruments.

The Company does not hedge its exposure to fluctuations in foreign exchange rates.

There were no changes in management's methods for managing currency risk since December 31, 2023.

A 5% change in the exchange rate of the Company's investments held in foreign currencies relative to the Canadian dollar as at September 30, 2024 would change the Company's total comprehensive income (loss) by \$Nil (December 31, 2023 – \$980).

*Capital management*

The Company manages its cash and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technology and products and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company will require capital resources to carry its plans and operations through its current operating period. The Company is not subject to externally imposed capital requirements. There were no changes in management's approach to capital management since December 31, 2023.

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### Management's Discussion and Analysis

For the three and nine months ended September 30, 2024 and 2023

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#### **Cautionary Notes Regarding Forward-Looking Statements**

This MD&A contains forward looking statements which reflect management's expectations regarding the Company's future growth, results from operations (including, without limitation, statements about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to; the Company's future business plans; expectations regarding the ability to raise further capital; the market price of gold; expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations; the ability to retain and/or maintain any require permits, licenses or other necessary approvals for the exploration or development of its mineral properties; government regulation of mineral exploration and development operations; the Company's compensation policy and practices; the Company's expected reliance on key management personnel, advisors and consultants;

Forward-looking statements are not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, without limitation, assumptions about: the ability to raise any necessary additional capital on reasonable terms; future prices of gold and other metal prices; the timing and results of exploration and drilling programs; the demand for, and price of gold; that general business and economic conditions will not change in a material adverse manner; future currency exchange rates and interest rates; operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner; the Company's ability to attract and retain skilled personnel; political and regulatory stability; the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms; obtaining required renewals for existing approvals, licenses and permits on favourable terms; requirements under applicable laws; sustained labour stability; stability in financial and capital goods markets; availability of equipment.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements.

Such risks include, without limitation: the Company may fail to find a commercially viable deposit at any of its mineral properties; there are no resources or mineral reserves on any of the properties in which the Company has an interest; the Company's plans may be adversely affected by the Company's reliance on historical data compiled by previous parties involved with its mineral properties; mineral exploration and development are inherently risky; the mineral exploration industry is intensely competitive; additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company; fluctuations in the demand for gold; the Company may not be able to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business; the Company's exploration activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted; the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations; there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned; the Company faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company; public health crises may adversely impact the Company's business; the volatility of global capital markets over the past several years has generally made the raising of capital more difficult; compliance with environmental regulations can be costly; social and environmental activism can negatively impact exploration, development and

## **Palisades Goldcorp Ltd.**

### **Management's Discussion and Analysis**

For the three and nine months ended September 30, 2024 and 2023

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mining activities; the success of the Company is largely dependent on the performance of its directors and officers; the Company's operations may be adversely affected by First Nations land claims; the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business; the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company; the Company's future profitability may depend upon the world market prices of gold; there is no existing public market for the Company's securities and an active and liquid one may never develop, which could impact the liquidity of the Company's securities; dilution from future equity financing could negatively impact holders of the Company's securities; failure to adequately meet infrastructure requirements could have a material adverse effect on the Company's business; the Company's projects now or in the future may be adversely affected by risks outside the control of the Company; the Company is subject to various risks associated with climate change; other factors discussed under "*Risk and Uncertainties*".

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking statements contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

### **Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

### **Proposed Transactions**

There are no proposed transactions at the date of this report.

### **Additional Information**

Additional information relating to the Company is available on its website at [www.palisades.ca](http://www.palisades.ca).

**SCHEDULE "E"**  
**AUDIT COMMITTEE CHARTER**

See attached.

**PALISADES GOLDCORP LTD.**  
**(the “Company”)**

**CHARTER OF THE AUDIT  
COMMITTEE**

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**1. ROLE AND OBJECTIVE**

The Audit Committee (the “**Committee**”) is appointed by and reports to the Board of Directors (the “**Board**”) of Palisades Goldcorp Ltd. (the “**Company**”). The Committee assists the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Company.

The Committee and its membership shall to the best of its ability, knowledge and acting reasonably, meet all applicable legal, regulatory and listing requirements, including, without limitation, those of any stock exchange on which the Company’s shares are listed, the *Business Corporations Act* (British Columbia) (the “**Act**”), and all applicable securities regulatory authorities.

**2. COMPOSITION**

- The Committee shall be composed of three or more directors as shall be designated by the Board from time to time.
  - At least two members of the Committee shall be “independent” and each Committee member shall be financially literate (as such terms are defined under applicable securities laws and exchange requirements for audit committee purposes). Each member of the Committee shall be able to read and understand the Company’s financial statements, including the Company’s statement of financial position, income statement and cash flow statement and any other applicable statements or notes to the financial statements.
  - Members of the Committee shall be appointed at a meeting of the Board, typically held following the annual shareholders’ meeting. Each member shall serve until his/her successor is appointed unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Company. Any member may be removed or replaced at any time by the Board.
  - Where a vacancy occurs at any time in the membership of the Committee, it may be filled by a vote of a majority of the Board.
  - The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a chair by vote of a majority of the full Committee membership. The Chair of the Committee shall be an independent director (as described above).
  - If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.
  - The Chair of the Committee presiding at any meeting shall not have a casting vote.
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- The Committee shall appoint a secretary (the “**Secretary**”) who need not be a member of the Committee or a director of the Company. The Secretary shall keep minutes of the meetings of the Committee. This role is normally filled by the Secretary of the Company.

### 3. MEETINGS

- The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, provided that meetings of the Committee shall be convened whenever requested by the auditor that is appointed by the shareholders (the “**Independent Auditor**”) or any member of the Committee in accordance with the Act.
- Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee, when possible at least 48 hours prior to the time fixed for such meeting.
- A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- A majority of Committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.
- If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains on the Committee.
- At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully effective as if it had been made at a meeting duly called and held.
- The Chief Executive Officer and Chief Financial Officer are expected to be available to attend meetings when requested, but a portion of every meeting will be reserved for in camera discussion without the Chief Executive Officer or Chief Financial Officer, or any other member of management, being present.

- The Committee may by specific invitation have other resource persons in attendance such officers, directors and employees of the Company and its subsidiaries, and other persons, including the Independent Auditor, as it may see fit, from time to time, to attend at meetings of the Committee.
- The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
- The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.
- Minutes of Committee meetings shall be sent to all Committee members.
- The Chair of the Committee shall report periodically the Committee's findings and recommendations to the Board.

#### **4. RESOURCES AND AUTHORITY**

- The Committee shall have access to such officers and employees of the Company and its subsidiaries and to such information with respect to the Company and its subsidiaries as it considers being necessary or advisable in order to perform its duties and responsibilities.
- The Committee shall have the authority to engage and obtain advice and assistance from internal or external legal, accounting or other advisors and resources, as it deems advisable, at the expense of the Company.
- The Committee shall have the authority to communicate directly with the Independent Auditor.

#### **5. RESPONSIBILITIES**

##### **A. Chair**

To carry out its oversight responsibilities, the Chair of the Committee shall undertake the following:

- provide leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;
- chair meetings of the Committee, unless not present (including in camera sessions), and report to the Board following each meeting of the Committee on the findings, activities and any recommendations of the Committee;
- ensure that the Committee meets on a regular basis and at least four times per year;
- in consultation with the Committee members, establish a calendar for holding meetings of the Committee;
- ensure that Committee materials are available to any director on request;
- report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the objectives and responsibilities of the Board as a whole;

- foster ethical and responsible decision making by the Committee and its individual members;
- encourage Committee members to ask questions and express viewpoints during meetings;
- together with the Nominating and Corporate Governance Committee, oversee the structure, composition, membership and activities delegated to the Committee from time to time;
- ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently;
- attend each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair; and
- perform such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

## **B. The Committee**

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditor as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee is hereby delegated the duties and powers specified in Section 225 of the Act and, without limiting these duties and powers, the Committee will carry out the following responsibilities:

### Financial Accounting and Reporting Process and Internal Controls

- review the annual audited financial statements and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements prior to their being filed with the appropriate regulatory authorities. The Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditor as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- assess the integrity of internal controls and financial reporting procedures and ensure implementation of appropriate controls and procedures.
- review the financial statements, management's discussion and analysis relating to annual and interim financial statements, and press releases and any other public disclosure documents containing financial disclosure before the Company publicly discloses this information.

- be satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements, and periodically assess the adequacy of these procedures.
- meet no less frequently than annually with the Independent Auditor and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee deems appropriate.
- inquire of management and the Independent Auditor about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
- review the post-audit or management letter containing the recommendations of the Independent Auditor and management’s response and subsequent follow-up to any identified weaknesses.
- oversee the Company’s plans to adopt changes to accounting standards and related disclosure obligations.
- in consultation with the Corporate Governance and Nominating Committee, ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting and overseeing a corporate code of ethics for senior financial personnel.
- establish procedures for:
  - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Independent Auditor

- recommend to the Board for approval by shareholders, the selection, appointment and compensation of the Independent Auditor;
- be directly responsible for oversight of the Independent Auditor and the Independent Auditor shall report directly to the Committee.
- with reference to the procedures outlined separately in “Procedures for Approval of Non-Audit Services” (attached hereto as Appendix `A’), pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditor.
- review the Independent Auditor’s audit plan, including scope, procedures, timing and staffing of the audit.
- review the results of the annual audit with the Independent Auditor, including matters related to the conduct of the audit, and receive and review the auditor’s interim review reports.

- review fees paid by the Company to the Independent Auditor and other professionals in respect of audit and non-audit services on an annual basis.

***Other Responsibilities***

- perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate;
- institute and oversee special investigations, as needed; and
- review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

**APPENDIX H**  
**DISSENT PROVISIONS OF THE CANADA BUSINESS CORPORATION ACT**

- 190 (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to
- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
  - (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
  - (c) amalgamate otherwise than under section 184;
  - (d) be continued under section 188;
  - (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
  - (f) carry out a going-private transaction or a squeeze-out transaction.
- (2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.
- (2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.
- (3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.
- (4) A Dissenting Holder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the Dissenting Holder.
- (5) A Dissenting Holder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.
- (6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

- (7) A Dissenting Holder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing
- (a) the shareholder's name and address;
  - (b) the number and class of shares in respect of which the shareholder dissents; and
  - (c) a demand for payment of the fair value of such shares.
- (8) A Dissenting Holder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.
- (9) A Dissenting Holder who fails to comply with subsection (8) has no right to make a claim under this section.
- (10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a Dissenting Holder under this section and shall forthwith return the share certificates to the Dissenting Holder.
- (11) On sending a notice under subsection (7), a Dissenting Holder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where
- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
  - (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
  - (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),
- in which case the shareholder's rights are reinstated as of the date the notice was sent.
- (12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each Dissenting Holder who has sent such notice
- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
  - (b) if subsection (26) applies, a notification that it is unable lawfully to pay Dissenting Holders for their shares.

- (13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.
- (14) Subject to subsection (26), a corporation shall pay for the shares of a Dissenting Holder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.
- (15) Where a corporation fails to make an offer under subsection (12), or if a Dissenting Holder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any Dissenting Holder.
- (16) If a corporation fails to apply to a court under subsection (15), a Dissenting Holder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.
- (17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the Dissenting Holder resides if the corporation carries on business in that province.
- (18) A Dissenting Holder is not required to give security for costs in an application made under subsection (15) or (16).
- (19) On an application to a court under subsection (15) or (16),
  - (a) all Dissenting Holders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
  - (b) the corporation shall notify each affected Dissenting Holder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.
- (20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a Dissenting Holder who should be joined as a party, and the court shall then fix a fair value for the shares of all Dissenting Holders.
- (21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the Dissenting Holders.
- (22) The final order of a court shall be rendered against the corporation in favour of each Dissenting Holder and for the amount of the shares as fixed by the court.
- (23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Holder from the date the action approved by the resolution is effective until the date of payment.
- (24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each Dissenting Holder that it is unable lawfully to pay Dissenting Holders for their shares.



- (25) If subsection (26) applies, a Dissenting Holder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may
- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
  - (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.
- (26) A corporation shall not make a payment to a Dissenting Holder under this section if there are reasonable grounds for believing that
- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
  - (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

## **APPENDIX I**

### **COMPARISON OF SHAREHOLDERS' RIGHTS UNDER THE BCBCA AND THE CBCA**

*The following is a summary of certain differences between the BCBCA and the CBCA, but it is not intended to be a comprehensive review of the two statutes. Reference should be made to the full text of both statutes and the regulations thereunder for particulars of any differences between them, and shareholders should consult their own legal or other professional advisors with regard to all of the implications of the Arrangement which may be of importance to them.*

#### **Charter Documents**

Under the CBCA, the charter documents consist of a corporation's articles of incorporation, which set forth, among other things, the name of the corporation, and the amount and type of authorized share structure, and by-laws, which govern the management of the corporation.

Under the BCBCA, the charter documents consist of, among other things, a notice of articles, which sets forth, among other things, the name of the corporation and the amount and type of authorized share structure, and articles, which govern the management of the corporation.

#### **Amendments to Charter Documents**

Under the CBCA, changes to the by-laws of the corporation may be made by the directors of the CBCA corporation, subject to approval by the shareholders by special resolution at the next meeting of shareholders. Fundamental changes to the articles of a corporation, such as an alteration of special rights and restrictions attached to the issued shares or adopting a proposed amalgamation or a change in the province of the corporation's head office, generally require special resolutions passed by not less than 66 $\frac{2}{3}$ % of the votes cast by the shareholders voting on the resolutions at a special meeting of shareholders and, in certain instances, where the rights of the holders of a class or series of shares are affected differently by the alteration than those of the holders of other classes or series of shares, special resolutions passed by not less than 66 $\frac{2}{3}$ % of the votes cast by the holders of shares of each class or series so affected, whether or not they are otherwise entitled to vote.

Under the BCBCA, a corporation may amend its articles or notice of articles by (i) the type of resolution specified in the BCBCA, (ii) if the BCBCA does not specify a type of resolution, then by the type of resolution specified in the corporation's articles, or (iii) if neither the BCBCA nor the corporation's articles specify a resolution, then by special resolution. A special resolution must be passed by (i) the majority of votes that the articles specify is required for the corporation to pass a special resolution, provided that such majority is at least 66 $\frac{2}{3}$ % and not more than 75% of the votes cast on such resolution, or (ii) if the articles do not contain such a provision, 66 $\frac{2}{3}$ % of the votes cast on the resolution (in the case of a company incorporated under the BCBCA). Certain other fundamental changes, including continuances out of the jurisdiction and certain amalgamations also require approval by at least a special majority of shareholders. In addition, a right or special right attached to issued shares must not be prejudiced or interfered with under the BCBCA or a corporation's memorandum, notice of articles or articles unless the shareholders holding shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of those shareholders.

## **Sale of Undertaking**

The CBCA requires approval of the holders of shares of each class or series of a corporation, whether or not they are otherwise entitled to vote, represented at a duly called meeting by not less than 66 $\frac{2}{3}$ % of the votes cast upon special resolutions for a sale, lease or exchange of all or substantially all of the property (as opposed to the "undertaking") of a corporation, other than in the ordinary course of business of the corporation.<sup>16</sup> If such a transaction would affect a particular class or series of shares of the corporation in a manner different from the shares of another class or series of the corporation entitled to vote on such transaction, the holders of such first mentioned class or series of shares, whether or not they are otherwise entitled to vote, are entitled to vote separately as a class or series.

Under the BCBCA, a corporation may sell, lease or otherwise dispose of all or substantially all of the undertaking of the corporation if it does so in the ordinary course of its business or if it has been authorized to do so by special resolution.

## **Comparison of Rights of Dissent and Appraisal**

Under the CBCA, shareholders who dissent to certain actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. Subject to specified exceptions, dissent rights may be exercised by a holder of shares of any class or series of shares entitled to vote where a corporation is subject to an order of the court permitting such shareholder to dissent or where a corporation proposes to:

- (a) amend its articles to add, change or remove any provision restricting or constraining the issue or transfer of shares of that class;
- (b) amend its articles to add, change or remove any restrictions on the business or businesses that the corporation may carry on;
- (c) enter into certain statutory amalgamations;
- (d) continue out of the jurisdiction;
- (e) sell, lease or exchange all or substantially all of its property, other than in the ordinary course of business;
- (f) carry out a going-private transaction or squeeze-out transaction; or
- (g) amend its articles to alter the rights or privileges attaching to shares of any class where such alteration triggers a class vote.

Under the BCBCA, shareholders who dissent to certain actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right may be exercised by a shareholder, whether or not their shares carry the right to vote, where a corporation proposes to:

- (a) amend its articles to alter restrictions on the powers of the corporation or on the business that the corporation is permitted to carry on;

- (b) adopt an amalgamation agreement;
- (c) continue out of the jurisdiction;
- (d) sell, lease or otherwise dispose of all or substantially all of the corporation's undertaking;
- (e) adopt a resolution to approve an amalgamation into a foreign jurisdiction; or
- (f) adopt a resolution to approve an arrangement, the terms of which arrangement permit dissent.

In certain circumstances, the BCBCA also permits shareholders to dissent in respect of a resolution if dissent is authorized by such resolution, or if permitted by court order.

### **Oppression Remedies**

The CBCA contains rights that are broader than the BCBCA in that they are available (without seeking leave from a court) to a larger class of complainants. Under the CBCA, a Registered Shareholder, former Registered Shareholder, beneficial owner of shares, former beneficial owner of shares, director, former director, officer and former officer of a corporation or any of its affiliates, the Director under the CBCA, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, may apply to a court for an order to rectify the matters complained of where, in respect of a corporation or any of its affiliates, (i) any act or omission of the corporation or its affiliates effects a result, (ii) the business or affairs of the corporation or its affiliates are, or have been, carried on or conducted in a manner, or (iii) the powers of the directors of the corporation or any of its affiliates are, or have been, exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director or officer.

Under the BCBCA, a shareholder, including a Non-Registered Shareholder and any other person a court considers to be appropriate of a corporation has the right to apply to a court on the ground that: (i) the affairs of the corporation are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant or (ii) some act of the corporation has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant. On such an application and if the court is satisfied that the application was brought in a timely manner, the court may make such order as it sees fit with a view to remedying or bringing an end to the matters complained of, including, among other things, an order to prohibit any act proposed by the corporation.

### **Shareholder Derivative Actions**

The CBCA extends rights to bring a derivative action to a Registered Shareholder, former Registered Shareholder, beneficial owner of shares, former beneficial owner of shares, director, former director, officer and a former officer of a corporation or any of its affiliates, the Director appointed under the CBCA, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the CBCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries No relevant action may be brought to the court, unless the court is satisfied that:

- (a) the complainant has given at least 14 days' notice to the directors of the corporation or its subsidiary of the complainant's intention to apply to the court if the directors of the corporation or its subsidiary do not bring, diligently prosecute, defend or discontinue the action;
- (b) the complainant is acting in good faith; and
- (c) it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

Under the BCBCA, a complainant, being a shareholder (including a Non-Registered Shareholder and any other person a court considers to be appropriate) or director of a corporation may, with leave of the court, bring an action in the name and on behalf of the corporation to enforce a right, duty or obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such a right, duty or obligation. Similarly, a complainant may, with leave of the court and in the name and on behalf of the corporation, defend an action against a corporation. Under the BCBCA, a court may, on terms it considers appropriate, grant leave if:

- (a) the complainant has made reasonable efforts to cause the directors of the corporation to prosecute or defend the legal proceeding;
- (b) notice of the application for leave has been given to the corporation and to any other person the court may order;
- (c) the complainant is acting in good faith; and
- (d) it appears to the court that it is in the best interests of the corporation for the legal proceeding to be prosecuted or defended.

### **Short Selling**

Under the CBCA, insiders of a corporation are prohibited from short selling any securities of the corporation. The BCBCA has no such restriction.

### **Place of Meetings**

Subject to certain exceptions, the CBCA provides that meetings of shareholders shall be held at the place within Canada provided by the by-laws, or in the absence of such a provision, at the place within Canada that the directors determine. Meetings of shareholders may be held outside of Canada if the place is specified in the articles or if all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place.

Under the BCBCA, general meetings of shareholders are to be held in British Columbia, or may be held at a location outside of British Columbia if:

- (a) the location is provided for in the articles;
- (b) the articles do not restrict the corporation from approving a location outside of British Columbia and the location is approved by the resolutions required by the articles for that purpose, or, if no resolutions are specified, then approved by ordinary resolution before the meeting is held; or

- (c) the location is approved in writing by the British Columbia registrar of companies before the meeting is held.

Under the CBCA, fully virtual meetings of shareholders are permitted. Unless the corporation's by-laws provide otherwise, any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the regulations, if any, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the corporation makes available such a communication facility.

Under the BCBCA, fully virtual meetings of shareholders and hybrid shareholder meetings, which comprise both of an in-person and virtual element, are both permitted. Unless the memorandum or articles of a corporation provide otherwise, any person entitled to attend a meeting of shareholders may do so by telephone or other communications medium if all shareholders and proxyholders participating in the meeting, whether by telephone, by other communications medium or in person, are able to participate in the meeting.

### **Requisition of Meetings**

The CBCA permits the holders of not less than 5% of the issued shares of a CBCA corporation that carry the right to vote at a meeting sought to be held to require the directors to call and hold a meeting of the shareholders of the corporation for the purposes stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

The BCBCA provides that one or more shareholders of a corporation holding not less than 5% of the issued voting shares of the corporation may give notice to the directors requiring them to call and hold a general meeting which meeting must be held within 4 months of receiving the requisition. Subject to certain exceptions, if the directors do not call such a meeting within 21 days of receiving the requisition, any one or more of the requisitioning shareholders who hold, in the aggregate, more than 2.5% of the issued shares carrying the right to vote at general meetings may call a meeting to transact the business stated in the requisition.

### **Shareholder Proposals**

Under the CBCA, a Registered Shareholder or Non-Registered Shareholder entitled to vote at an annual meeting of shareholders may submit a proposal, although the Registered Shareholder or Non-Registered Shareholder must either: (i) have owned for at least six months prior to the proposal not less than 1% of the total number of voting shares or voting shares with a fair market value of at least \$2,000, or (ii) have the support of persons who, in the aggregate, have owned for at least six months prior to the proposal not less than 1% of the total number of voting shares or voting shares with a fair market value of at least \$2,000.

Under the BCBCA, in order for a Registered Shareholder or Non-Registered Shareholder to be entitled to submit a proposal to have it considered at the next annual general meeting, such shareholder must have held voting share(s) for an uninterrupted period of at least two years before the date the proposal is signed by the shareholders. In addition, the proposal must be signed by shareholders who, together with the submitter, are registered or beneficial owners of (i) at least 1% of the corporation's voting shares, or (ii) shares with a fair market value exceeding an amount prescribed by regulation (at present, \$2,000).

## **Director Residency Requirements**

The CBCA requires a distributing corporation (or public CBCA corporation) whose shares are held by more than one person to have a minimum of three directors, at least two of whom are not officers or employees of the corporation or its affiliates. The CBCA also requires that at least one-quarter of the directors be resident Canadians. If a corporation has less than four directors, at least one director must be a resident Canadian. Subject to certain exceptions, an individual has to be a Canadian citizen or permanent resident ordinarily resident in Canada to be considered a resident Canadian under the CBCA.

The BCBCA provides that a reporting corporation must have a minimum of three directors and does not impose any residency requirements on the directors.

## **Removal of Directors**

The CBCA provides that the shareholders of a corporation may remove one or more directors by an ordinary resolution at an annual meeting or special meeting of the shareholders. The CBCA further provides that where the holders of any class or series of shares of a corporation have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

The BCBCA provides that the shareholders of a corporation may remove one or more directors by a special resolution or, if the articles so provide, by a lower proportion of shareholders or by some other method. The BCBCA further provides that if holders of a class or series of shares have the exclusive right to elect or appoint one or more directors, a director so elected or appointed may only be removed by a special separate resolution of the shareholders of that class or series or, if the articles so provide, by a separate resolution passed by a majority of votes that is less than the majority of votes required to pass a special separate resolution or by some other method.

**APPENDIX J  
AUDIT COMMITTEE CHARTER**

Please see attached.



**CHARTER OF THE AUDIT COMMITTEE**  
**RADIO FUELS ENERGY CORP.**  
**(the "Company")**

***Name***

There shall be a committee of the board of directors (the "**Board**") of Radio Fuels Energy Corp. (the "**Company**") known as the Audit Committee (the "**Committee**").

***Purpose***

The Committee has been established to assist the Board in fulfilling its oversight responsibilities and fiduciary obligations. The primary functions and areas of responsibility of the Committee are to:

- review, report and provide recommendations to the Board on the annual and interim consolidated financial statements and related Management's Discussion and Analysis ("**MD&A**");
- identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- make recommendations to the Board regarding the appointment, terms of engagement and compensation of the external auditor;
- monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- resolve disagreements between management and the external auditor regarding financial reporting;
- receive the report of the external auditors, who must report directly to the Committee; and
- provide an avenue of communication among the Company's external auditors, management, and the Board.

***Composition and Qualifications***

All Committee members shall meet all applicable requirements prescribed under the *Canada Business Corporations Act*, as well as any requirements or guidelines prescribed from time to time under applicable securities legislation, including National Instrument 52-110 as amended, restated or superseded. The Committee shall be comprised of not less than three directors as determined from time to time by the Board. Each member shall be a director and a majority of the members shall be independent directors who are free from any direct or indirect

relationship that would, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. While it is not necessary for members to have a comprehensive knowledge of generally accepted accounting principles and standards, all members of the Committee shall be "financially literate" so as to be able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the issues raised by the Company's financial statements. A director who is not financially literate may be appointed to the Committee by the Board provided that such director becomes financially literate within a reasonable period following his or her appointment, and provided that the Board has determined that such appointment will not materially adversely affect the ability of the Committee to act independently.

Committee members shall be appointed by the Board. The Board shall designate the Chair of the Committee. If a Chair is not designated or present at any meeting, the members of the Committee may designate a Chair by majority vote. The Chair shall have responsibility for ensuring that the Committee fulfills its mandate and duties effectively.

Each member of the Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy at any time.

### ***Meetings***

The Committee shall meet at least four times annually, or more frequently as circumstances dictate, and at least once in each fiscal quarter. A notification for each of the meetings shall be disseminated to Committee members two days prior to each meeting. A majority of the members of the Committee shall constitute a quorum for meetings.

An agenda shall be prepared by the Chair of the Committee as far in advance of each meeting as reasonably practicable. Minutes of all meetings of the Committee shall be prepared as soon as possible following the meeting and submitted for approval at or prior to the next following meeting.

The Committee should meet privately at least once per year with management of the Company, the Company's external auditors, and as a committee to discuss any matters that the Committee or any of these groups believe should be discussed.

### ***Specific Responsibilities and Duties***

Specific responsibilities and duties of the Committee shall include, without limitation, the following:

#### **General Review Procedures**

1. Review and reassess the adequacy of this Charter at least annually and submit any proposed amendments to the Board for approval.
2. Review the Company's annual audited financial statements, related MD&A, and other documents prior to filing or distribution of such documents or issuing a press release in respect of the financial statements and MD&A. Review should include discussion with management and external auditors of significant issues regarding accounting principles, practices, and significant management estimates and judgments.

3. Annually, in consultation with management and external auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the external auditors and the internal auditing department together with management's responses.
4. Review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the Committee's views to the Board of Directors.
5. Review with financial management and the external auditors the Company's quarterly financial results, related MD&A and other documents prior to the filing or distribution of such documents or issuing a press release in respect of the financial statements and MD&A. Discuss any significant changes to the Company's accounting principles. The Chair of the Committee may represent the entire Committee for purposes of this review.

### **External Auditors**

6. The external auditors are ultimately accountable to the Committee, as representatives of the shareholders. The external auditors must report directly to the Committee, who shall review the independence and performance of the auditors and annually recommend to the Board the appointment of the external auditors or approve any discharge of auditors when circumstances warrant. The Committee shall approve the compensation of the external auditors.
7. The Committee must approve all non-audit and non-tax services to be provided to the Company or its subsidiary entities, unless such non-audit and non-tax services are reasonably expected to constitute not more than twenty (20) percent of the total fees paid by the Company to the external auditor during the particular fiscal year.
8. On an annual basis, the Committee should review and discuss with the external auditors all significant relationships they have with the Company that could impair the auditors' independence.
9. Review the external auditors' audit plan and discuss and approve the audit scope, staffing, locations, reliance upon management, and general audit approach.
10. Prior to releasing the year-end earnings, discuss the results of the audit with the external auditors. Discuss any matters that are required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.
11. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting.

### **Legal Compliance**

12. On at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

## **Other Miscellaneous Responsibilities**

13. Annually assess the effectiveness of the Committee against its Mandate and report the results of the assessment to the Board.
14. Prepare and disclose a summary of the Mandate to shareholders.
15. Perform any other activities consistent with this Mandate, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

## ***Authority***

The Committee shall have the authority to:

1. delegate approval-granting authority to pre-approve non-audit services by the external auditor to one or more of its members;
2. engage independent counsel and other advisors as it determines necessary to carry out its duties;
3. set and pay the compensation for any advisors employed by the Committee; and
4. communicate directly with the external auditors.

## ***Reporting***

The Committee shall report its deliberations and discussions regularly to the Board and shall submit to the Board the minutes of its meetings.

## ***Resources***

The Committee shall have full and unrestricted access to all of the Company's books, records, facilities and personnel as well as the Company's external auditors and shall have the authority, in its sole discretion, to conduct any investigation appropriate to fulfilling its responsibilities. The Committee shall further have the authority to retain, at the Company's expense, such special legal, accounting or other consultants or experts as it deems necessary in the performance of its duties and to request any officer or employee of the Company or the Company's external counsel or auditors to attend a meeting of the Committee.

## ***Limitation on the Oversight Role of the Committee***

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the information provided to the Company by such persons or organizations.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial

statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Company's external auditors.