

Borealiss Mining Company Ltd. Announces Acquisition of Gold Bull Resources Corp.

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[Gold Bull Resources Corp.](#) (TSXV: GBRC) ("Gold Bull") and [Borealis Mining Company Ltd.](#) (TSXV: BOGO) ("Borealis") are very pleased to announce that they have entered into a definitive agreement signed on December 9th, 2024 (the "Agreement") whereby Borealis will acquire all of the issued and outstanding shares of Gold Bull ("Gold Bull Shares") pursuant to a plan of arrangement (the "Transaction"), adding high-margin ounces in Nevada to Borealis' future gold production profile on its goal to become a mid-tier gold producer.

Transaction Highlights

- Transaction delivers Borealis shareholders a highly advanced and robust Nevada gold project with a low capex and extremely high IRR and NPV, particularly at today's gold prices, that adds to Borealis' future production profile.
- Transaction delivers Gold Bull shareholders a significant premium with an acquisition price of approximately \$0.60 per Gold Bull share or a ratio of 0.93 Borealis Shares for each Gold Bull share, based on a 20-day volume weighted price average.
- The Borealis Mine and Sandman projects are synergistic in that the Borealis ADR facility can be used to process loaded carbon from the Sandman project as proposed in the 2023 PEA, which dramatically lowers capex and permitting risks.

Kelly Malcolm, CEO of Borealis, stated: *"We have been very interested in Gold Bull and in particular the Sandman project for many months now. Our team has internally validated both the existing 2021 mineral resource and the economics presented in the 2023 PEA and have seen potential near-term upside opportunities in both. The Sandman project benefits from a great location close to Winnemucca, NV, strong historical and recent metallurgical results, a massive historical dataset, and robust proximal infrastructure. We look forward to rapidly advancing the project to production, especially in light of the sensitivity analysis of the 2023 PEA which shows very exciting economics at current gold prices. Next steps will be validation of historical metallurgical results, which indicate non-refractory and readily recoverable gold mineralization, initiation of a Feasibility Study, and concurrent permitting. We hope to welcome existing Gold Bull shareholders to the Borealis journey, pending completion of the transaction, as we seek to grow into an established Nevada-focused gold producer."*

Cherie Leeden, CEO of Gold Bull, stated: *"We reviewed and analyzed numerous companies for potential mergers, and of those, Borealis stood out to us as the ideal partner. The Borealis board boasts extensive experience in planning, financing, building and operating mines. The merger allows our shareholders to maintain exposure to our Sandman and Big Balds Projects through a meaningful ownership stake in the combined company while gaining exposure to the Borealis Mine which is a fully permitted and near term producing gold asset, also located in Nevada. We are convinced that combining forces with Borealis will unlock significant value for all shareholders, as Borealis has committed to advance the Sandman Project through to Feasibility Study with the aim of getting Sandman into production as soon as possible. The intended outcome is to build the combined entity into a mid-tier gold producer. Today represents a significant milestone for all Gold Bull stakeholders and I would like to thank them for their support over the years, during a difficult period in the junior gold market."*

Benefits to Borealis Shareholders

- Acquisition of an advanced PEA-level project in Nevada at a cost of US\$14.6 per indicated oz of gold. Adds 433,000 Indicated and 60,800 Inferred gold ounces to the Borealis portfolio.
- The current (2023) Sandman PEA envisions a low initial Capex (US\$31.5 million) operation with an IRR of 81% (post-tax), and NPV of US\$121 million (post-tax 6% discount rate) delivering an average annual gold production of 37.9k oz of gold and average annual free cash flows (post-tax) of US\$22.9 million, at a price of US\$1,800/oz of gold.
- The PEA envisions a scenario where a simple heap leach operation is built at Sandman and loaded carbon is shipped to an external ADR facility to process into doré bars. The Borealis ADR facility is fully permitted and fully equipped to process external carbon, thus resulting in the low projected Capex.

- Internal review of the Sandman resource model and economic scoping study shows immediate upside opportunities.
- Large and underexplored Sandman land package provides exploration upside opportunity with a number of untested geophysical and geochemical targets.
- Additional Big Balds project provides an early-stage exploration project proximal to the Bald Hills gold mine near Elko, NV.

Benefits to Gold Bull Shareholders

- Immediate and significant upside for Gold Bull shareholders with an acquisition price of approximately \$0.60 per Gold Bull share representing a significant premium of 86.3% to Gold Bull's 30-day VWAP and 71.1% to the 90-day VWAP.
- Share ratio of 0.93 Borealis Shares for each Gold Bull share, based on a Borealis 20-day volume weighted price average.
- Meaningful ownership in the combined entity providing continued exposure to Sandman and Big Balds as well as to Borealis' fully permitted Borealis Mine.
- Increased trading liquidity, capital markets presence, and enhanced combined value proposition.
- Near-term revenue generation from the Borealis Mine may limit future dilution.
- Combined entity creates increased financing options to advance Sandman to production

Transaction Details

Pursuant to the Transaction, each common share in Gold Bull will be acquired and exchanged for 0.93 Borealis common shares ("Borealis Shares") resulting in the issuance of approximately 13.8 M Borealis Shares. Upon completion of the arm's length Transaction, existing Borealis and Gold Bull shareholders will own approximately 86% and 14% of Borealis, respectively. There are no finders fees payable pursuant to the Transaction.

The Transaction will be completed pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia). The consummation of the Transaction is subject to a number of conditions customary to transactions of this nature, including, among others, the adoption of a resolution approving the Transaction at a special meeting of Gold Bull shareholders (the "Meeting") by: (i) at least 66⅔% of votes cast by Gold Bull shareholders present in person or represented by proxy at the Meeting; and (ii) a majority of the votes cast by Gold Bull shareholders present in person or represented by proxy at the Meeting, excluding votes attached to any particular shareholder as required under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101").

MI 61-101 provides that, in certain circumstances, where a "related party" (as defined in MI 61-101) of an issuer is entitled to receive a "collateral benefit" (as defined in MI 61-101) in connection with an arrangement transaction such as the Transaction, such transaction may be considered a "business combination" for the purposes of MI 61-101 and subject to minority shareholder approval requirements. However, there are certain exceptions to these requirements. An independent committee of Gold Bull's Board, will conduct a "collateral benefit" assessment and applicable disclosure and any vote exclusions will be disclosed in the information circular for the Meeting.

Gold Bull expects to hold the Meeting in late January or early February 2025 and the Transaction is expected to close shortly thereafter, subject to court approvals and other customary closing conditions. In addition to shareholder and court approvals, the Transaction is also subject to, among other things, obtaining customary regulatory approvals including applicable court and stock exchange approvals.

Further details regarding the terms and conditions of the Transaction are set out in the Agreement, which will be publicly filed by Gold Bull and Borealis under their respective SEDAR+ profiles at www.sedarplus.ca. Additional information regarding the terms of the Agreement and the background of the Transaction will be provided in the information circular for the Meeting, which will also be filed on Gold Bull's SEDAR+ profile at www.sedarplus.ca.

Sandman Project Overview

The recent 2023 Preliminary Economic Assessment (PEA) considered a conventional heap leach mining operation targeting 38,000 ounces of gold produced per annum over a 9-year operation. Given the nature of the Sandman deposits (outcropping), a 2.2 Mtpa production rate and very low strip ratio of 2.2:1 extracts an

average gold grade of 0.73 g/t Au (majority oxide). The economics for this scenario are very robust, with an 81% IRR (post-tax) and NPV (post-tax and 6% discount rate) of US\$121M, with only a 1.3 year payback period (post-tax) (Table 1).

The capital required to build the proposed mining operation is very modest at an initial pre-production capital of US\$31.5 M and Phase 2 Capital of US\$19.7M, paid by Phase 1 mining revenues. Total LOM capital is US\$51.3M, for an all-in sustaining cost of US\$1,337 per ounce of gold (post-tax).

Sandman's economics are highly sensitive to the gold price. The 2023 PEA used a gold price of US\$1800. As determined in the sensitivity study completed as part of the PEA, at a gold price of US\$2600, the NPV jumps dramatically from US\$121M to US\$323.1M with an IRR of 171.9% all on a post-tax basis (Table 2).

In December 2020, Gold Bull purchased the Sandman Project from Newmont. Gold mineralization was first discovered at Sandman in 1987 by Kennecott and the project has been intermittently explored since then. There are four known pit constrained gold resources located within the Sandman Project, consisting of 21.8Mt @ 0.7g/t gold for 494,000 ounces of gold; comprising of an Indicated Resource of 18,550kt @ 0.73g/t gold for 433kcozs of gold plus an Inferred Resource of 3,246kt @ 0.58g/t gold for 61kcozs of gold (Table 3). Several of the resources remain open in multiple directions and the bulk of the historical drilling has been conducted to a depth of less than 100m. Sandman is conveniently located circa 30 km northwest of the mining town of Winnemucca, Nevada. Over its history, more than USD\$30 million has been spent on the project and there is a comprehensive Plan of Operations for Exploration in place allowing for immediate exploration across the entire project.

Table 1: 2023 Sandman PEA Summary (all numbers in US Dollars)

Gold Price	\$1,800/oz Au
After-tax NPV (6%)	\$121 million
After-tax IRR	81%
Payback Period	1.3 years
Initial Capital	\$31.6 million
Sustaining Capital	\$19.7 million
Average Annual Payable Gold Production	37.9k oz
Initial Mine Life	9 years
LOM All In Sustaining Cost per oz gold payable	\$1,337
LOM All-in sustaining per oz gold payable ("AISC")	\$1,286
After Tax Average Annual Free Cashflow	\$22.9 million
After-tax Cumulative Undiscounted Free Cash Flow	\$174.7 million

Table 2: Sensitivity Study Results from 2023 PEA

NPV @ 6% (USD)	IRR (after-tax)
\$1,000M	55.1%
\$1,200M	80.9%
\$1,400M	104.7%
\$1,600M	127.6%
\$1,800M	149.9%
\$2,000M	171.9%
\$2,200M	193.6%
\$2,400M	215.2%

Table 3: 2021 Sandman Resource Estimate

Category	Cut-off Grade (g/t Au)	Tonnes (t)	Au (g/t)	Contained Au (ozs)
INDICATED				
Oxide	0.15	12,991,000	0.63	265,100
Fresh/Unoxidized	0.30	5,559,000	0.94	167,900

INFERRED

Oxide	0.15	2,377,000	0.46	35,500
Fresh/Unoxidized	0.30	869,000	0.91	25,300
TOTAL INDICATED		18,550,000	0.73	433,000
TOTAL INFERRED		3,246,000	0.58	60,800

- Mineral Resources have an effective date of January 20, 2021. The Qualified Person responsible for the Mineral Resource estimate is Mr. Steven Olsen.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- Inferred mineral resources are that part of a mineral resource for which the grade or quality are estimated on the basis of limited geological evidence and sampling. Inferred mineral resources do not have demonstrated economic viability and may not be converted to a mineral reserve. It is reasonably expected that the majority of Inferred mineral resources could be upgraded to Indicated mineral resources with continued exploration.
- Rounding may result in apparent differences when summing tonnes, grade and contained metal content. Tonnage and grade measurements are in Metric units. Contained metal is reported as troy ounces.

The full report, "Preliminary Economic Assessment (Scoping Study) & MRE, NI43-101 Technical Report, Sandman Gold Property, Nevada, USA" (June 9, 2023) authored by J. Eastman et al is available to download from Gold Bull's SEDAR+ profile or on their website at <https://goldbull.ca/technical-report/>.

Kelly Malcolm, P. Geo., Borealis' CEO has reviewed the 2023 Gold Bull technical report. To the best of Borealis' knowledge, information, and belief, there is no new material scientific or technical information that would make the disclosure of the mineral resources included in that technical report inaccurate or misleading.

Board of Directors' Recommendation

The Transaction has been unanimously approved by the boards of directors of Borealis and Gold Bull. The Gold Bull board of directors is unanimously recommending that Gold Bull shareholders vote in favour of the Transaction.

Prior to entering into the Agreement, the Gold Bull Board of Directors, with the assistance of its financial and legal advisors, assessed the relative benefits and risks of various alternatives to the Transaction and Gold Bull's Board determined that the Transaction was in the best interests of Gold Bull. The Gold Bull Board of Directors retained RWE Growth Partners Inc. to prepare a fairness opinion to the holders of Gold Bull Shares. RWE Growth Partners Inc. delivered an oral opinion to the Gold Bull CFO that, as of December 2nd, 2024, and subject to the assumptions, limitations and qualifications to be included in the formal fairness opinion, that the consideration to be paid under the Transaction is fair from a financial point of view to the holders of Gold Bull Shares.

Advisors

Irwin Lowy LLP is acting as Borealis' legal advisor.

RWE Growth Partners Inc. provided Gold Bull with an oral fairness opinion. Cozen O'Connor LLP is acting as Gold Bull's legal advisor.

About Gold Bull

Gold Bull's mission is to grow into a US-focused mid-tier gold exploration and development company via rapidly discovering and acquiring additional ounces. Gold Bull's exploration hub is based in Nevada, USA, a top-tier mineral district that contains significant historical production, existing mining infrastructure and an established mining culture. Gold Bull is led by a Board and Management team with a track record of exploration and acquisition success. Gold Bull's core asset is the Sandman Project, located in Nevada which has a 494,000 oz gold resource as per a 2021 43-101 Resource Estimate. Sandman is located 23 km south of the Sleeper Mine and boasts excellent large-scale exploration potential. Gold Bull also owns the Big Balds exploration project, also located in Nevada.

About Borealis

Borealis is a gold mining and exploration company focused on exploration and resumption of production of the Borealis Mine in Nevada. The Borealis Mine is a fully permitted minesite, equipped with active heap leach pads, an ADR facility, and all necessary infrastructure to support a heap leach gold mining operation. In addition to the mine, the property, comprised of 751 unpatented mining claims of approximately 20 acres each totalling approximately 15,020 acres and one unpatented mill site claim of about five acres located in western Nevada, is highly prospective for additional high-sulfidation gold mineralization. Borealis is led by a strong board and management team, many of whom have founded, managed, and sold highly successful mining and exploration companies.

About the Borealis Mine Project

The Borealis mine property, located close to the town of Hawthorne, NV, is fully permitted and equipped for present mine operations and future expansion, with existing open pits, heap leach pads, modern infrastructure, and a functional ADR facility which produces doré bars. The project has historically produced over 600,000 ounces of gold from an open pit heap leach operation. It is an under-explored property and has not been drilled since 2011. The property possesses high grade expansion potential with excellent historical drilling results, along with a number of untested regional targets.

Qualified Person and QA&QC

The scientific and technical content of this news release was reviewed, verified, and approved by Kelly Malcolm, P.Geo., Chief Executive Officer of Borealis, and a Qualified Person as defined by Canadian Securities Administrators' National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

The scientific and technical content of this news release was also reviewed, verified, and approved by Cherie Leeden, B.Sc Applied Geology (Honours), MAIG, Chief Executive Officer of Gold Bull, and a Qualified Person as defined by Canadian Securities Administrators' National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

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Cautionary Note - Forward-Looking Statements

This news release contains certain "forward-looking information" and "forward-looking statements", as such terms are defined under applicable securities laws (collectively, "forward-looking statements"). Forward-looking statements can be identified by the use of words and phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements herein include, but are not limited to, the expected benefits of the Transaction, statements with respect to the consummation and timing of the Transaction; approval by Gold Bull's shareholders; the satisfaction of the conditions precedent of the Transaction; timing, receipt and anticipated effects of court, regulatory and other consents and approvals and the strengths, characteristics and potential of the Transaction. These forward-looking statements are based on current expectations and are subject to known and unknown risks, uncertainties and other factors, many of which are beyond Borealis' and Gold Bull's ability to predict or control and could cause actual results to differ materially from those contained in the forward-looking statements. Specific reference is made to Borealis' and Gold Bull's respective most recent annual management discussion and analysis on file with certain Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements, which include, without limitation, volatility in the prices of gold, changes in debt and equity markets, the uncertainties involved in

interpreting geological data, increases in costs, environmental compliance and changes in environmental legislation and regulation, interest rate and exchange rate fluctuations, general economic conditions and other risks involved in the mineral exploration and development industry. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. Neither Borealis nor Gold Bull undertakes any obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If Borealis and / or Gold Bull does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

This press release includes market, industry and economic data which was obtained from publicly available sources and other sources believed by each of Borealis and Gold Bull to be true. Although each of Borealis and Gold Bull believes it to be reliable, it has not independently verified any of the data from third party sources referred to in this press release, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. Borealis and Gold Bull believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this presentation are not guaranteed and each of Borealis and Gold Bull does not make any representation as to the accuracy or completeness of such information.

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