
HISTORY, REORGANISATION AND CORPORATE STRUCTURE

HISTORY AND DEVELOPMENT

History

We have over 18 years of experience in the mining industry in the PRC. Our history can be traced back to March 2005 when our principal subsidiary, Yantai Zhongjia, was established as a sino-foreign cooperative joint venture enterprise by our Controlling Shareholder, Majestic Gold, a company listed on the TSX Venture Exchange, through Majestic Yantai BVI (which held as to 60% interest in Yantai Zhongjia) with Yantai Muping Gold Mine* (煙台市牟平金礦) (now known as Yantai Mujin Mining Co., Ltd.* (煙台市牟平金礦業有限公司), “**Yantai Mujin**”) (which held as to 40% interest in Yantai Zhongjia) pursuant to a cooperative joint venture agreement entered into in May 2004 (the “**2004 CJV Agreement**”). In May 2010, Yantai Zhongjia’s current minority shareholder, Dahedong, entered into an equity transfer agreement with Yantai Mujin to acquire the 40% interest in Yantai Zhongjia. After several rounds of increase in registered capital, Yantai Zhongjia is owned as to 75% by Majestic Yantai BVI and 25% by Dahedong as at the Latest Practicable Date. For details of Yantai Zhongjia, see the paragraph headed “Our subsidiaries — Yantai Zhongjia” in this section below.

The development history of our mining operations is set forth below:

Songjiagou Open-Pit Mine

The Songjiagou Open-Pit Mine was initially exploited as an underground mine. In May 2005, Yantai Zhongjia carried out gold exploration activities in Songjiagou area and a mining licence to carry out underground mining at the Songjiagou Open-Pit Mine was obtained for the first time in May 2006.

Yantai Zhongjia formally commenced commercial production at the Songjiagou Open-Pit Mine as an underground mine and the sale of gold bullion in May 2011. In view of the characteristics of mines and considering the mining operation efficiency, the management of Yantai Zhongjia decided to convert the underground mining into a hybrid of open-pit and underground mine in 2012. Subsequently, in January 2013, our Songjiagou Open-Pit Mine was then converted to a full open-pit mine.

Songjiagou Underground Mine

With a view to exploring more gold resources in Muping-Rushan gold metallogenic belt, in January 2013, Yantai Zhongjia engaged No. 3 Geological Mineral Resource Prospecting Institute of Shandong Province* (山東省第三地質礦產勘查院) to carry out exploration works at the deep area where the Songjiagou Underground Mine is located and its surrounding area. In 2014, we obtained the relevant approvals in respect of the mining area of Songjiagou Underground Mine. In February 2016, we obtained a mining licence for our Songjiagou Underground Mine, and the construction of the underground mine and installation of ancillary infrastructure were completed in September 2018. Our Songjiagou Underground Mine commenced commercial production in September 2019.

Processing plant

The construction of an ore processing plant with a processing capacity of 6.0 ktpd with related was completed in April 2011.

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Business development milestones

The following events set forth the key milestones in the history of our business development:

Year	Event
March 2005	Yantai Zhongjia was established in the PRC
May 2005	Yantai Zhongjia carried out gold exploration activities by initiating a major drill program in Songjiagou to evaluate the mineral potential
May 2006	The mining licence in respect of the Songjiagou Open-Pit was issued by the Department of Land and Resources of Shandong Province to carry out underground mining for the first time
May 2011	Songjiagou Open-Pit Mine commenced commercial production as an underground mine at that time
February 2012	Songjiagou Open-Pit Mine which was initially exploited as an underground mine, was converted into a hybrid of open-pit mining/underground mining. We obtained the mining licence issued by the Department of Land and Resources of Shandong Province for open-pit/underground mining at the Songjiagou Open-Pit Mine
January 2013	Our Songjiagou Open-Pit Mine was converted to a full open-pit mine
May 2015	We obtained the approval for the extension of the mining area of Songjiagou Open-Pit Mine from 0.3421 km ² to 0.5937 km ²
February 2016	We obtained the licence for the Songjiagou Underground Mine issued by the Department of Land and Resources of Shandong Province for the first time
September 2016	We commenced the construction of the Songjiagou Underground Mine and the installation of ancillary infrastructure
September 2018	The construction of the Songjiagou Underground Mine and installation of ancillary infrastructure were completed
May 2019	Our Company was incorporated in the Cayman Islands
September 2019	Our Songjiagou Underground Mine commenced commercial production

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Year	Event
November 2019	We obtained provincial approval for our revised utilisation proposal in respect of our Songjiagou Open-Pit Mine, increasing permitted annual production volume to 900.0 kt and permitted annual stripping volume to 7,200.0 kt respectively per annum
May 2020	The mining licence of the Songjiagou Open-Pit Mine was renewed until May 2031
February 2021	Substantially all of our mining works comprising demolition, drilling, blasting and excavation works were conducted by ourselves without sub-contractors
February 2021	The mining licence of the Songjiagou Underground Mine was renewed until February 2031

Details of the members of our Group and their respective corporate history are set out below:

OUR COMPANY

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 May 2019. As of the date of incorporation, the authorised share capital of our Company was US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each, among which one fully paid Share was issued to the initial subscriber which is an Independent Third Party at par value. On the same day, such share was transferred to Richard’s Resource. On the same day, in consideration of the acquisition of the entire issue share capital of Majestic Yantai BVI from Richard’s Resource and Majestic Gold, a further five ordinary shares of a par value of US\$1.00 each in our Company, credited as fully paid, was allotted and issued to Richard’s Resource and 94 ordinary shares of a par value of US\$1.00 each were allotted and issued to Majestic Gold.

On 24 April 2020, the authorised share capital of our Company was increased from US\$50,000 divided into 50,000 shares with a par value of US\$1.00 to the aggregate of US\$50,000 and HK\$370,000 by the creation of an additional 37,000,000 shares with a par value of HK\$0.01 each. On the same date, (i) 75,200 and 4,800 shares of our Company with a par value of HK\$0.01 each were allotted and issued to Majestic Gold and Richard’s Resource, respectively, by our Company; (ii) 94 shares and six shares of our Company with a par value of US\$1.00 each held by Majestic Gold and Richard’s Resource, respectively, were repurchased by us; and (iii) the authorised but unissued share capital of our Company was reduced by the cancellation of 50,000 shares of par value of US\$1.00 each. After such changes, the authorised share capital of our Company became HK\$370,000 divided into 37,000,000 shares with a par value of HK\$0.01 each.

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On [●], the authorised share capital of our Company was increased from HK\$370,000 divided into 37,000,000 Shares to HK\$[100,000,000] divided into [10,000,000,000] Shares by the creation of [9,963,000,000] additional Shares. For details of change in the share capital of our Company, please refer to the paragraph headed “Statutory and general information — A. Further information about our Group — 2. Changes in the share capital of our Company” in Appendix V to this document.

OUR SUBSIDIARIES

Majestic Yantai BVI

Majestic Yantai BVI, an intermediate holding company of our Group, was incorporated on 1 July 2004 in the BVI with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On the same day, Majestic Yantai BVI allotted and issued 90 shares and 10 shares (all credited as fully paid), representing 90% and 10% of all the issued share of Majestic Yantai BVI, respectively, to Majestic Gold and Richard’s Resource.

As at the Latest Practicable Date, Richard’s Resource is wholly-owned by Ms. Cheung Yuen Man, Rosa (“**Ms. Cheung**”), an Independent Third Party. Ms. Cheung is a certified practicing accountant with around 30 years of experience in accounting and finance. She was acquainted with the management of Majestic Gold through her family member in early 2004 when Majestic Gold required assistance with setting up business structures and business contracts to invest in the PRC. She subsequently introduced a business acquaintance in the PRC who had knowledge of the mining industry in Shandong Province to Majestic Gold, which led to the 2004 CJV Agreement between Majestic Gold and Yantai Mujin in May 2004. In appreciation of Ms. Cheung’s assistance, she was invited to subscribe for 10% of the shareholding in Majestic Yantai BVI in July 2004 at par value after Majestic Gold entered into the 2004 CJV Agreement with Yantai Mujin. Ms. Cheung assisted in the setting up of the then corporate structure for Majestic Gold to hold the interest in the joint venture company, namely, Yantai Zhongjia, which was established in March 2005 through Majestic Yantai BVI. She also assisted in the incorporation of Majestic Yantai BVI and the Company in July 2004 and May 2019, respectively and acted as the respective company secretary from July 2004 to March 2020 and May 2019 to March 2020.

In late 2010, in view of Majestic Gold’s proposed further capital injections to Yantai Zhongjia through Majestic Yantai BVI and Ms. Cheung did not have intention of making any further capital injections herself, Ms. Cheung agreed to the dilution of her shareholding interest in Majestic Yantai BVI. As a result, on 1 December 2010, Richard’s Resource transferred four shares in Majestic Yantai BVI held by it to Majestic Gold at par value. As a result of such transfer, Majestic Yantai BVI was owned as to 94% by Majestic Gold and 6% by Richard’s Resource.

On 21 May 2019, pursuant to the Reorganisation, Majestic Gold and Richard’s Resource transferred all their shares in Majestic Yantai BVI to our Company in exchange for the allotment and issuance of 94 and five ordinary shares of a per value of US\$1.00 each in our Company to Majestic Gold and Richard’s Resource, respectively. After the aforesaid transfer, Majestic Yantai BVI became a direct wholly-owned subsidiary of our Company.

Majestic Yantai BVI is an investment holding company.

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Yantai Zhongjia

Yantai Zhongjia was established under its former name of Yantai Zhongjia Mining Development Enterprise* (煙台中嘉礦業開發企業) by Majestic Yantai BVI and Yantai Mujin in the PRC on 17 March 2005 as a sino-foreign cooperative joint venture without a legal person status. According to the 2004 CJV Agreement, Yantai Mujin agreed to contribute all its gold exploration licences over 75.04 sq.km. in Muping, Yantai, Shandong Province in return for 40% equity interest in Yantai Zhongjia and our Controlling Shareholder, through its subsidiary, Majestic Yantai BVI, would contribute funding in various instalments over a period of four years up to a total sum of approximately US\$4.3 million (equivalent to approximately RMB35 million, as at the date of the 2004 CJV Agreement) in return for 60% equity interest in Yantai Zhongjia. The initial investment amount of Yantai Zhongjia was approximately RMB58.3 million. The terms of the 2004 CJV Agreement were determined based on arm’s length negotiation between the parties. At the time of its establishment, the business scope of Yantai Zhongjia was exploration of gold and other precious metals.

On 15 November 2009, Majestic Yantai BVI and Yantai Mujin entered into a new joint venture agreement (the “**2009 CJV Agreement**”) to replace the 2004 CJV Agreement. According to the 2009 CJV Agreement, (i) Yantai Zhongjia was changed from a sino-foreign cooperative joint venture without a legal person status to a sino-foreign cooperative joint venture with a legal person status; (ii) the company name of Yantai Zhongjia Mining Development Enterprise* (煙台中嘉礦業開發企業) was changed to Yantai Zhongjia Mining Co. Ltd.* (煙台中嘉礦業有限公司); and (iii) the parties confirmed that Yantai Mujin had contributed its gold exploration rights in the areas of Muping, Yantai, Shandong Province in return for 40% of the equity interest in Yantai Zhongjia and Majestic Yantai BVI had contributed capital of approximately RMB35.5 million (equivalent to approximately US\$4.6 million as at the date of the 2009 CJV Agreement) as the registered capital of Yantai Zhongjia in return for 60% of the equity interest in Yantai Zhongjia. The relevant business filing relating to, among others, the change of company name, change of the type of company and the increase of registered capital to approximately RMB35.5 million was completed on 30 April 2010.

On 10 May 2010, Yantai Mujin and Dahedong entered into an equity transfer agreement, pursuant to which, Yantai Mujin transferred its 40% equity interest in Yantai Zhongjia to Dahedong at a consideration of RMB10.5 million which was determined based on arm’s length negotiation between Yantai Mujin and Dahedong. Such equity transfer was completed and settled on 22 July 2010. Upon completion of such equity transfer, Yantai Zhongjia was owned as to 60% by Majestic Yantai BVI and 40% by Dahedong. Dahedong is a company engaged in gold processing and from January 2019 to 30 June 2022, operated an ore processing plant (independent and not used by the Group) which processes mined ore into gold concentrate with a total capacity of 2,000 ktpd in Weihai City, Shandong Province. As confirmed by Dahedong, the registered share capital of Dahedong is RMB24.0 million and the revenue in the year ended 31 December 2021 was approximately RMB150 million. As at the Latest Practicable Date, Dahedong was owned as to 50% by Mr. Kong Fanbo, and the remaining equity interests held in equal share of approximately 16.67% by each of (i) Mr. Kong Fanzhong; (ii) Mr. Wang Lei; and (iii) SDZJ. Dahedong Mineral Processing Factory of Wanggezhuang Town, Muping District, Yantai City (煙台市牟平區王格莊鎮大河東選礦廠) (“**Dahedong Mineral Processing Factory**”), was a processing plant established in October 2006 operated by Mr. Kong Fanzhong and a mineral processing

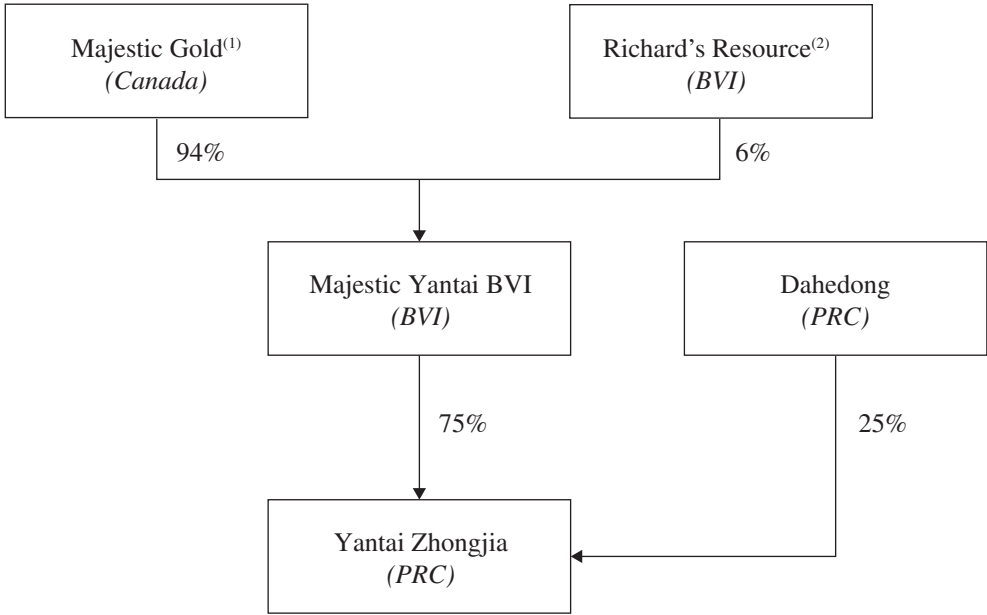
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subcontractor of Yantai Mujin in 2009. We were introduced to Dahedong Processing Factory by Yantai Mujin in late 2009 when Yantai Mujin intended to exit from the joint venture with us. Dahedong Processing Factory was deregistered on 11 December 2009 and Dahedong was established by Mr. Kong Fanzhong, Mr. Kong Fanbo and Mr. Wang Lei as the initial shareholders on 14 December 2009 to join the joint venture with us. As a result of the abovementioned equity transfer between Yantai Mujin and Dahedong, the 2009 CJV Agreement was terminated and replaced by a new joint venture agreement entered between Majestic Yantai BVI and Dahedong. Pursuant to the joint venture agreement between Majestic Yantai BVI and Dahedong, Dahedong is entitled to nominate two of the five directors of Yantai Zhongjia, as well as the supervisor of Yantai Zhongjia. Majestic Yantai BVI is entitled to nominate the remaining three directors of Yantai Zhongjia. The general manager, who is responsible for day to day operations of Yantai Zhongjia, shall be nominated by Majestic Yantai BVI, and the general manager may nominate one or two assistant general manager(s). Both the general manager and the assistant general manager, who are full time employees of Yantai Zhongjia, are appointed by, and report to the board of directors of Yantai Zhongjia. Each of Majestic Yantai BVI and Dahedong nominates one cashier and one accounting officer, respectively. Yantai Zhongjia is responsible for its own employees and liable for the employees' compensation and other benefits under the laws of the PRC. The joint venture agreement does not give Dahedong any veto rights over any corporate actions of Yantai Zhongjia. Save as disclosed above, there is no sharing of personnel, resources and facilities between the Group and Dahedong since the commencement of the Group's operations and during the Track Record Period. From 6 July 2010 to 18 May 2021, there were a series of capital injections from Majestic Yantai BVI and Dahedong to Yantai Zhongjia from time to time. Upon completion of the capital injections on 18 May 2021, the registered capital of Yantai Zhongjia was increased to RMB139.9 million and Yantai Zhongjia was owned as to 75% by Majestic Yantai BVI and 25% by Dahedong. On 14 November 2022, the registered capital of Yantai Zhongjia was further increased to RMB168.7 million on a pro rata basis between Majestic Yantai BVI and Dahedong. On 6 December 2022, Yantai Zhongjia received the full amount of capital increase of RMB21.6 million from Majestic Yantai BVI and on 13 November 2023, Yantai Zhongjia received the full amount of capital increase of RMB7.2 million from Dahedong. As at the Latest Practicable Date, Yantai Zhongjia was owned as to 75% by Majestic Yantai BVI and 25% by Dahedong.

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REORGANISATION

The following diagram illustrates our shareholding structure immediately before the Reorganisation:



Notes:

- (1) No shareholder of Majestic Gold is interested in 20% or more of the shareholding interest in Majestic Gold as at the Latest Practicable Date.
- (2) As at the Latest Practicable Date, Richard’s Resource is wholly-owned by Ms. Cheung, an Independent Third Party.

Our Group underwent Reorganisation prior to the [REDACTED] to rationalise our Group’s structure in preparation for the [REDACTED]. The major steps of our Reorganisation are summarised as follows:

1. Incorporation of our Company

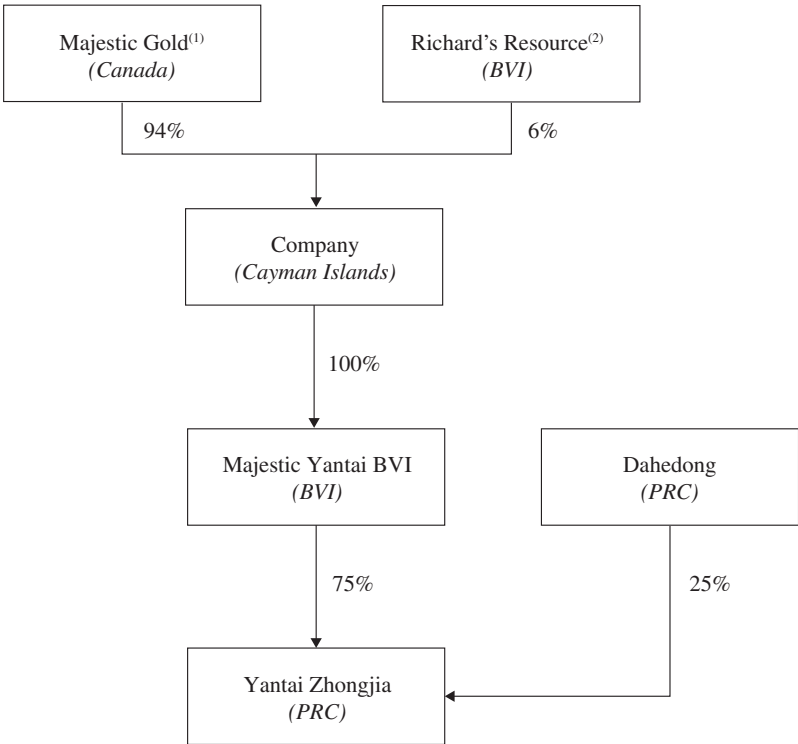
Our Company was incorporated on 21 May 2019 in the Cayman Islands as an exempted company with limited liability with an authorised share capital of US\$50,000 divided into 50,000 ordinary shares with par value of US\$1.00 each as the [REDACTED] vehicle. Immediately after the incorporation, one ordinary share with per value of US\$1.00, representing the entire issued share capital of our Company was held by Richard’s Resource.

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2. Acquisition of Majestic Yantai BVI by our Company

On 21 May 2019, our Company acquired the entire issued shares of Majestic Yantai BVI from Majestic Gold and Richard’s Resource. In consideration of such acquisition, our Company issued and allotted 94 ordinary shares and five ordinary shares of our Company to Majestic Gold and Richard’s Resource, respectively. Upon completion of the acquisition, Majestic Yantai BVI became a direct wholly-owned subsidiary of our Company.

The following chart sets out the shareholding structure of our Group immediately following the completion of the Reorganisation but immediately before the completion of the Capitalisation Issue and the [REDACTED]:



Notes:

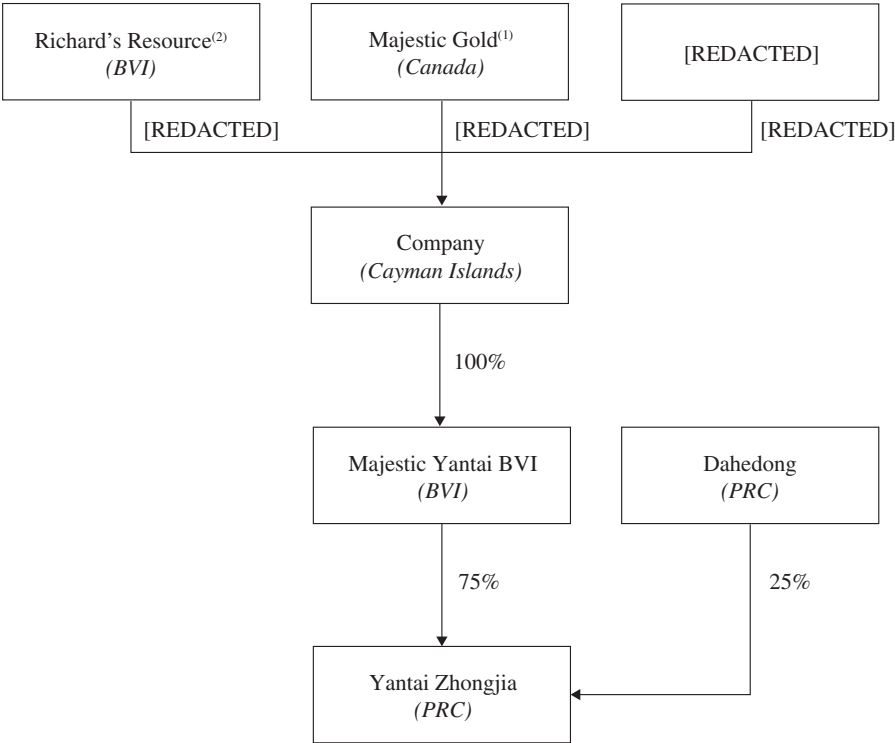
- (1) No shareholder of Majestic Gold is interested in 20% or more of the shareholding interest in Majestic Gold as at the Latest Practicable Date. During the Track Record Period, there had been no material changes in the shareholdings of Majestic Gold which resulted in a change in control thereof and in turn over the Company during the Track Record Period and up to the Latest Practicable Date.
- (2) As at the Latest Practicable Date, Richard’s Resource is wholly-owned by Ms. Cheung, an Independent Third Party.

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CAPITALISATION ISSUE

Pursuant to the written resolutions of our Shareholders passed on [●] 2023, conditional on the share premium account of our Company being credited as a result of the [REDACTED], our Directors are authorised to capitalise [REDACTED] standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par [REDACTED] Shares for issue and allotment to holders of Shares whose names appear on the register of members of our Company on the date of passing such resolution in proportion (as near as possible without involving fractions so that no fraction of a share shall be issued and allotted) to their then existing respective shareholdings in our Company. The Shares to be issued and allotted pursuant to such resolution shall carry the same rights in all respects with the existing issued Shares.

The shareholding structure of our Group immediately following the completion of the Reorganisation, the Capitalisation Issue and the [REDACTED] (assuming the [REDACTED] is not exercised) is set out as follows:



Notes:

- (1) As at the Latest Practicable Date, Majestic Gold did not have ultimate controlling shareholders.
- (2) As at the Latest Practicable Date, Richard’s Resource is wholly-owned by Ms. Cheung, an Independent Third Party.

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COMPLIANCE WITH PRC INVESTMENT REGULATIONS

Our PRC Legal Advisers have confirmed that Yantai Zhongjia, as a sino-foreign cooperative joint venture, has acquired requisite approvals, permits, licences and filings for its establishment in the PRC, and based on compliance certificate issued by Yantai Bureau of Commerce, Yantai Zhongjia has never been investigated or penalized due to violation of the PRC laws and regulations in relation to foreign investment.

On 17 February 2023, the CSRC promulgated the Overseas Listing Trial Measures and five supporting guidelines, which has come into effect on 31 March 2023, pursuant to which a PRC domestic company seeking [REDACTED] securities in overseas market, either directly or indirectly as defined in the Overseas Listing Measures, shall file with the CSRC and report relevant information. Pursuant to the Overseas Listing Trial Measures, if the issuer meets both of the following criteria, the overseas securities [REDACTED] conducted by such issuer shall be deemed as “indirect overseas [REDACTED] by PRC domestic companies”: (i) 50% or more of any of the issuer’s operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by PRC domestic companies; and (ii) the main part of the issuer’s business activities are conducted, or premises of its business are located in the territory of mainland China, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their habitual residence located in the territory of mainland China.

Given that we generated a substantial amount of our total revenue as shown in our audited consolidated financial statements for the year ended 31 December 2022 in the PRC and that our business activities are mainly conducted in the PRC, our PRC Legal Adviser is of the opinion that the [REDACTED] is an indirect overseas [REDACTED] under the Overseas Listing Trial Measures and we are required to complete the filing procedures with CSRC and report relevant information with respect to the [REDACTED] application after the submission of our [REDACTED] application to the Stock Exchange. On 20 October 2023, the CSRC publicly informed us that they have confirmed the Company’s overseas [REDACTED] information submitted to them, and therefore, we have completed the CSRC filing for application of [REDACTED]. No other approvals from the CSRC are required to be obtained for the [REDACTED] of the Shares on the Stock Exchange, according to our PRC Legal Adviser.

REASONS FOR [REDACTED]

In accordance with the corporate structure and ownership of our Company, the [REDACTED] of our Company will constitute a spin-off of our Company from Majestic Gold, which is [REDACTED] on the TSX Venture Exchange, by way of a separate [REDACTED] of our Shares on the Main Board of the Stock Exchange.

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The board of directors of Majestic Gold considers that the [REDACTED] is in the best interests of Majestic Gold and its shareholders taken as a whole for the following reasons:

- (1) the Stock Exchange, as a leading player of the international financial markets, could offer us a direct access to the international capital markets, enhance our fund-raising capabilities and broaden our fund-raising channels and our Shareholders base as well as strengthen our corporate governance;
- (2) as we focus on the PRC market, it is more convenient for us to raise funds required to finance our future development through the Stock Exchange platform than through other stock exchange, such as TSX;
- (3) by the [REDACTED], our Company will have our own separate management structure while the management of the Remaining Group will be able to focus on its remaining business in Canada and Australia, which will increase its operational efficiency and attract investment and in the interests of the shareholders of Majestic Gold as a whole. For details, please refer to the section headed "Relationship with our Controlling Shareholders — Independence from the Remaining Group" in this document; and
- (4) a [REDACTED] on the Stock Exchange will further raise our brand awareness, business profile and thus, enhance our corporate image to attract new customers, business partners and strategic [REDACTED] as well as to recruit, motivate and retain key management personnel for our Group’s business.

APPROVALS AND CONFIRMATION FROM THE SHAREHOLDERS OF MAJESTIC GOLD AND THE TSX VENTURE EXCHANGE

Pursuant to the policy of the TSX Venture Exchange, the [REDACTED] constitutes a reviewable disposition of the interest in our Company by Majestic Gold, which shall comply with the specific conditions and obtain the necessary approval and final acceptance from the TSX Venture Exchange. On 25 October 2021, Majestic Gold has obtained conditional approval from the TSX Venture Exchange, pursuant to which, the TSX Venture Exchange has conditionally accepted the disposition of Majestic Gold’s interest in our Company by way of the [REDACTED] on the conditions that, among others, (1) Majestic Gold must demonstrate that it meets the continued listing requirements and specifically the activity requirement under the policy of the TSX Venture Exchange; (2) Majestic Gold must have obtained written approval of its shareholders holding at least 50% of its issued and outstanding common shares for the disposition of its interest in our Company by way of the [REDACTED]; and (3) Majestic Gold shall provide to the TSX Venture Exchange of a copy of (i) this document, and; (ii) the [REDACTED]. On 18 May 2022, the shareholders of Majestic Gold approved the disposition of interest in our Company via the [REDACTED] by way of a written approval and on 11 November 2023, the TSX Venture Exchange also approved the disposition of interest in our Company via the [REDACTED] by way of a written approval-in-principle.

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Set out below is the continued [REDACTED] requirements of TSX Venture Exchange:

- (a) **[REDACTED] and [REDACTED]:** (i) no less than 500,000 [REDACTED] shares in [REDACTED]; (ii) at least 10% of [REDACTED] shares must be in [REDACTED]; (iii) [REDACTED] shares in [REDACTED] must have minimum [REDACTED] of at least [REDACTED]; (iv) at least [REDACTED] holding at least one [REDACTED] each, free of resale restrictions;
- (b) **working capital:** adequate working capital or financial resources of the greater of (i) CAD50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months;
- (c) **assets and operations:** issuer must not substantially reduce or impair its principal operating assets or seeks or is placed under protection of insolvency or bankruptcy laws or is placed into receivership.
- (d) **activity:** either the issuer satisfied (A) or (B).
 - (A) For the issuer’s most recently completed financial year: (i) positive cash flow; (ii) significant operating revenue; or (iii) CAD50,000 of exploration or development expenditures.
 - (B) In aggregate, for the issuer’s two most recently completed financial years, CAD100,000 of exploration or development expenditures.

Based on the published annual report of Majestic Gold for the year ended 31 December 2022, its shareholders list, current market statistics, legal memorandum issued by Majestic Gold’s legal adviser and confirmation from Majestic Gold on working capital needs, our Directors were of the view, and the Sole Sponsor concurred, that Majestic Gold will continue to meet the continued [REDACTED] requirement of the TSX Venture Exchange after the disposition of interest in our Company by way of the [REDACTED]; and based on legal advice received, no other consent or regulatory approval or requirement has to be obtained or otherwise complied with by Majestic Gold in Canada for or in connection with the [REDACTED].