



**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED  
JUNE 30, 2024**

**(Unaudited)**

*(Expressed in thousands of United States Dollars)*

**EXCELSIOR MINING CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited - Expressed in thousands of United States dollars)

As at

	<u>Note</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		\$ 5,407	\$ 6,113
Marketable securities		123	76
Amounts receivable		103	126
Due from Nuton	8	982	-
Prepaid expenses		883	776
Inventory	3	1,389	1,341
		<u>8,887</u>	<u>8,432</u>
<b>Property, plant and equipment</b>	4	<b>103,411</b>	104,902
<b>Restricted cash</b>	5	<b>3,074</b>	3,074
		<u>3,074</u>	<u>3,074</u>
<b>Total Assets</b>		<b>\$ 115,372</b>	<b>\$ 116,408</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	6	1,780	\$ 1,640
Amounts due to related parties	15	136	136
Nuton project payable	7	178	432
Nuton deferred income	8	822	-
Lease liabilities		109	103
Insurance liabilities		647	493
Interest on debentures	12	600	-
Derivative liabilities	9	2,469	235
Debt	11	2,781	1,442
		<u>9,522</u>	<u>4,481</u>
<b>Lease liabilities</b>		<b>175</b>	222
<b>Debentures</b>	12	<b>4,191</b>	4,330
<b>Debt</b>	11	<b>12,791</b>	14,178
<b>Nuton deferred income</b>	8	<b>4,076</b>	-
<b>Derivative liabilities</b>	9	<b>134,414</b>	115,823
<b>Asset retirement obligation</b>	10	<b>7,010</b>	8,097
		<u>7,010</u>	<u>8,097</u>
<b>Total liabilities</b>		<b>172,179</b>	147,131
<b>Equity</b>			
Capital Stock	13	112,828	112,828
Other equity reserves	13	14,382	14,205
Deficit		(183,188)	(156,927)
Accumulated other comprehensive loss		(829)	(829)
<b>Total Equity</b>		<b>(56,807)</b>	<b>(30,723)</b>
<b>Total Liabilities and equity</b>		<b>\$ 115,372</b>	<b>\$ 116,408</b>

*See note 1 - Nature of Operations and Going Concern*

Approved on August 7, 2024 on behalf of the Board of Directors:

/signed/

Stephen Axcell

Chair of the Audit Committee

/signed/

Fred DuVal

Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**EXCELSIOR MINING CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited - Expressed in thousands of United States dollars)

	Note	Three months ended		Six months ended	
		June 30,		June 30,	
		2024	2023	2024	2023
<b>Revenue</b>					
Revenue		\$ (613)	\$ (829)	\$ (952)	\$ (1,925)
Cost of sales	14	1,191	2,147	2,780	4,704
<b>Loss from mine operations</b>		<b>578</b>	<b>1,318</b>	<b>1,828</b>	<b>2,779</b>
<b>Operating Expenses</b>					
Evaluation and permitting		55	34	119	149
Office and administration		91	155	288	307
Professional fees		124	208	264	368
Directors and officers fees		381	365	816	889
Investor relations		32	67	94	159
Share-based compensation	13	70	208	170	307
Regulatory fees		5	30	21	55
Depreciation		24	49	66	97
<b>Total Operating Expenses</b>		<b>782</b>	<b>1,116</b>	<b>1,838</b>	<b>2,331</b>
<b>Other Items</b>					
Loss (gain) on derivative at fair value	9	12,789	(21,496)	20,825	13
Financing expense		1,125	893	2,172	1,715
Interest income		(41)	(29)	(89)	(48)
Unrealized (gain) on foreign exchange		(1)	(3)	(1)	(9)
Loss on modification of financial liabilities	11&12	-	-	-	426
Other income		(111)	(117)	(312)	(251)
<b>Total Other Items</b>		<b>13,761</b>	<b>(20,752)</b>	<b>22,595</b>	<b>1,846</b>
<b>(Income)/Loss and comprehensive (income)/ loss for the period</b>		<b>\$ 15,121</b>	<b>(18,318)</b>	<b>\$ 26,261</b>	<b>\$ 6,956</b>
<b>(Income)/Loss per common share:</b>					
Basic and Diluted		\$ 0.05	\$ (0.07)	\$ 0.08	\$ 0.03
Weighted average number of common shares outstanding:					
Basic and Diluted	13	315,415,858	277,204,365	315,415,858	276,707,127

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**EXCELSIOR MINING CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited - Expressed in thousands of United States dollars)

		Six months ended June 30,	
	Note	2024	2023
<b>CASH FLOWS RELATED TO OPERATING ACTIVITIES</b>			
Loss for the period		\$ (26,261)	\$ (6,956)
Items not affecting cash:			
Loss on derivative at fair value	9	20,825	13
Depreciation		97	145
Accretion of asset retirement obligation		317	86
Share-based compensation	13	177	319
Financing expense		619	219
Nebari extension bonus	11	-	450
Gain on marketable securities		(47)	(6)
Gain on disposal		(10)	-
Unrealized gain on foreign exchange		(1)	(9)
Non-cash working capital item changes:			
Receivables		23	(510)
Nuton receivables	8	(982)	-
Prepaid expenses		(107)	(516)
Inventory		(48)	495
Accounts payable and accrued liabilities		99	(11)
Amounts due to related parties		-	(6)
Nuton deferred income	8	(102)	-
Insurance liabilities		154	604
<b>Net cash used by operating activities</b>		<b>(5,247)</b>	<b>(5,683)</b>
<b>CASH FLOWS RELATED TO INVESTING ACTIVITIES</b>			
Nuton funds received	7&8	6,030	-
Nuton project expenditure	7	(1,284)	-
<b>Net cash provided by investing activities</b>		<b>4,746</b>	<b>-</b>
<b>CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>			
Proceeds from issuance of debentures	12	-	2,993
Nebari principal payments		(206)	-
<b>Net cash (used) provided by financing activities</b>		<b>(206)</b>	<b>2,993</b>
<b>Net change in cash and cash equivalents</b>		<b>(707)</b>	<b>(2,690)</b>
<b>Effect of foreign exchange on cash and cash equivalents</b>		<b>1</b>	<b>9</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>6,113</b>	<b>5,604</b>
<b>Cash and cash equivalents, end of period</b>		<b>\$ 5,407</b>	<b>\$ 2,923</b>
<b>Supplemental cash flow disclosures:</b>			
Interest paid		1,224	1,371

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**EXCELSIOR MINING CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023**  
(Unaudited - Expressed in thousands of United States dollars)

	<u>Capital Stock</u>		<u>Other Equity Reserves</u>	<u>Deficit</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total</u>
	<u>Number of Common shares</u>	<u>Amount</u>				
<b>Balance, December 31, 2022</b>	274,835,944	\$ 108,045	\$ 12,453	\$ (127,968)	\$ (829)	\$ (8,299)
Stock issuance	2,368,421	450	-	-	-	450
Debenitures	-	-	612	-	-	612
Share-based compensation	-	-	152	-	-	152
Loss for the period	-	-	-	(6,956)	-	(6,956)
<b>Balance, June 30, 2023</b>	<b>277,204,365</b>	<b>\$ 108,495</b>	<b>\$ 13,217</b>	<b>\$ (134,924)</b>	<b>\$ (829)</b>	<b>\$ (14,041)</b>
<b>Balance, December 31, 2023</b>	315,415,858	\$ 112,828	\$ 14,205	\$ (156,927)	\$ (829)	\$ (30,723)
Share-based compensation	-	-	177	-	-	177
Loss for the period	-	-	-	(26,261)	-	(26,261)
<b>Balance, June 30, 2024</b>	<b>315,415,858</b>	<b>\$ 112,828</b>	<b>\$ 14,382</b>	<b>\$ (183,188)</b>	<b>\$ (829)</b>	<b>\$ (56,807)</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**EXCELSIOR MINING CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024**  
(Unaudited - Expressed in thousands of United States dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Excelsior Mining Corp. (“Excelsior” or the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on June 9, 2005 and trades on the Toronto Stock Exchange under the symbol “MIN”. The address of the Company’s registered office is Suite 2400, 1055 West Georgia Street, Vancouver, BC, Canada V6E 3P3.

The Company is developing the Gunnison Project in Southeastern Arizona and has entered into an agreement with Nuton LLC (“Nuton”), a Rio Tinto Venture, to further evaluate the use of its Nuton™ copper heap leaching technologies at the Johnson Camp Mine (JCM) and to generate cash flow to continue to support the development of the Gunnison project. The Company is moving ahead with the work to advance this strategy.

During the six months ended June 30, 2024, the Company incurred a net loss of \$26,261 that included a non-cash loss on derivatives of \$20,825 and used cash for operating activities of \$5,247. As at June 30, 2024, the Company had a negative working capital balance of (\$635), including a cash balance of \$5,407.

In support of the Company’s plan for JCM sulfide leaching and Gunnison wellfield stimulation trials, on January 30, 2023, the Company and its lender, Nebari Natural Resources Credit Fund I LLP (“Nebari”), executed a second amendment to the loan agreement which extended the due date of the \$15,000 loan advanced by Nebari to March 31, 2025. The amendment also lowered the required \$5,000 minimum cash balance for the Company to a \$2,500 minimum cash balance. On November 30, 2023, the Company and Nebari executed a third amendment to the loan agreement which extended the due date of the \$15,000 loan to June 30, 2026. The amendment also lowers the applicable interest rate to 10.5% per annum plus the greater of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

Excluding further funding from Nuton for the Stage 2 work program, the Company’s cash flow projections indicate that the minimum balance requirement will be breached during the first quarter of 2025 unless additional financing is obtained. If there is breach of the minimum balance requirement, the amendment to the loan agreement allows a 60 day cure period.

Pursuant to the Copper Purchase and Sale Agreement (the “Stream Agreement”) with Triple Flag International Ltd. (“Triple Flag”), the Company is required to maintain a leverage ratio of 3.5:1. The leverage ratio is calculated as the ratio of indebtedness of the Company to net income (adjusted for certain items). On November 30, 2023, the Company and Triple Flag executed an amendment to the Stream Agreement which suspends the applicability of the leverage ratio until June 30, 2026 (the “Leverage Ratio Grace Period”) to accommodate the extension of the Nebari loan. On December 14, 2023, the Company and Triple Flag executed a further amendment to the Stream Agreement which suspends the Leverage Ratio Grace Period until September 30, 2026 to accommodate the further extension of the Nebari loan.

On February 9, 2023, the Company executed an agreement for a total of \$3,000 of unsecured convertible debentures. On July 31, 2023, the Company entered into an Option Agreement with Nuton pursuant to which Nuton provided \$3,000 for pre-payment of Stage 1 costs, and \$2,000 for an exclusive option to form a joint venture with the Company. The Company also closed a \$5,500 financing on December 14, 2023, with Greenstone Excelsior Holdings LP (“Greenstone”) and Triple Flag USA Royalties Ltd. (“Triple Flag USA”). The financing consisted of Greenstone selling 1.5% of its total 3% gross revenue royalty on JCM to the Company for consideration of \$3,100 in Common Shares and \$2,400 of unsecured convertible debentures. The Company then resold the 1.5% gross revenue royalty on JCM to Triple Flag USA for \$5,500 in cash.

On May 21, 2024, the Company received a \$5,000 payment from Nuton as a result of its election of proceed with the Stage 2 Work Program. The Company also received \$7,925 on July 5, 2024 from Nuton for costs associated with the Stage 2 Work Program, the goal of which is to resume mining at JCM using the Nuton™ copper heap leaching technologies.

**EXCELSIOR MINING CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024**  
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Although the Company has taken steps to extend the maturity of the Nebari loan and to eliminate or mitigate the risk of certain covenant breaches, unless the Company raises financing it will breach the \$2,500 minimum cash covenant under the Nebari loan during the first quarter of 2025. As a result, there remain conditions that represent a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company has been successful in obtaining significant equity and other financings since inception and intends to continue financing its future requirements through future mining of the existing JCM pits and a combination of equity, debt, or other arrangements (including the funding provided by Nuton. However, there can be no assurance that the Company will be able to obtain the necessary financing. The Consolidated Interim Financial Statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and liquidate its liabilities and commitments in other than the normal course of business. These adjustments could be material.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **a. Statement of compliance**

The Company prepares the annual consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

These condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS Accounting Standards for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023.

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2023.

All dollar figures are expressed in thousands of United States dollars unless otherwise indicated. Canadian dollars are expressed as "CAD\$".

### **b. Adoption of new accounting standards and accounting developments**

Amendments to IAS 1 – Presentation of Financial Statements In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled Noncurrent Liabilities with Covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override and incorporate the previous amendments, Classification of Liabilities as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024 and adoption of these amendments did not have an effect on our financial statements."

### **c. Significant estimates**

The preparation of these condensed consolidated interim financial statements in conformity with IFRS Accounting Standards requires management to make estimates and judgments. These estimates, judgments and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported. A summary of the Company's critical estimates and judgments is provided in Note 2, Basis of Presentation, of the audited consolidated financial statements for the year ended December 31, 2023 and 2022.

**EXCELSIOR MINING CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024**  
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**3. INVENTORY**

The Company records inventory at the lower of cost and net realizable value (NRV). The average COMEX price for Grade A copper cathode for the reporting month is used to determine the NRV of copper cathode in inventory. The copper cathode held as finished goods at month end is shipped and sold the following month. At the end of June 2024, the company recorded a write-down of \$726 (2023- \$781) to adjust the copper inventory value to NRV.

The summary for inventory for the six months ended June 30, 2024 and the year ended December 31, 2023 are summarized below.

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Materials & Supplies	\$ 859	\$ 933
Copper in Solution	243	287
Finished goods	287	121
<b>Inventory</b>	<b>\$ 1,389</b>	<b>\$ 1,341</b>



**EXCELSIOR MINING CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**4. PROPERTY, PLANT AND EQUIPMENT**

	Land & Mineral Properties	Plant	Vehicles & Mobile Equipment	Office Equipment & Capitalized Leases	Construction in Progress	Total
<b>Cost</b>						
At January 1, 2023	14,309	12,242	584	1,009	81,469	109,613
Additions	-	-	-	26	-	26
Option Payment	-	-	-	-	(2,000)	(2,000)
Change in Asset Retirement Obligation Estimate	(306)	-	-	-	-	(306)
Termination of Lease	-	-	-	(42)	-	(42)
At December 31, 2023	14,003	12,242	584	993	79,469	107,291
<b>Accumulated Depreciation</b>						
At January 1, 2023	(824)	(103)	(481)	(645)	(101)	(2,154)
Depreciation	-	(11)	(82)	(104)	(76)	(273)
Termination of Lease	-	-	-	38	-	38
At December 31, 2023	(824)	(114)	(563)	(711)	(177)	(2,389)
<b>Net carrying amount</b>	<b>13,179</b>	<b>12,128</b>	<b>21</b>	<b>282</b>	<b>79,292</b>	<b>104,902</b>
<b>Cost</b>						
At January 1, 2024	14,003	12,242	584	993	79,469	107,291
Additions	-	-	-	11	-	11
Change in Asset Retirement Obligation Estimate	(1,404)	-	-	-	-	(1,404)
Disposals	-	-	-	(10)	-	(10)
At June 30, 2024	12,599	12,242	584	994	79,469	105,888
<b>Accumulated Depreciation</b>						
At January 1, 2024	(824)	(114)	(563)	(711)	(177)	(2,389)
Depreciation	-	-	(21)	(49)	(27)	(97)
Disposals	-	-	-	9	-	9
At June 30, 2024	(824)	(114)	(584)	(751)	(204)	(2,477)
<b>Net carrying amount</b>	<b>11,775</b>	<b>12,128</b>	<b>-</b>	<b>243</b>	<b>79,265</b>	<b>103,411</b>

**EXCELSIOR MINING CORP.**  
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**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024**  
(Unaudited - Expressed in thousands of United States dollars)

**5. RESTRICTED CASH**

As of June 30, 2024, the Company has restricted cash deposits of \$3,074 (June 30, 2023 - \$3,311) as collateral to secure the issuance of reclamation bonds.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Trade payables	\$ 814	\$ 673
Accrued liabilities	\$ 765	773
Employee-related accruals	\$ 201	194
	<u>\$ 1,780</u>	<u>1,640</u>

Trade payables include the Company's obligations to suppliers of goods or services acquired on trade credit for goods received or services provided that have been invoiced but not yet paid. Accrued liabilities and employee-related accruals include estimated amounts for goods or services received but not yet invoiced by the supplier, as well as obligations that increase throughout the year and are settled at points in time, such as property taxes and employee bonuses.

**7. NUTON STAGE 1 PROJECT**

On July 31, 2023, the Company entered into an Option Agreement (the "Option Agreement") with Nuton to further evaluate the use of its Nuton™ copper heap leaching technologies at Excelsior's Johnson Camp mine in Cochise County, Arizona. Under the Option Agreement, Excelsior remains the operator and Nuton funds Excelsior's costs associated with a two-stage work program at JCM. Nuton provided \$3,000 to Excelsior for Stage 1 costs and a payment of \$2,000 for an exclusive option to form a joint venture with Excelsior over the Johnson Camp Mine after the completion of Stage 2. The \$2,000 has been applied against the capitalized costs related to JCM for accounting purposes.

In March 2024, the Company received \$594 from Nuton for additional drilling for continued Stage 1 work. In May, 2024, the Company received an additional \$436 for continued Stage 1 work. As these funds were for additional Stage 1 costs, the funds have been added to the Nuton Project liability and all Stage 1 costs incurred by Excelsior continue to be applied to that liability.

Under the terms of the Option Agreement, the Stage 1 work program involves Excelsior completing diamond drilling, engineering, permitting activities, and project execution planning. Nuton will complete mineralogy, predictive modeling, engineering, and other test work. Based on the results of the Stage 1 work program, on May 15, 2024 Nuton elected to proceed to Stage 2 (see note 8).

The summary for the usage of the \$4,030 pre-payment for Stage 1 activities for the project period ended June 30, 2024 are summarized below.

	<b>Project spend incurred as at</b>			
	<b>June 30, 2024</b>			
	<b>2023</b>	<b>2024</b>	<b>Total</b>	<b>Remaining</b>
Drilling	\$ 1,543	\$ 365	\$ 1,908	16
Engineering	164	621	785	12
Permitting	73	9	82	95
Project execution planning	788	289	1,077	55
	<u>\$ 2,568</u>	<u>\$ 1,284</u>	<u>\$ 3,852</u>	<u>\$ 178</u>

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**8. NUTON STAGE 2 PROJECT**

On May 15, 2024, Nuton elected to proceed to Stage 2 of the existing option agreement. Nuton made a \$5,000 payment to the Company for the use of existing infrastructure at the Johnson Camp mine for the Stage 2 work program. Nuton will also be responsible for funding all of Excelsior's costs associated with Stage 2. The full Stage 2 work program is anticipated to take up to five years, and, if successful, will demonstrate key elements of the Nuton technologies at industrial scale.

The Company has accounted for the \$5,000 as deferred income and will amortize the amount over the 73 months anticipated for the Stage 2 program on a straight-line basis. Nuton will also be responsible for funding all of Excelsior's costs associated with Stage 2. It will proceed based on milestones related to engineering and mobilization, infrastructure and construction, mining, leaching, copper production and post-leach rinsing. Mining is expected to commence in Quarter 1, 2025 with first Nuton copper produced in 2025.

The Company will receive from Nuton quarterly pre-payments based on the approved work program budget. The Company has elected to account for the pre-payments consistent with Stage 1, and treated as a liability and all Stage 2 costs incurred by Excelsior will be applied to that liability. During the period of May 15, 2024 through June 30, 2024, \$982 in costs have been incurred for the Stage 2 project and accounted for as a receivable as the funds had not been received by June 30, 2024.

<b>Nuton Stage 2</b>	<b>Beg. Bal.</b>	<b>Activity</b>	<b>End Bal.</b>
Deferred Income	\$ 5,000	\$ (102)	\$ 4,898
Balance	<u>\$ 5,000</u>	<u>\$ (102)</u>	<u>\$ 4,898</u>
<i>Current</i>			822
<i>Non current</i>			4,076

**9. DERIVATIVE LIABILITIES**

On October 30, 2018 the Company entered into an agreement for a \$75,000 project financing package (collectively, the "Financing") with Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag") for the purposes of developing the Gunnison Project. The closing of the Financing occurred on November 30, 2018. The Company determined that the stream obligation is a derivative liability, and as such, the stream obligation is recorded at fair value through profit or loss ("FVTPL") at each statement of financial position date.

The fair value of the stream obligation was valued using a Monte Carlo simulation model. The significant assumptions developed by management used in the Monte Carlo simulation model included: the copper forward price curve, the long-term copper price volatility of 22.37% (December 31, 2023 – 21.01%), a discount rate which factors in the Company's credit spread of 6.98% (December 31, 2023 – 7.43%), the life of mine production schedule and expectations including expansion plans and characterization of the stream for tax purposes.

The Monte Carlo simulation model was prepared by an independent valuation specialist and the life of mine production schedule and expectations including expansion plans are based on the information compiled by qualified persons.

The following is a summary of the derivative activity through the six months ended June 30, 2024:

	<b>Stream</b>	<b>Warrants</b>	<b>Total</b>
<b>Fair value at December 31, 2022</b>	<b>\$ 101,294</b>	<b>\$ 8</b>	<b>\$ 101,302</b>
Loss (gain) during the year	14,764	(8)	14,756
<b>Fair value at December 31, 2023</b>	<b>\$ 116,058</b>	<b>\$ -</b>	<b>\$ 116,058</b>
Loss during the period	20,825	-	20,825
<b>Fair value at June 30, 2024</b>	<b>\$ 136,883</b>	<b>\$ -</b>	<b>\$ 136,883</b>

At June 30, 2024, the current portion of the derivative liabilities is \$2,469 based upon the production schedule and other inputs used in the valuation.

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**10. ASSET RETIREMENT OBLIGATION**

The Company’s asset retirement obligation (“ARO”) represents management’s best estimate of the present value of costs that are expected to be incurred for mine closure and reclamation and rehabilitation costs for the JCM and the Gunnison Project. Based on the current projected mine life of the Gunnison Project, these costs and activities are not expected to begin until approximately 30 years after the start of operation on the Gunnison Project. During the first half of 2024, the Company reviewed the assumptions used in the present value calculation and adjusted the obligation to \$7,010. The update resulted in a net decrease of (\$1,087), which includes accretion for the six months ended June 30, 2024 of \$233 and a change due to rates of (\$1,320).

As of June 30, 2023, the estimated undiscounted JCM reclamation obligation is \$12,119 (2023 - \$12,119) and the estimated undiscounted Gunnison Project reclamation obligation is \$2,903 (2023 - \$2,903). In addition to the undiscounted cost estimates, the primary assumptions that affect the present value calculation are the inflation rate and the discount rate. For the update prepared as of June 30, 2024, the Company used an inflation rate of 2.0% (2023 – 2.0%) and a discount rate of 4.51% (2023 – 4.03%) in calculating the present value of the obligation. The current inflation rate used is based on target inflation rates set by the Federal Reserve. The discount rate is based on the 30-year treasury bond index.

Changes in the ARO for the six months ended June 30, 2024 and the year ended December 31, 2023 are summarized below.

<b>Asset Retirement Obligation</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Balance, beginning of period</b>	<b>\$ 8,097</b>	<b>\$ 8,245</b>
Change in estimate	(1,320)	(306)
Accretion expense	233	158
<b>Balance, end of period</b>	<b>\$ 7,010</b>	<b>\$ 8,097</b>

**11. DEBT**

On October 31, 2019, the Company entered into an agreement with Nebari Natural Resources Credit Fund I LP (“Nebari”) for a \$15,000 credit facility (the "Credit Facility"). The Credit Facility was fully drawn by May 31, 2020.

On December 22, 2021, the Company entered into an Amended and Restated Credit Agreement (“ARCA”) with Nebari to extend the maturity of the Credit Facility to September 29, 2023. The interest rate charged on the outstanding balance continued at 14.2%. The ARCA included an upward interest rate supplement that was calculated as the excess of the 3 month LIBOR rate over 1.5% and was determined on the first day of each month through January 30, 2023. The amendment included a repayment bonus to Nebari of 3% (\$450) of the amount drawn on the credit facility which is payable at maturity. The amendment to the loan agreement required the Company to maintain a \$5,000 minimum cash balance allowing a 60 day cure period in the event of a breach of this condition.

In support of the Company’s plan for JCM sulfide leaching and Gunnison wellfield stimulation trials, on January 30, 2023 the Company and Nebari executed a Second Amendment to the ARCA (“Second ARCA”) which extended the due date of the \$15,000 loan advanced by Nebari to March 31, 2025 and lowered the required \$5,000 minimum cash balance for the Company to a \$2,500 minimum cash balance; however, starting January 31, 2024, the Company was to start paying back the principal on the first \$5,000 tranche at \$333/month. The interest rate was set at 14.2% plus a supplement based on the amount (if any) by which (i) the sum of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months plus 0.26161% exceeds (ii) 1.5%. The rate supplement cannot be negative.

In addition to the repayment bonus on ARCA, the Second ARCA required an upfront \$450 extension bonus that was paid to Nebari with common shares of the Company. The loss on modification of the existing credit facility agreement of \$894 was expensed in 2023.

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On November 30, 2023, the Company and Nebari executed a Third Amendment to the Second ARCA (“Third ARCA”) which extends the due date of the \$15,000 loan advanced by Nebari to June 30, 2026. The interest rate is reduced to 10.5% plus a supplement equal to the greater of the sum of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

In consideration for The Third ARCA, the Company issued \$1,050 in common shares of the Company to Nebari. The Company adjusted the fair value of the debt to include the Third Amendment to the ARCA, and increased the liability component \$677, and recognized a loss on modification of \$677 in 2023.

Changes in the debt for the six months ended June 30, 2024, and year ended December 31, 2023, are summarized below.

Debt	June 30, 2024	December 31, 2023
<b>Balance, beginning of period</b>	<b>\$ 15,620</b>	<b>\$ 15,405</b>
Principal repayment	(206)	-
Financing Expense	158	215
<b>Balance, end of period</b>	<b>\$ 15,572</b>	<b>\$ 15,620</b>
<i>Current</i>	<i>2,781</i>	<i>1,442</i>
<i>Non current</i>	<i>12,791</i>	<i>14,178</i>

## 12. DEBENTURES

On February 9, 2023, the Company closed a Debenture Offering (“First Debenture Offering”) and issued \$3,000 principal amount of debentures. The terms of the debentures include:

- a maturity date of three years from the date of closing (the “First Debenture Maturity Date”), with the principal amount, together with any accrued and unpaid interest, payable on the First Debenture Maturity Date, unless earlier converted in accordance with the terms;
- the debentures bear interest at the rate of 10% per annum, which interest will be payable on April 1, 2025 and on the Maturity Date, unless earlier converted into common shares of the Company (“Common Shares”);
- the principal amount of the debentures is convertible into Common Shares at the option of the holder at a conversion price of USD\$0.19 per Common Share;
- the accrued and unpaid interest is convertible into Common Shares at a conversion price equal to the volume weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days prior to the date of conversion at the option of the holder; and
- the debentures are unsecured.

The First Debenture Offering was accounted for as a compound financial instrument with a debt host and equity conversion feature. On initial recognition, the fair value of the liability component was determined to be \$2,128 with an effective interest rate of 21.2%, and the equity component was measured as the residual amount of \$872.

On December 14, 2023, the Company amended the First Debenture Offering maturity date to September 30, 2026. The impact of the amendment decreased the carrying value of the liability component, resulting in a gain on modification of \$263. The effective interest rate is 21.2%.

On December 14, 2023, the Company closed a Second Debenture Offering (the “Second Debenture Offering”) and issued \$2,400 principal amount of debentures. The terms of the debentures include:

- a maturity date of September 30, 2026 (the “Second Debenture Maturity Date”) and the principal amount, together with any accrued and unpaid interest, will be payable on the Second Debenture Maturity Date, unless earlier converted in accordance with their terms;

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- the debentures bear interest at the rate of 10.5% per annum plus the Rate Supplement, which interest will be payable on the Second Debenture Maturity Date, unless earlier converted into Common Shares;
- subject to the receipt of disinterested shareholder approval from the holders of the Common Shares at a duly and validly called meeting (the “Shareholder Approval”), the principal amount of the debenture is convertible into Common Shares at the option of the holder (or at the option of the Company on 30 days prior notice) at a conversion price of USD\$0.11405 per Common Share;
- subject to receipt of the Shareholder Approval, the accrued and unpaid interest is convertible into Common Shares at a conversion price equal to the volume weighted average trading price on the Toronto Stock Exchange for the five trading days prior to the date of conversion; and
- the debentures are unsecured.

The Second Debenture Offering was accounted for as a compound financial instrument with a debt host and equity conversion feature. On initial recognition, the fair value of the liability component was determined to be \$2,011 with an effective interest rate of 19.6%, and the equity component was measured as the residual amount of \$389.

Changes in the debentures for the six months ended June 30, 2024, and year ended December 31, 2023, are summarized below.

<u>Debentures</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
<b>Balance, beginning of period</b>	<b>\$ 4,330</b>	<b>\$ -</b>
Proceeds	-	5,400
Revaluation	-	(1,262)
Financing Expense	461	192
<b>Balance, end of period</b>	<b>\$ 4,791</b>	<b>\$ 4,330</b>
<i>Current</i>	<i>600</i>	<i>-</i>
<i>Non current</i>	<i>4,191</i>	<i>4,330</i>

### 13. CAPITAL STOCK AND OTHER EQUITY RESERVES

#### Common Shares

The authorized share capital of the Company consists of an unlimited number of common shares with no par value and an unlimited number of non-voting common shares with no par value. As of June 30, 2024, there were 315,415,858 common shares outstanding and nil non-voting common shares outstanding.

There were no dilutive shares for the period ended June 30, 2024 (2023 – nil).

#### Stock Options

The Company’s stock option plan (the “Plan”) provides for the grant of incentive stock options to employees, consultants, officers, and directors of the Company. The Plan reserves for issuance, along with the Company’s other Security-Based Compensation Plans a maximum of 10% of the issued and outstanding Common Shares at the time of a grant of options.

Options granted under the Plan have a maximum term of ten years. The exercise price of the options is determined by the Board of Directors and is not less than the closing price of the common shares on the last trading day prior to the date the options are granted. The vesting terms are at the Board of Directors’ discretion.

The Plan is an evergreen plan which provides that if any option has been exercised, then the number of common shares into which such option was exercised shall become available to be issued upon the exercise of options subsequently granted under the Plan. The Plan will operate in conjunction with the Restricted Share Unit Plan (the “RSU Plan”) and the Performance Share Unit Plan (the “PSU Plan”). The Stock Option Plan, RSU Plan and PSU Plan are collectively referred to as the “Security-Based Compensation Plans”.

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The following is a summary of stock option activity for the six months ended June 30, 2024 and the year ended December 31, 2023:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price (CAD\$)</b>
<b>Outstanding, December 31, 2022</b>	<b>17,497,500</b>	\$ 0.78
Granted	7,215,000	\$ 0.26
Expired	(4,580,000)	\$ 1.01
Forfeited	(1,312,500)	\$ 0.70
<b>Outstanding, December 31, 2023</b>	<b>18,820,000</b>	\$ 0.53
Expired	(3,045,000)	\$ 1.02
<b>Outstanding, June 30, 2024</b>	<b>15,775,000</b>	\$ 0.44
<b>Exercisable, June 30, 2024</b>	<b>11,367,500</b>	\$ 0.47

During the six months ended June 30, 2024, no stock options were exercised.

As of June 30, 2024, the following stock options were outstanding and exercisable:

<b>Outstanding</b>	<b>Exercisable</b>	<b>Exercise Price CAD\$</b>	<b>Remaining life (years)</b>	<b>Expiry Date</b>
200,000	200,000	CAD\$ 0.96	0.45	December 10, 2024
210,000	210,000	CAD\$ 1.12	0.58	January 28, 2025
1,480,000	1,480,000	CAD\$ 0.48	0.73	March 24, 2025
50,000	50,000	CAD\$ 0.27	0.75	March 31, 2025
600,000	600,000	CAD\$ 0.60	0.75	March 31, 2025
3,250,000	3,250,000	CAD\$ 0.60	0.79	April 15, 2025
800,000	-	CAD\$ 0.73	1.12	August 12, 2025
100,000	100,000	CAD\$ 0.80	1.14	August 19, 2025
235,000	235,000	CAD\$ 0.82	1.69	March 8, 2026
300,000	300,000	CAD\$ 0.74	1.75	March 31, 2026
635,000	635,000	CAD\$ 0.41	2.50	December 31, 2026
700,000	700,000	CAD\$ 0.27	2.84	May 2, 2027
500,000	250,000	CAD\$ 0.27	3.59	February 1, 2028
200,000	100,000	CAD\$ 0.23	3.65	February 22, 2028
6,515,000	3,257,500	CAD\$ 0.26	3.84	May 1, 2028
<b>15,775,000</b>	<b>11,367,500</b>			

The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for the risk-free interest rate, dividend yield, volatility factors of the expected market price of the Company's common shares, forfeiture rate, and expected life of the options. The Company recognized share-based compensation costs of \$177 for the six months ended June 30, 2024 (June 30, 2023 - \$152) of which \$7 (June 30, 2023 - \$12) was included in cost of sales.

Restricted Share Units

The Company's RSU Plan, adopted on June 28, 2018, provides for the grant of restricted shares to employees, consultants, officers, and directors of the Company. An individual restricted share unit will have the same value as one common share. The number of RSUs awarded, and its associated vesting terms, are determined at the discretion of the Board of Directors. The maximum aggregate number of common shares issuable to participants at any time pursuant to the RSU Plan, together with all other Security-Based Compensation Plans of the Company, may not exceed 10% of the currently issued and outstanding common shares of the Company at the time of a grant of the RSU.

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Upon each vesting date, participants receive the issuance of common shares from treasury equal to the number of RSUs vesting, or a cash payment equal to the number of vested RSUs multiplied by the fair market value of a common share, calculated as the closing price of the common shares on the TSX for the trading day immediately preceding such payment date; or a combination thereof. The RSU Plan is considered a cash-settled award plan, therefore, the RSU Plan is classified as a liability, and is measured at fair value on the grant date and is subsequently adjusted for changes in fair value at each reporting date until settlement. The fair value of RSUs is estimated based on the quoted market price of the Company's common shares on the last day of the reporting period.

A summary of the activity related to the Company's RSUs through the six months ended June 30, 2024 is provided below.

**Restricted Share Units**

<b>Balance, December 31, 2022</b>	<b>1,823,400</b>
Exercised	<u>(1,823,400)</u>
<b>Balance, December 31, 2023</b>	<b>-</b>
Exercised	-
Granted	-
<b>Balance, June 30, 2024</b>	<b>-</b>

There was no activity during the six months ended June 30, 2024, the fair value of outstanding RSUs was \$nil (June 30, 2023 increased by \$167).

**14. EXPENSES BY NATURE**

The summary for cost of sales for the three and six months ended June 30, 2024 and 2023 are summarized below.

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Direct mining costs	\$ 437	\$ 1,306	\$ 1,258	\$ 2,997
Royalties and selling costs	117	155	180	356
Employee compensation and benefits	621	660	1,304	1,291
Share-based compensation	3	8	7	12
Depreciation	13	18	31	48
<b>Cost of Sales</b>	<b>\$ 1,191</b>	<b>\$ 2,147</b>	<b>\$ 2,780</b>	<b>\$ 4,704</b>

The decrease of cost of \$1,924 for the six months ended June 30, 2024 compared to the same period in 2023 is mainly due to the allocation of mining costs to the Nuton project and an increase in Finished Goods at the end of Quarter 2, 2024.

**15. RELATED PARTY TRANSACTIONS**

Related parties and related party transactions are summarized below.

**Key Management Personnel**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and President, SVP Business Development, former SVP/Chief Financial Officer, current Interim Chief Financial Officer, SVP/GM, and Corporate Secretary.



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Remuneration attributed to key management personnel is summarized as follows:

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Salaries, fees and benefits	\$ 381	\$ 365	\$ 816	\$ 889
Share-based compensation	62	207	151	307
Total	<u>\$ 443</u>	<u>\$ 572</u>	<u>\$ 967</u>	<u>\$ 1,196</u>

Salaries, fees and benefits to key management includes all salaries, bonuses, fees, and other employment benefits, pursuant to contractual employment agreements, consultancy or management services arrangements.

Other Related Parties

Kinley Exploration LLC (“Kinley”) is an entity owned by Colin Kinley, a Director of the Company. Kinley provides certain technical services regarding project preparation and development to the Company. These services are provided to the Company on an as-needed basis and are billed based on the cost or value of the services provided to the Company. The amount shown in the table below represents amounts paid to Kinley as reimbursement for legal fee expenses incurred by Kinley.

Transactions with related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Transactions with related parties other than key management personnel included the following:

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Kinley	-	-	-	3
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>

As of June 30, 2024, amounts accrued and due to key management personnel and other related parties include the following:

- Directors and Officers - \$136 (June 30, 2023 - \$118)

Transactions with related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

**16. SEGMENTED INFORMATION**

The Company operates in one reportable operating segment in North America. The Company’s property, plant and equipment is in the United States.

**17. FINANCIAL INSTRUMENTS**

The Company has exposure to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Risk management is the

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responsibility of management and is carried out under policies approved by the Board of Directors. Material risks are monitored and are regularly discussed with the Audit Committee and Board of Directors.

Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will affect the Company's cash flows or value of its financial instruments.

*Currency risk*

The Company is subject to currency risk on financial instruments which are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses relating to these financial instruments would impact earnings (loss).

The Company is exposed to currency risk through cash and cash equivalents, accounts payable and accrued liabilities which are denominated in CAD\$. The balances in these accounts are not significant, therefore, the Company's exposure to currency risk is considered minimal. The Company has not hedged its exposure to currency fluctuations at this time.

*Interest rate risk*

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents and the stream obligation. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by its Canadian banking institution. The Company periodically monitors the investment it makes and is satisfied with the credit ratings of its banks.

The Company's outstanding debt obligations are at fixed interest rates (except the Nebari loan and Second Debenture Offering - see below) and accounted for on the basis of amortized cost. Therefore, the carrying value of the Company's debt is not exposed to changes in market interest rates. The Nebari loan and Second Debenture Offering are fixed at 10.5% per annum plus the greater of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

A 1% increase in the interest rate would decrease the value of the stream obligation by \$12,618, whereas a 1% decrease in the interest rate would increase the value of the stream liability by \$14,222.

A 1% increase in the rate supplement for the Nebari loan would increase interest payments \$12.3/mo, whereas a 1% decrease in the rate supplement would decrease the Nebari interest payments \$12.3/mo.

A 1% increase in the rate supplement for the Second Debenture Offering would increase interest payments \$2/mo, whereas a 1% decrease in the rate supplement would decrease the Second Debenture Offering interest payments \$2/mo.

*Commodity price risk*

The Company is subject to commodity price risk from fluctuations in the market prices for copper. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation, and political and economic conditions. The financial instrument impacted by commodity prices is the Stream obligation.

A 10% increase in the market price of copper would increase derivative liabilities by \$7,190, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by \$9,473.

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Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents, and restricted cash.

The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with high-quality North American financial institutions.

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's objective in managing liquidity risk is to maintain sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of its financial assets and liabilities. Cash flow forecasting is performed regularly. The Company also holds surety bonds to support future environmental obligations (see note 1 – Nature of Operations and Going Concern).

The Company has the following guaranteed commitments and contractual obligations as of June 30, 2024:

<b>Contractual Obligations</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>1-3 years</b>	<b>4-5 years</b>	<b>After 5 years</b>
Accounts Payable and Accrued Liabilities	\$ 1,780	\$ 1,780	\$ -	\$ -	\$ -
Lease Liabilities	284	109	175	-	-
Insurance Liabilities	647	647	-	-	-
Debentures	4,791	600	4,191	-	-
Debt	15,572	2,781	12,791	-	-
Total Contractual Obligations	<u>\$ 23,074</u>	<u>\$ 5,917</u>	<u>\$ 17,157</u>	<u>\$ -</u>	<u>\$ -</u>

As of June 30, 2024, the Company has cash and cash equivalents of \$5,407 to settle current liabilities of \$9,522.

Fair value estimation

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 the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the Company is able to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, receivables, restricted cash, accounts payable and accrued liabilities, debt and amounts due to related parties approximate their fair values due to the short-term maturity of these financial instruments. Derivative liabilities are Level 3.

**18. LEGAL**

On November 3, 2021 the Company became aware of a civil claim filed against the Company and certain of its officers and directors in the Supreme Court of British Columbia by MM Fund (the "BC Action"). The plaintiff seeks certification of the BC Action as a class proceeding on behalf of a class of all persons and entities, wherever they may

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reside or may be domiciled, who purchased the securities of the Company offered by the Company's Prospectus Supplement dated and filed on February 12, 2021 (the "Prospectus").

The plaintiff alleges that the Prospectus contained misrepresentations related to the Company's anticipated timeline to achieve a production rate of 25 million pounds per annum. The plaintiff alleges that as a result of the misrepresentations in the Prospectus, the securities of the Company were sold to the public at an artificially inflated price. The plaintiff seeks an order certifying the BC Action as a class proceeding, a declaration the Prospectus contained a misrepresentation, unspecified damages, pre- and post-judgment interest and costs.

On September 1, 2022, the British Columbia Supreme Court granted the application by the Company to strike MM Fund's certification application and further ordered MM Fund to remove all pleadings relating to advancing a class proceeding against the Company. The Company was awarded its costs of the application in any event of the cause.

MM Fund's action may continue as an individual claim; however, subject to appeal, MM Fund has been found to be incapable of advancing the action as a class proceeding. Subsequently on September 26, 2022, MM Fund appealed this ruling to the British Columbia Court of Appeal. The appeal hearing occurred on April 6, 2023 and on April 30, 2024, the British Columbia Court of Appeal dismissed the appeal. MM Fund also filed an application to transfer the BC Action to Ontario which was rejected by the British Columbia Supreme Court in a judgment dated July 2, 2024. On May 2, 2024 the plaintiff commenced a new civil claim in the Ontario Superior Court of Justice (the "Ontario Action") on the same terms as the BC Action seeking to certify a class proceeding in Ontario.

#### **19. SUBSEQUENT EVENTS**

On July 5, 2024 the Company received the first payment for Stage 2 project costs in the amount of \$7,958.