



**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 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>September 30, 2024</u>	<u>December 31, 2023</u>
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 12,181	\$ 6,113
Marketable securities		113	76
Amounts receivable		100	126
Prepaid expenses		571	776
Inventory	3	1,384	1,341
		<u>14,349</u>	<u>8,432</u>
Nuton Stage 2 deposits	8	2,192	-
Property, plant and equipment	4	117,944	104,902
Restricted cash	5	3,074	3,074
		<u>137,559</u>	<u>116,408</u>
Total Assets		\$ 137,559	\$ 116,408
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	6	\$ 6,843	\$ 1,640
Amounts due to related parties	15	122	136
Nuton stage 1 payable	7	-	432
Nuton stage 2 payable	8	12,323	-
Nuton deferred income	8	1,147	-
Lease liabilities		116	103
Insurance liabilities		390	493
Interest on debentures	12	600	-
Derivative liabilities	9	2,183	235
Debt	11	2,936	1,442
		<u>26,660</u>	<u>4,481</u>
Lease liabilities		155	222
Debentures	12	4,443	4,330
Debt	11	12,086	14,178
Nuton deferred income	8	5,417	-
Derivative liabilities	9	147,871	115,823
Asset retirement obligation	10	12,607	8,097
		<u>209,239</u>	<u>147,131</u>
Total liabilities		209,239	147,131
Equity			
Capital Stock	13	112,828	112,828
Other equity reserves	13	14,457	14,205
Deficit		(198,136)	(156,927)
Accumulated other comprehensive loss		(829)	(829)
Total Equity		<u>(71,680)</u>	<u>(30,723)</u>
Total Liabilities and equity		<u>\$ 137,559</u>	<u>\$ 116,408</u>

See note 1 - Nature of Operations and Going Concern

Approved on November 8, 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 (INCOME) LOSS AND COMPREHENSIVE (INCOME) LOSS

(Unaudited - Expressed in thousands of United States dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Revenue					
Revenue		\$ -	\$ (494)	\$ (952)	\$ (2,419)
Cost of sales	14	-	1,754	2,780	6,458
Loss from mine operations		-	1,260	1,828	4,039
Operating Expenses					
Gunnison holding and maintenance cost		215	-	215	-
Evaluation and permitting		165	94	284	243
Office and administration		84	164	372	471
Professional fees		252	141	516	509
Directors and officers fees		149	435	965	1,324
Investor relations		60	79	154	238
Share-based compensation	13	75	60	245	367
Regulatory fees		6	24	27	79
Depreciation		28	42	94	139
Total Operating Expenses		1,034	1,039	2,872	3,370
Other Items					
Loss (gain) on derivative at fair value	9	13,171	(5,726)	33,996	(5,713)
Financing expense		1,116	904	3,288	2,619
Interest income		(53)	(48)	(142)	(96)
Unrealized (gain) on foreign exchange		(2)	-	(3)	(9)
Loss on modification of financial liabilities	11&12	-	-	-	426
Other income		(318)	(186)	(630)	(437)
Total Other Items		13,914	(5,056)	36,509	(3,210)
(Income)/Loss and comprehensive (income)/ loss for the period		\$ 14,948	\$ (2,757)	\$ 41,209	\$ 4,199
(Income)/Loss per common share:					
Basic and Diluted		\$ 0.05	\$ (0.01)	\$ 0.13	\$ 0.02
Weighted average number of common shares outstanding:					
Basic and Diluted	13	315,415,858	277,204,365	315,415,858	276,874,695

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)

	Note	Nine months ended September 30,	
		2024	2023
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Loss for the period		\$ (41,209)	\$ (4,199)
Items not affecting cash:			
Loss (gain) on derivative at fair value	9	33,996	(5,713)
Depreciation		125	209
Accretion of asset retirement obligation		508	125
Share-based compensation	13	252	387
Financing expense		939	362
Nebari extension bonus	11	-	450
Gain on marketable securities		(37)	(70)
Capitalized leases		(25)	-
Loss (gain) on disposal		1	-
Unrealized gain on foreign exchange		(3)	(9)
Non-cash working capital item changes:			
Receivables		26	(18)
Prepaid expenses		205	(111)
Inventory		(43)	393
Accounts payable and accrued liabilities		442	202
Amounts due to related parties		(14)	(7)
Insurance liabilities		(103)	186
Net cash used by operating activities		(4,940)	(7,813)
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Restricted cash		-	237
Nuton stage 1 funds received	7	1,030	5,000
Nuton stage 1 project expenditure	7	(1,487)	(1,429)
Nuton stage 2 funds received	8	19,195	-
Nuton stage 2 project expenditure	8	(6,909)	-
Net cash provided by investing activities		11,829	3,808
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Proceeds from issuance of debentures	12	-	2,993
Nebari principal payments		(824)	-
Net cash (used) provided by financing activities		(824)	2,993
Net change in cash and cash equivalents		6,065	(1,012)
Effect of foreign exchange on cash and cash equivalents		3	9
Cash and cash equivalents, beginning of year		6,113	5,604
Cash and cash equivalents, end of period		\$ 12,181	\$ 4,601
Supplemental cash flow disclosures:			
Interest paid		\$ 1,824	\$ 2,085
Non-cash changes in working capital in investing activities:			
Nuton deferred income		\$ (308)	\$ -
Nuton stage 2 accounts payable and accrued liabilities		\$ 1,946	\$ -

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EXCELSIOR MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 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>				
Balance, December 31, 2022	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	-	-	345	-	-	345
Loss for the period	-	-	-	(4,199)	-	(4,199)
Balance, September 30, 2023	<u>277,204,365</u>	<u>\$ 108,495</u>	<u>\$ 13,410</u>	<u>\$ (132,167)</u>	<u>\$ (829)</u>	<u>\$ (11,091)</u>
Balance, December 31, 2023	315,415,858	\$ 112,828	\$ 14,205	\$ (156,927)	\$ (829)	\$ (30,723)
Share-based compensation	-	-	252	-	-	252
Loss for the period	-	-	-	(41,209)	-	(41,209)
Balance, September 30, 2024	<u>315,415,858</u>	<u>\$ 112,828</u>	<u>\$ 14,457</u>	<u>\$ (198,136)</u>	<u>\$ (829)</u>	<u>\$ (71,680)</u>

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 NINE MONTHS ENDED SEPTEMBER 30, 2024
(Unaudited - Expressed in thousands of United States dollars)

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 nine months ended September 30, 2024, the Company incurred a net loss of \$41,209 that included a non-cash loss on the Triple Flag stream derivative of \$33,996 and used cash for operating activities of \$4,940. As at September 30, 2024 the Company had a negative working capital of (\$12,311), including a cash balance of \$12,181.

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%.

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 to proceed with the Stage 2 Work Program. Since May 15, 2024, the Company has received an additional \$14,195 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. Progress on Nuton Stage 2 construction is continuing with further funding from Nuton™ for the Stage 2 Work Program expected through the remainder of 2024.

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 a breach of the minimum balance requirement, the amendment to the loan agreement allows a 60-day cure period. 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.

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

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

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. We are currently assessing the effect of this new standard on our financial statements.

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

EXCELSIOR MINING CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Unaudited - Expressed in thousands of United States dollars)

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.

The Company is in the process of exploring and evaluating its exploration and evaluation assets. The recoverability of the amounts shown for property, plant and equipment are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

The Nuton project payable – Stage 2 liability will be measured at fair value through profit and loss with a residual amount allocable to production services. Each reporting period the payable will be revalued to fair value based on management's estimation of the timing of cash flows and the discount rate. (See Note 8)

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 usually shipped and sold the following month. At the end of September 2024, the Company recorded a write-down of \$734 (2023- \$694) to adjust the copper inventory value to NRV.

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Materials & Supplies	\$ 817	\$ 933
Copper in solution	103	287
Finished goods	464	121
Inventory	\$ 1,384	\$ 1,341

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024
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4. PROPERTY, PLANT AND EQUIPMENT

	Land & Mineral Properties	Plant	Vehicles & Mobile Equipment	Office Equipment & Capitalized Leases	Construction in Progress	Nuton Stage 2 Construction in Progress	Total
Cost							
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	<u>14,003</u>	<u>12,242</u>	<u>584</u>	<u>993</u>	<u>79,469</u>	<u>-</u>	<u>107,291</u>
Accumulated Depreciation							
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	<u>(824)</u>	<u>(114)</u>	<u>(563)</u>	<u>(711)</u>	<u>(177)</u>	<u>-</u>	<u>(2,389)</u>
Net carrying amount	<u>13,179</u>	<u>12,128</u>	<u>21</u>	<u>282</u>	<u>79,292</u>	<u>-</u>	<u>104,902</u>
Cost							
At January 1, 2024	14,003	12,242	584	993	79,469	-	107,291
Additions	-	-	-	25	-	9,142	9,167
Change in Asset Retirement Obligation Estimate	4,001	-	-	-	-	-	4,001
Disposals	-	-	-	(10)	-	-	(10)
At September 30, 2024	<u>18,004</u>	<u>12,242</u>	<u>584</u>	<u>1,008</u>	<u>79,469</u>	<u>9,142</u>	<u>120,449</u>
Accumulated Depreciation							
At January 1, 2024	(824)	(114)	(563)	(711)	(177)	-	(2,389)
Depreciation	-	-	(21)	(75)	(29)	-	(125)
Disposals	-	-	-	9	-	-	9
At September 30, 2024	<u>(824)</u>	<u>(114)</u>	<u>(584)</u>	<u>(777)</u>	<u>(206)</u>	<u>-</u>	<u>(2,505)</u>
Net carrying amount	<u>17,180</u>	<u>12,128</u>	<u>-</u>	<u>231</u>	<u>79,263</u>	<u>9,142</u>	<u>117,944</u>

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FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024
(Unaudited - Expressed in thousands of United States dollars)

5. RESTRICTED CASH

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

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Trade payables	\$ 2,930	\$ 673
Accrued liabilities	3,706	773
Employee-related accruals	207	194
	<u>\$ 6,843</u>	<u>\$ 1,640</u>

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 of Stage 1 spend during the nine months ended September 30, 2024 and September 30, 2023 are summarized below:

	Stage 1 spend incurred as at			
	September 30,			
	2024		2023	
Drilling	\$ 365	\$	1,053	
Engineering	776		15	
Permitting	54		11	
Project execution planning	292		350	
	<u>\$ 1,487</u>	<u>\$</u>	<u>1,429</u>	

8. NUTON STAGE 2 PROJECT

On May 15, 2024, Nuton elected to proceed to Stage 2 of the existing option agreement. Nuton made a non-refundable \$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 73 months, and, if successful, will demonstrate key elements of the Nuton technologies at industrial scale. Nuton, in its sole and absolute discretion may elect to terminate the Option Agreement by providing appropriate notice to the Company in accordance with the terms of the Option Agreement.

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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. The Company is proceeding 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 also receives from Nuton quarterly pre-payments based on the approved work program budget for Stage 2. Each time Stage 2 proceeds are received as advances, a Stage 2 project payable will be recognized at fair value, with a residual amount allocable to production services (representing the margin for processing services relating to the demonstration of Nuton’s technology). The Stage 2 costs will be capitalized to construction in progress and subsequently transferred to the relevant property, plant and equipment category once assets are ready for their intended use. The Stage 2 project payable will be measured at fair value through profit and loss. Nuton shall receive 100% of the revenue generated from commercial quantities of copper products produced from JCM as a result of the Stage 2 work program, until recoupment of the Stage 2 work program funding (subject only to payments by the Company owing under any existing royalty or streaming obligations). Once and if the Stage 2 work program funding is repaid, the Company retains any additional copper revenue.

During the period of May 15, 2024 through September 30, 2024, \$14,195 proceeds have been received for Stage 2 funding. Management determined the fair value of the Stage 2 project payable using an interest rate of 15.25% to be \$12,323, with the residual amount of \$1,872 being allocated to deferred income and amortized over the remaining Stage 2 program on a straight-line basis starting in Q4.

The following is a summary of the deferred income activity through the nine months ended September 30, 2024:

Deferred Income	September 30, 2024
Balance, beginning of period	\$ -
Nuton access rights	5,000
Nuton stage 2 deferred income	1,872
Amortized	(308)
Balance, end of period	\$ 6,564
<i>Current</i>	<i>1,147</i>
<i>Non current</i>	<i>5,417</i>

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 22.14% (December 31, 2023 – 21.01%), a discount rate which factors in the Company’s credit spread of 7.05% (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.

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

	<u>Stream</u>	<u>Warrants</u>	<u>Total</u>
Fair value at December 31, 2022	\$ 101,294	\$ 8	\$ 101,302
Loss (gain) during the year	14,764	(8)	14,756
Fair value at December 31, 2023	\$ 116,058	\$ -	\$ 116,058
Loss during the period	33,996	-	33,996
Fair value at September 30, 2024	\$ 150,054	\$ -	\$ 150,053
<i>Current</i>	<i>2,183</i>		
<i>Non current</i>	<i>147,871</i>		

At September 30, 2024, the current portion of the derivative liabilities is \$2,183 based upon the production schedule and other inputs used in the valuation.

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, these costs and activities are not expected to begin until approximately 21 years after the start of operation on the JCM project. As of September 30, 2024 the Company reviewed the assumptions used in the present value calculation for the projects and adjusted the obligation to \$12,607. The update resulted in a net increase of \$4,510, which includes accretion for the nine months ended September 30, 2024 of \$382 and a change due to rates and estimates of \$4,128.

As of September 30, 2024, the estimated undiscounted JCM reclamation obligation is \$17,495 (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 September 30, 2024, the Company used an inflation rate of 2.0% (2023 - 2.0%) and a discount rate of 4.14% (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 nine months ended September 30, 2024 and the year ended December 31, 2023 are summarized below.

<u>Asset Retirement Obligation</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Balance, beginning of period	\$ 8,097	\$ 8,245
Change in estimate	4,128	(306)
Accretion expense	382	158
Balance, end of period	\$ 12,607	\$ 8,097

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

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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.

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 nine months ended September 30, 2024, and year ended December 31, 2023, are summarized below.

Debt	September 30, 2024	December 31, 2023
Balance, beginning of period	\$ 15,620	\$ 15,405
Principal repayment	(824)	-
Financing Expense	226	215
Balance, end of period	\$ 15,022	\$ 15,620
<i>Current</i>	<i>2,936</i>	<i>1,442</i>
<i>Non current</i>	<i>12,086</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.

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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;
- 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 nine months ended September 30, 2024, and year ended December 31, 2023, are summarized below.

<u>Debentures</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Balance, beginning of period	\$ 4,330	\$ -
Proceeds	-	5,400
Revaluation	-	(1,262)
Financing Expense	713	192
Balance, end of period	\$ 5,043	\$ 4,330
<i>Current</i>	<i>600</i>	<i>-</i>
<i>Non current</i>	<i>4,443</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 September 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 September 30, 2024 (2023 – nil).

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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".

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

	Number of Options	Weighted Average Exercise Price (CAD\$)
Outstanding, December 31, 2022	17,497,500	\$ 0.78
Granted	7,215,000	\$ 0.26
Expired	(4,580,000)	\$ 1.01
Forfeited	(1,312,500)	\$ 0.70
Outstanding, December 31, 2023	18,820,000	\$ 0.53
Granted	3,500,000	\$ 0.15
Expired	(3,045,000)	\$ 1.02
Outstanding, September 30, 2024	19,275,000	\$ 0.39
Exercisable, September 30, 2024	11,542,500	\$ 0.47

During the nine months ended September 30, 2024, no stock options were exercised.

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

Outstanding	Exercisable		Exercise Price	Remaining life	Expiry Date
			CAD\$	(years)	
200,000	200,000	CAD\$	0.96	0.19	December 10, 2024
210,000	210,000	CAD\$	1.12	0.33	January 28, 2025
1,480,000	1,480,000	CAD\$	0.48	0.48	March 24, 2025
50,000	50,000	CAD\$	0.27	0.50	March 31, 2025
600,000	600,000	CAD\$	0.60	0.50	March 31, 2025
3,250,000	3,250,000	CAD\$	0.60	0.54	April 15, 2025
800,000	-	CAD\$	0.73	0.87	August 12, 2025
100,000	100,000	CAD\$	0.80	0.88	August 19, 2025
235,000	235,000	CAD\$	0.82	1.44	March 8, 2026
300,000	300,000	CAD\$	0.74	1.50	March 31, 2026
635,000	635,000	CAD\$	0.41	2.25	December 31, 2026
700,000	700,000	CAD\$	0.27	2.59	May 2, 2027
500,000	375,000	CAD\$	0.27	3.34	February 1, 2028
200,000	150,000	CAD\$	0.23	3.40	February 22, 2028
6,515,000	3,257,500	CAD\$	0.26	3.59	May 1, 2028
3,500,000	-	CAD\$	0.15	4.93	September 3, 2029
<u>19,275,000</u>	<u>11,542,500</u>				

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 \$253 for the nine months ended September 30, 2024 (September 30, 2023 - \$345) of which \$7 (September 30, 2023 - \$20) 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.

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.

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

<u>Restricted Share Units</u>	
Balance, December 31, 2022	1,823,400
Exercised	<u>(1,823,400)</u>
Balance, December 31, 2023	-
Exercised	-
Granted	<u>-</u>
Balance, September 30, 2024	-

There was no activity during the nine months ended September 30, 2024, the fair value of outstanding RSUs was \$nil (September 30, 2023 increased by \$42).

14. EXPENSES BY NATURE

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Direct mining costs	\$ -	\$ 1,012	\$ 1,258	\$ 4,009
Royalties and selling costs	-	72	180	427
Employee compensation and benefits	-	641	1,304	1,932
Share-based compensation	-	8	7	20
Depreciation	-	21	31	70
Cost of Sales	\$ -	\$ 1,754	\$ 2,780	\$ 6,458

The site was in care and maintenance in the third quarter of 2024 while upgrading the SX/EW plant.

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, SVP/Chief Financial Officer, previous Interim Chief Financial Officer, SVP/GM, and Corporate Secretary.

Remuneration attributed to key management personnel is summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Salaries, fees and benefits	\$ 285	\$ 435	\$ 1,101	\$ 1,324
Share-based compensation	73	35	224	342
Total	\$ 358	\$ 470	\$ 1,325	\$ 1,666

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.

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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:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Kinley	-	-	-	3
Total	\$ -	\$ -	\$ -	\$ 3

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

- Directors and Officers - \$122 (September 30, 2023 - \$117)

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 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

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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 \$13,130, whereas a 1% decrease in the interest rate would increase the value of the stream liability by \$17,027.

A 1% increase in the rate supplement for the Nebari loan would increase interest payments \$11.8/mo, whereas a 1% decrease in the rate supplement would decrease the Nebari interest payments \$11.8/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.

A 1% increase in the interest rate would decrease the fair value of the Nuton stage 2 payable by \$113, whereas a 1% decrease in the interest rate would increase the fair value of the Nuton stage 2 payable by \$114.

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 \$20,357, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by \$17,721.

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).

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

<u>Contractual Obligations</u>	<u>Total</u>	<u>Less than</u>			<u>After</u>
		<u>1 year</u>	<u>1-3 years</u>	<u>4-5 years</u>	<u>5 years</u>
Accounts Payable and Accrued Liabilities	\$ 6,843	\$ 6,843	\$ -	\$ -	\$ -
Lease Liabilities	271	116	155	-	-
Insurance Liabilities	390	390	-	-	-
Debentures	5,043	600	4,443	-	-
Debt	15,022	2,936	12,086	-	-
Total Contractual Obligations	<u>\$ 27,569</u>	<u>\$ 10,885</u>	<u>\$ 16,684</u>	<u>\$ -</u>	<u>\$ -</u>

As of September 30, 2024, the Company has cash and cash equivalents of \$12,181 to settle current liabilities of \$26,660, which includes \$12,323 in Nuton payables based off the current copper production forecast.

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.

As of September 30, 2024	Carrying value	Fair Value		
	FVTPL	Level 1	Level 2	Level 3
Financial Liabilities				
Derivative liabilities	150,054	-	-	150,054
Nuton Stage 2 payable	12,323	-	-	12,323
	<u>\$ 162,377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,377</u>

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 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.

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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.

The BC Action was dismissed during the quarter. The Ontario Action was dismissed on October 28, 2024. As result there are no further civil claims outstanding against the Company.