

**BOREALIS EXPLORATION
LIMITED COMPANY**

Unaudited Financial Statements

**for the three months ending 31 December 2020
the first fiscal quarter of Fiscal Year 2021**

BOREALIS EXPLORATION LIMITED COMPANY

Registered No (Gibraltar) 66632

PROFIT AND LOSS ACCOUNT

for the three months ended 31 December 2020

	Notes	31 December 2020 \$	Restated 31 December 2019 \$
Income			
Interest - Borealis Holdings Ltd	1	269,113	250,166
Expenditure			
Administration expenses incurred		(1,173)	-
Net Expenditure		267,940	250,166
Finance gain (loss) Directors loan		1,321	212,713
Gain on foreign exchange		365	1,158
		269,626	464,037
Profit on disposal of shares in subsidiary companies	1	-	49,823,977
Loss on cancellation of shares		(100,820)	-
		168,806	50,288,014

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BALANCE SHEET
at 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Current Assets			
Accounts receivable			
Borealis Holdings Limited	1	40,273,451	49,549,332
Roche Bay plc		1,697,769	1,691,375
Faraway plc		2,399,863	2,399,863
Other		1,000	901,000
Total accounts receivable		<u>44,372,083</u>	<u>54,541,570</u>
Cash at bank		<u>40,632</u>	<u>141,616</u>
Total Assets		<u>44,412,715</u>	<u>54,683,186</u>
Capital and Reserves			
Called up Share Capital	2	39,087	42,912
Share Premium Account	2	18,950,158	23,539,272
Profit and Loss Account		(10,685,229)	(5,333,971)
		<u>8,304,016</u>	<u>18,248,213</u>
Non Current Liabilities			
Loan from directors		<u>196,904</u>	<u>440,943</u>
Current Liabilities			
Accounts payable			
Borealis Technical Limited		35,157,674	34,265,217
WheelTug plc		754,121	1,728,813
Total Current Liabilities		<u>35,911,795</u>	<u>35,994,030</u>
Net Equity		<u>\$ 44,412,715</u>	<u>\$ 54,683,186</u>

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STATEMENT OF CHANGES IN EQUITY
three months ended 31 December 2020

	Notes	Called up Share Capital \$	Share Premium Account \$	Earnings/Losses \$	Total Equity \$
Balance at 1 October 2020		39,283	19,045,222	(10,854,035)	8,230,470
Shares returned and cancelled	2	(196)	(95,064)	-	(95,260)
Earnings for period		-	-	168,806	168,806
Balance at 31 December 2020		<u>\$ 39,087</u>	<u>\$ 18,950,158</u>	<u>\$ (10,685,229)</u>	<u>\$ 8,304,016</u>

CASH FLOW STATEMENT
three months ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Profit for the period		269,626	464,037
Less non cash flow items			
Interest accrued - Borealis Holdings Ltd	1	(269,113)	(250,166)
Finance gain (loss) Directors loan		(1,321)	(212,713)
Gain on foreign exchange		(365)	(1,158)
Net cash flow from operations		<u>(1,173)</u>	<u>-</u>
Adjustments to equity not affecting the flow of cash		73,399	-
Cash related changes in working capital			
Decrease (Increase) in Accounts Receivable		(73,033)	(21,797)
Increase (Decrease) in Accounts Payable		(23,738)	145,697
Cash paid for repurchase of shares due to directors		-	(775)
Net increase cash resources		<u>(24,545)</u>	<u>123,125</u>
Cash at beginning of period		65,177	18,491
Cash at end of period		<u>\$ 40,632</u>	<u>\$ 141,616</u>

Notes

¹ On October 1 2019, Borealis Exploration sold all its shares in its subsidiary companies to Borealis Holdings Limited for \$50 million. Borealis Shareholders can return their shares for an equal number of shares in Borealis Holdings Islo of Man. All shares returned are set off at \$10 each against the \$50 million due by Borealis Holdings, and the balance due at each month end accrues interest at an annual rate of 2%

² During the quarter Borealis Exploration cancelled 19,608 shares which were returned in exchange for an equal number of shares in Borealis Holdings Limited.

³ Some comparative figures have been restated to allow for a more meaningful comparison.