

BOREALIS EXPLORATION LIMITED

Unaudited Financial Statements

for the six months ending 31 March 2021
the first two fiscal quarters of Fiscal Year 2021

BOREALIS EXPLORATION LIMITED

Registered No (Gibraltar) 66632

**PROFIT AND LOSS ACCOUNT
for the six months ended 31 March 2021**

	Notes	31 March 2021 \$	Restated 31 March 2020 \$
Income			
Interest - Borealis Holdings Ltd	1	399,507	417,756
Expenditure			
Administration expenses incurred		(1,241)	-
Net Expenditure		<u>398,266</u>	<u>417,756</u>
Finance gain (loss) Directors loan		6,683	281,414
Gain on foreign exchange		274	275
		<u>405,223</u>	<u>699,445</u>
Profit on disposal of shares in subsidiary companies	1	-	49,823,977
Loss on cancellation of shares	1	(459,361)	
		<u>\$ (54,138)</u>	<u>\$ 50,523,422</u>

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BALANCE SHEET
at 31 March 2021

	Notes	31 March 2021 \$	Restated 31 March 2020 \$
Current Assets			
Accounts receivable			
Borealis Holdings Limited	1	39,706,535	41,171,238
Roche Bay plc		1,697,768	1,697,768
Faraway plc		2,399,863	2,399,863
Other		1,000	901,000
Total accounts receivable		<u>43,805,166</u>	<u>46,169,869</u>
Cash at bank		26,171	55,806
Total Current Assets		<u>43,831,337</u>	<u>46,225,675</u>
Total Assets		<u>\$ 43,831,337</u>	<u>\$ 46,225,675</u>
Capital and Reserves			
Called up Share Capital	3	38,390	40,745
Share Premium Account		18,612,086	64,819,732
Profit and Loss Account		(10,908,173)	(54,922,540)
		<u>7,742,303</u>	<u>9,937,937</u>
Non Current Liabilities			
Loan from directors		<u>189,442</u>	<u>371,047</u>
Current Liabilities			
Accounts payable			
Borealis Technical Limited		35,157,674	34,261,099
WheelTug plc		741,919	1,655,592
Total Current Liabilities		<u>35,899,593</u>	<u>35,916,691</u>
Net Equity		<u>\$ 43,831,338</u>	<u>\$ 46,225,675</u>

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STATEMENT OF CHANGES IN EQUITY
six months ended 31 March 2021

	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	3	(893)	(433,136)	-	(434,029)
Earnings for period for period		-	-	(54,138)	(54,138)
Balance at 31 March 2021		<u>\$ 38,390</u>	<u>\$ 18,612,086</u>	<u>\$ (10,908,173)</u>	<u>\$ 7,742,303</u>

CASH FLOW STATEMENT
six months ended 31 March 2021

	Notes	31 March 2021 \$	31 March 2020 \$
Profit for the period		405,223	699,445
Less non cash flow items			
Interest accrued - Borealis Holdings Ltd	1	(399,507)	(417,756)
Finance gain (loss) Directors loan		(6,683)	(281,414)
Gain on foreign exchange		(274)	(275)
		<u>(1,241)</u>	<u>-</u>
Cash related changes in working capital			
Increase (Decrease) in Accounts Payable		(35,940)	67,474
Increase in Accounts Receivable		-	(28,190)
Adjustments not affecting the flow of cash		(3,066)	(1,969)
Net increase (decrease) cash resources		<u>(39,006)</u>	<u>37,315</u>
Cash at beginning of period		65,177	18,491
Cash at end of period		<u>\$ 26,171</u>	<u>\$ 55,806</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 quarters 1 & 2 Borealis Exploration cancelled 708,846 shares which were returned in exchange for a equal number of shares in Borealis Holdings Limited.

3 There were 3,928,303 ordinary shares outstanding at 31 March 2021

4 Comparative figures have been restated to allow for a more meaningful comparison