

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment.

Multiple horizontal lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See Attachment.


Multiple horizontal lines for providing information regarding loss recognition.

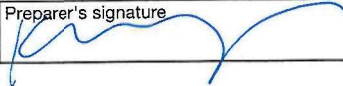
19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment.

Multiple horizontal lines for providing other necessary information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 27 February 2024
Print your name ▶ Dr Elena Clarici Title ▶ CEO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Kendall R. Fisher		2/27/2024		P01980923
	Firm's name ▶ Dorsey & Whitney LLP			Firm's EIN ▶	41-0223337
	Firm's address ▶ Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, WA 98104			Phone no.	(206) 903-8793

Electrum Discovery Corp. (formerly Medgold Resources Corp.)

Attachment to Form 8937-Part II

Report of Organizational Actions Affecting Basis of Securities (The Transaction)

Consult your tax advisor: The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “**Code**”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Transaction (as defined below) on the tax basis of shares in Electrum Discovery Corp., a corporation organized under the laws of the Province of British Columbia, Canada (formerly Medgold Resources Corp.) (“**PubCo**”), in the hands of holders of shares of PubCo stock who are U.S. taxpayers and who received such shares of PubCo stock pursuant to the Transaction (“**U.S. Shareholders**”). This discussion does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. PubCo does not provide tax advice to its shareholders. You are urged to consult your own tax advisors regarding the particular consequences of the Arrangement to you, including the applicability and effect of all U.S. federal, state and local tax laws as well as non-U.S. tax laws.

This Form 8937 and the analysis contained herein also does not address the U.S. federal, state, local or non-U.S. tax consequences of the Transaction applicable to holders of options, warrants or other convertible securities of PubCo or BMC (as defined below). Holders of such options, warrants or other convertible securities should consult their own tax advisors regarding the tax consequences of the Transaction to them in light of their own personal circumstances.

For additional information, please read the Management Information Circular of PubCo, dated as of July 14, 2023 (the “**Circular**”), which is available at www.sedarplus.ca.

Part II Item 14. (Description of organizational action)

The “**Transaction**” was effected pursuant to the following mutually interdependent steps (certain steps of the Transaction which are not relevant to the discussion herein are omitted, but are described in greater detail in the amalgamation agreement (the “**Amalgamation Agreement**”) dated as of January 27, 2023 (as amended by letter agreement dated effective April 30, 2023) by and among PubCo, 1397383 B.C. Ltd., a corporation organized under the laws of the Province of British Columbia, Canada and a wholly-owned subsidiary of PubCo (“**MergeCo**”), and Balkan Metals Corp., a corporation organized under the laws of the Province of British Columbia, Canada (“**BMC**”)):

Step 1: On January 15, 2024, PubCo effected a reverse stock split (share consolidation) whereby it consolidated every sixteen (16) existing PubCo common shares (“**PubCo Shares**”) into one (1) new common share (the “**Consolidation**”). No fractional PubCo Shares were issued pursuant to the Consolidation, as each fractional PubCo Share of 0.5 or greater was rounded up to the next highest whole PubCo Share, and each fractional PubCo Share of less than 0.5 was cancelled. No

cash was received by any shareholder in lieu of a fractional common share pursuant to the Consolidation.

Step 2: Pursuant to the Amalgamation Agreement, on January 15, 2024, PubCo, BMC and MergeCo were parties to a three-corner amalgamation pursuant to which BMC and MergeCo amalgamated (the entity formed upon the amalgamation of BMC and MergeCo, “**Amalco**”) (the “**Amalgamation**”, and, together with the Consolidation, the “**Transaction**”). Pursuant to the Amalgamation, the BMC common shareholders (“**BMC Shareholders**”) received PubCo Shares for the BMC common shares (“**BMC Shares**”) exchanged therefor. No fractional PubCo Shares were issued pursuant to the Amalgamation, with any fractional shares rounded down to the nearest whole number. At the closing of the Amalgamation, PubCo was renamed from “Medgold Resources Corp.” to “Electrum Discovery Corp.” (the “**Name Change**”).

U.S. Shareholders should review the Circular and consult with their own tax advisors regarding the tax consequences of the Transaction to them in light of their particular circumstances.

Part II Item 15. (Description of the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer)

PubCo intends that the deemed exchange by U.S. Shareholders of their existing PubCo Shares for new PubCo Shares pursuant to the Consolidation be treated for U.S. federal income tax purposes as a tax-deferred exchange under Code Section 1036 and/or Code Section 368(a)(1)(E), but PubCo provides no assurances in this regard. Provided the Consolidation qualifies as a tax-deferred exchange under Code Section 1036 and/or Code Section 368(a)(1)(E), a U.S. Shareholder should have the same tax basis and holding period in such shareholder’s post-Consolidation PubCo Shares as such shareholder had in its pre-Consolidation PubCo Shares exchanged therefor pursuant to the Consolidation, as adjusted for any whole common share received in lieu of a fractional common share or any cancelled fractional share, as applicable. However, U.S. Shareholders will be required to allocate the aggregate tax basis of each block of their PubCo Shares held immediately prior to the Consolidation among the PubCo Shares held immediately after the Consolidation, as adjusted for any whole common share received in lieu of a fractional common share or any cancelled fractional share, as applicable, such that the per-share tax basis in each post-Consolidation PubCo Share is equal to 1600% of the tax basis in a pre-Consolidation PubCo Share, as adjusted for any whole common share received in lieu of a fractional common share or any cancelled fractional share, as applicable.

Notwithstanding the foregoing, the U.S. federal income tax consequences of the receipt of an additional fraction of a PubCo Share are not clear. A U.S. Shareholder who receives one whole PubCo Share in lieu of a fractional share may nevertheless recognize income or gain in an amount not to exceed the excess of the fair market value of such share over the fair market value of the fractional share to which such U.S. Shareholder was otherwise entitled.

If a U.S. Shareholder held different blocks of PubCo Shares (i.e., PubCo Shares acquired at different times or different prices) at the time of the Consolidation, such holder should consult its

own tax advisor with respect to the determination of the tax bases of particular PubCo Shares held following the Consolidation.

If PubCo was a passive foreign investment company (“**PFIC**”), as defined under Code Section 1297, for any tax year during which a U.S. Shareholder held its PubCo Shares, certain special PFIC rules may apply to the Consolidation. U.S. Shareholders should review the Circular and consult with their own tax advisors regarding the potential application of the PFIC rules.

PubCo intends that the Amalgamation qualify as a tax-deferred reorganization within the meaning of Code Section 368(a), but PubCo provides no assurances in this regard. Provided the Amalgamation qualifies as a tax-deferred reorganization under Code Section 368(a), each U.S. Shareholder should have a tax basis in the PubCo Shares received pursuant to the Amalgamation equal to such U.S. Shareholder’s adjusted tax basis in his, her, or its BMC Shares surrendered in exchange therefor pursuant to the Amalgamation.

If a U.S. Shareholder held different blocks of BMC Shares (i.e., shares acquired at different times or different prices) at the time of the Amalgamation, such shareholder should consult its own tax advisor with respect to the determination of the tax bases of particular PubCo Shares received in the Amalgamation.

Certain former BMC U.S. Shareholders that fail to file a timely gain recognition agreement with the IRS may recognize gain under Code Section 367.

If BMC was a PFIC for any tax year during which a U.S. Shareholder held its BMC Shares, certain special PFIC rules may apply to the Amalgamation. U.S. Shareholders should review the Circular and consult with their own tax advisors regarding the potential application of the PFIC rules.

PubCo intends that the Name Change qualify as a tax-deferred reorganization under Code Section 368(a)(1)(F), but PubCo provides no assurances in this regard. Provided the Name Change qualifies as a tax-deferred reorganization under Code Section 368(a)(1)(F), each U.S. Shareholder should have a tax basis in the PubCo Shares deemed received pursuant to the Name Change equal to such U.S. Shareholder’s adjusted tax basis in his, her, or its PubCo Shares deemed surrendered in exchange therefor pursuant to the Name Change.

Part II Item 16. (Description of the calculation of the change in basis)

Provided the Consolidation qualifies as a tax-deferred exchange under Code Section 1036 and/or Code Section 368(a)(1)(E), while the per-share tax basis is impacted, the tax basis of each shareholder's total investment remains the same. The post-Consolidation per-share tax basis should be equal to the pre-Consolidation aggregate tax basis in each sixteen (16) PubCo Shares held, as adjusted for any whole common share received in lieu of a fractional common share or any cancelled fractional share, as applicable. This results in an increased per-share tax basis for the fewer number of PubCo Shares held, as adjusted for any whole common share received in lieu of a fractional common share or any cancelled fractional share, as applicable.

In the event the Transaction, or any component thereof, is taxable for U.S. federal income tax purposes, for purposes of calculating fair market value, the fair market value of a PubCo Share on January 15, 2024 is estimated at U.S.\$0.08, which was the opening price on the TSX Venture Exchange on January 24, 2024, the first day such shares traded on the TSX Venture Exchange following completion of the Transaction (as converted to U.S. dollars using the daily exchange rate published by the Bank of Canada on January 15, 2024).

Each U.S. Shareholder should consult with his, her or its own tax advisors to determine whether they are required to recognize gain in connection with the Transaction and what measure of fair market value is appropriate.

Part II Item 17. (List of applicable Code sections)

Provided the Consolidation qualifies as a tax-deferred exchange under Code Section 1036 and/or Code Section 368(a)(1)(E), the U.S. federal income tax consequences for U.S. Shareholders should be determined under Code Sections 305(a), 307(a), 354, 358, 368(a)(1)(E), 1036 and 1223.

In addition, if PubCo was a PFIC at any time during the period that a U.S. Shareholder held PubCo Shares, then Code Sections 1291-1297 would be applicable to such U.S. Shareholder for purposes of the Consolidation.

Provided the Amalgamation qualifies as a tax-deferred reorganization within the meaning of Code Section 368(a), the U.S. federal income tax consequences for U.S. Shareholders should be determined under Code Sections 354, 358, 367, 368 and 1223.

In addition, if BMC was a PFIC at any time during the period that a U.S. Shareholder held BMC Shares, then Code Sections 1291-1297 would be applicable to such U.S. Shareholder for purposes of the Amalgamation.

Provided the Name Change qualifies as a tax-deferred reorganization under Code Section 368(a)(1)(F), the U.S. federal income tax consequences to U.S. Shareholders that were deemed to receive PubCo Shares pursuant to the Name Change should be determined under Code Sections 354, 358, 368(a)(1)(F) and 1223.

Part II Item 18. (Recognition of loss)

Provided the Consolidation qualifies as a tax-deferred exchange under Code Section 1036 and/or Code Section 368(a)(1)(E), U.S. Shareholders should generally not recognize any loss pursuant to the Consolidation.

Provided the Amalgamation qualifies as a tax-deferred reorganization under Code Section 368(a), U.S. Shareholders that received PubCo Shares pursuant to the Amalgamation should generally not recognize any loss.

Provided the Name Change qualifies as a tax-deferred reorganization under Code Section 368(a)(1)(F), U.S. Shareholders should generally not recognize any loss pursuant to the Name Change.

Part II Item 19. (Other information)

The Transaction was effective on January 15, 2024. For a U.S. Shareholder which participated in the Transaction, or any component thereof, whose taxable year is a calendar year, the reportable tax year is 2024.