



MacDonald Mines Exploration Ltd.

Canuc Resources Corp. and Macdonald Mines Exploration Inc. Provide Time Sensitive and Critical Supplemental Information to Special Meeting Information Circular Regarding Proposed Acquisition Transaction

Toronto, Ontario – March 26, 2025: Macdonald Mines Exploration Inc. (“**MacDonald Mines**” or the “**Company**”) (TSX-V: BMK; OTC PINK: MCDMF) and Canuc Resources Corporation (“**Canuc**”) (TSX-V: CDA)(OTCQB: CNUCF) would like to update shareholders (“**Shareholders**”) of Macdonald Mines and provide certain supplemental information with respect to the previously announced transaction with Canuc (see press releases of December 3, 2024 and February 13, 2025).

The Meeting

The special meeting of Company Shareholders (the “**Meeting**”) is scheduled to be held on March 31, 2025 at 10am (Vancouver time) to approve a statutory arrangement (“**Arrangement**”) under section 192 of the *Business Corporations Act* (Canada) which involves, among other things, the indirect acquisition by Canuc of all of the common shares of the Company (the “**Transaction**”).

Due to the additional information provided by the Company in this news release, the Company will accept proxies up to 8 AM (Vancouver time) on March 31, 2025, or any adjournment or postponement of the Meeting.

A shareholder that has already given a proxy may revoke it at any time before the proxy is exercised by following the steps detailed in the Company’s management information circular dated February 19, 2025 (“**Circular**”). All other details of the Meeting and the Arrangement are as set forth in the Circular, available under the Company’s SEDAR+ profile.

Supplemental Information Regarding Macdonald Mines

The Circular provides disclosure regarding the consulting agreement between Macdonald Mines and its CFO, Fiona Fitzmaurice. Macdonald Mines wishes to clarify that, pursuant to that agreement, Ms. Fitzmaurice is entitled to termination pay in an amount of \$120,000 only if her position as CFO is terminated upon a “change of control” transaction having been completed, and that Ms. Fitzmaurice is not already entitled to such payment. Macdonald Mines also wishes to clarify that all stock options granted to Ms. Fitzmaurice have already vested to her.

As such, Macdonald Mines confirms that there is no “collateral benefit”, as such term is defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) that will be provided to Ms. Fitzmaurice or any other “related party”, as such term is defined in MI 61-101, of Macdonald Mines under or as a result of the Arrangement. The Arrangement is not a “business combination” for the purposes of MI 61-101.

Separately, Macdonald Mines wishes to confirm that, as set out in the Circular, the 2,305,000 common shares held by companies controlled by Chris Berlet, CEO and a director of Canuc, will

be excluded from all voting tallies at the Meeting, in keeping with internal corporate governance objectives.

Macdonald Mines also wishes to provide additional background information regarding the Arrangement:

- The Company first met Chris Berlet, CEO and a director of Canuc, in years previous, as Mr. Berlet provided consulting and technical services with respect to tailings on a portion of the Company's SPJ Property. The Company entered into a tailings recovery and net smelter returns (NSR) royalty agreement with a private company of which Mr. Berlet is a principal, pursuant to which the Company holds a 4.0% NSR;
- In 2023 and 2024, the Company attempted to secure private placement financing on numerous occasions, but without any success;
- In 2024, the Company entered negotiations with an arm's length party to discuss funding opportunities. The negotiations did not materialize into any formal offers, particularly as the Company was also addressing issues in its prior technical disclosures occurring between November 27, 2018 and February 11, 2021, during the tenure of Quinton Yarie as CEO (see the Company's news releases dated May 24, 2024, May 31, 2024, and its MD&A dated November 25, 2024 with respect to its September 30, 2024 interim financial statements, all of which are available under its profile on SEDAR+);
- In the summer of 2024, Mr. Berlet, as a representative of Canuc, met with representatives of the Company to discuss potential business dealings. At the time, the Company was facing serious financial difficulties, both with property maintenance costs and with other mounting indebtedness, and the Company had limited options, if any, as to securing additional financing required to maintain its SPJ Property in good standing;
- As a result of those discussions, the Company and Canuc entered into a non-binding letter of intent with respect to the Arrangement on December 3, 2024 (see the Company's news release dated December 3, 2024). Management of the Company was, and remains, of the opinion that the Arrangement terms represent a considerably high and fair value, relative to the Company's financial position and outlook at the time (and at present). The offer was reviewed by all members of the Company's board, all being at arm's length to Canuc;
- In December 2024, Mr. Berlet also participated in the Company's private placement, providing the Company with enough funds to keep the SPJ Property from lapsing, and to fund the Company's work programs; and
- The Arrangement Agreement was entered and dated effective February 4, 2025, and announced on February 13, 2024.

Supplemental Information Regarding Canuc

The Company directs Shareholders to refer to the Company's profile on SEDAR+ for recently uploaded continuous disclosure documents of Canuc intended to supplement the disclosure set out in the Circular. Canuc disclosure documents re-filed under the Company's SEDAR+ profile are now incorporated by reference in the Circular.

Specifically, the Company directs Shareholders to the following Canuc continuous disclosure documents now filed under the Company's SEDAR+ profile:

1. Early Warning Report dated April 27, 2023
2. Audited Annual Financial Statements for the years ended December 31, 2023 and 2022
3. Annual MD&A for the years ended December 31, 2023 and 2022
4. Interim Financial Statements for the period ended September 30, 2024
5. Interim MD&A for the period ended September 30, 2024
6. News Releases dated December 3, 2024, February 13, 2025 and March 7, 2025
7. Management Information Circular dated February 5, 2024 in respect of Canuc Shareholders meeting held on March 28, 2024
8. NI 43-101 Technical Report dated August 17, 2016, filed on SEDAR+ November 24, 2016

In addition to the Canuc disclosure documents, the Company provides Shareholders with the information provided in Schedule "A" regarding Canuc, which is intended to supplement disclosure in Canuc's Management's Discussion and Analysis ("**MD&A**") dated April 29, 2024 in respect of Canuc's year ended December 31, 2023, and Canuc's interim MD&A dated November 29, 2024 in respect of the interim period September 30, 2024.

Canuc's Business

Canuc is entering the second quarter of 2025 with modest revenue from gas production, and a significant reduction in operating expenses. The Company continues to preserve capital while strategically advancing exploration at its flagship San Javier silver-gold-copper project in Mexico.

While Canuc has not yet defined a mineral resource and is not generating revenue from its mining operations, several promising breccia and stockwork zones have been identified at surface, particularly in the northeastern claims and the El Tule area. These targets remain the focus of ongoing and recent geological work, mapping and sampling and are the locations planned for future drilling. Canuc plans to advance its exploration efforts at the San Javier Project in Sonora, Mexico, through a staged program of continued surface mapping, channel sampling, and geochemical analysis, with the goal of refining drill targets in the El Tule and Carranza zones. Subject to financing, Canuc anticipates initiating a focused diamond drilling campaign in late 2025 or early 2026 to test priority breccia structures identified in recent fieldwork. The estimated cost of this next exploration phase is expected to range between \$250,000 and \$500,000, depending on the scope and depth of drilling. These activities are designed to move the project toward a maiden NI 43-101 resource estimate, representing a key milestone in Canuc's strategic advancement.

Canuc Private Placement

As a condition of the proposed Transaction, Canuc is required to complete a private placement financing of a minimum of \$500,000. Currently, Canuc expects to close on or before the closing of the Transaction, of units ("**Units**") consisting of one share of Canuc and one half of one common share purchase warrant. The Units are priced at \$0.10 per Unit. Each whole warrant exercisable to

acquire one common share of Canuc at \$0.15 per share for a period of two (2) years. Canuc anticipates minimum private placement of \$2,200,000 and maximum \$3,200,000.

About MacDonald Mines Exploration Ltd.

MacDonald Mines is a Canadian exploration company focused on exploring for critical and precious metals in a metasomatic iron alkali-calcic (MIAC) mineral system on its 100%-owned, 19,720 ha (197.2 km²) SPJ Project. MIAC systems are known for hosting IOCG and affiliated deposits. The property is located 20km southeast of the prolific Sudbury Mining Camp in Northern Ontario. The Company's primary exploration focus are the polymetallic and iron-poor to possibly iron-rich Ag-AuCu-Co showings and prospects along the McLaren Lake Fault System that includes the Alwyn CuAu-(Ag-Co) trend and the Ashigami Co-Cu-Au showings, and the iron-rich to iron-poor Glade Au trend recognized to host Au mineralization comparable to the Scadding deposit. In addition, a potential for nickel, cobalt, copper, and platinum group elements in the Nipissing intrusions that are hosting the Candore, Jerome and Glade showings within the SPJ Project.

About Canuc Resources Corporation

Founded in 1952, Canuc Resources Corporation is a junior resource company focusing on the San Javier Silver-Gold Project in Sonora State, Mexico. The San Javier Silver-Gold Project evidences silver, gold and copper mineralization interpreted to be related to a mineral system that can form silver dominant IOCG and affiliated deposits. The Company also generates cash flow from natural gas production at its MidTex Energy Project located in Central West Texas, USA where Canuc has an interest in eight (8) producing natural gas wells and has rights for further in field developments.

ON BEHALF OF THE BOARD

"Mike England"

Mike England, CEO & Director

FOR FURTHER INFORMATION, PLEASE CONTACT:

Telephone: 1- 604 683 3995, Toll Free: 1 - 888 945 4770 Email: mike@engcom.ca

Forward Looking Information

This news release contains forward-looking information. All information, other than information of historical fact, constitute "forward-looking statements" and includes any information that addresses activities, events or developments that each of Canuc and/or MacDonald Mines (collectively, the "Corporations") believes, expects or anticipates will or may occur in the future including the Corporations respective strategy, plans or future financial or operating performance, and including statements regarding the completion of or the benefits of the Transaction and the Arrangement.

When used in this news release, the words "estimate", "project", "anticipate", "expect", "intend", "believe", "hope", "may" and similar expressions, as well as "will", "shall" and other indications of future tense, are intended to identify forward-looking information. The forward-looking information is based on current expectations and applies only as of the date on which they were made. The factors that could cause actual results to differ materially from those indicated in such forward-looking information include. Factors such as uncertainties regarding government regulations could also affect the results. Other risks may be set out in the Corporations respective annual financial statements, MD&A and other publicly filed documents.

The Corporations caution that there can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information. Except as required by law, the Corporations do not assume any obligation to release publicly any revisions to forward-looking information contained in this press release to reflect events or circumstances after the date hereof.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.

SCHEDULE "A"
SUPPLEMENTAL INFORMATION REGARDING CANUC RESOURCES
CORPORATION MD&A FOR PERIOD ENDED SEPTEMBER 30, 2024

Overall Performance

Financial Performance

For the nine-month period ended September 30, 2024, Canuc Resources Corporation ("the Corporation") reported a net loss of \$742,182, or \$0.01 per share (basic and diluted), compared to a net loss of \$2,027,129, or \$0.01 per share, for the same period in 2023. The improved bottom line in 2024 reflects the Corporation's efforts to reduce discretionary spending and manage operating costs effectively while continuing to support key exploration initiatives.

Operating expenditures for the period totaled \$739,163, down from \$2,053,628 in the comparative 2023 period. The decrease in general and administrative spending indicates an organizational shift toward capital preservation and operational efficiency.

The Corporation's exploration and evaluation expenses at the San Javier Project also declined to \$185,538 during the period, compared to \$446,364 in the previous year. This decline reflects a more targeted approach to geological mapping, drilling, and sampling in newly acquired zones like El Tule, while deferring more capital-intensive activities such as large-scale drilling programs

Financial Condition

As at September 30, 2024, the Corporation maintained a cash balance of \$119,128, down from \$964,371 a year earlier. The decline reflects the use of working capital for exploration activities, corporate overheads, and maintenance of the natural gas assets in Texas.

The Corporation's total assets stood at \$766,429, a decrease from \$2,982,302 as at September 30, 2023. The reduction in assets was driven by lower cash balances, reduced receivables, and the full impairment of the MidTex oil and gas properties, reflecting management's conservative assessment of their future economic value.

Despite this, the Corporation retained a positive working capital position of \$678,526, though reduced from \$1,178,500 in 2023. This reflects prudent financial management, including the reduction of current liabilities to \$87,903, down from \$314,926 in the previous year.

The Corporation has no long-term debt and no interest-bearing obligations, preserving flexibility and reducing financial risk.

Revenue Comparison – 2022, 2023, and 2024 YTD

Period	Total Revenue from Natural Gas and Oil	Commentary
FY 2022	\$299,671	Revenue benefited from elevated natural gas prices following global energy disruptions. Production remained stable from existing wells.
FY 2023	\$162,585	A notable decrease driven by sustained pricing levels through Q1–Q3 and modest decreases in gas sales volumes throughout the year.
9 Months Ended Sept 30, 2024	\$59,840	Revenue declined due to weaker natural gas prices and production declines. All assets remain fully impaired.

The first three quarters of 2024 show a large decline compared to the same period in 2023. The weakening commodity price environment and lack of reinvestment into the gas field (e.g., recompletion or new drilling) have directly impacted cash flows.

Asset Status and Outlook

As of September 30, 2024, the Corporation’s gas assets continue to generate positive cash flow, but management has maintained a full impairment of their carrying value on the balance sheet. This reflects prudent accounting treatment in light of:

- Pricing volatility in natural gas markets,
- The uncertainty of future engineering-led rework programs,
- And the lack of immediate capital investment plans.

The wells currently produce from the lowest of three known productive formations. Should future economic conditions justify investment, the Corporation may explore recompletion into higher formations (Caddo Limestone and Strawn Sand), potentially increasing production and extending well life.

However, any such activities will require:

- A favorable pricing environment,
- Independent reservoir engineering assessments, and
- Access to capital.

The natural gas segment continues to play a supporting role in Canuc’s business model, offering modest revenue to supplement exploration efforts. While revenues in 2022 and 2023 benefited from stronger commodity pricing, 2024 year-to-date results highlight the segment’s exposure to pricing pressures and production decline.

While the asset remains a non-core component relative to the San Javier mineral exploration focus, it offers latent value that could be unlocked through future engineering work, contingent on improved market conditions and capital availability.

Discussion of Key Metrics

a. Revenue

Revenue decreased significantly from \$299,671 in FY 2022 to \$162,585 in FY 2023, largely due to reduced natural gas prices and unstable production from the Midtex assets in Texas. Revenue for the nine-month period in 2024 declined to \$59,840, reflecting reduced gas prices and natural production decline without new investment in field operations.

b. Net Income / Loss

The Corporation reported a net loss of \$1,740,169 in FY 2022, which did not significantly to a net loss of \$1,753,039 in FY 2023. For the first nine months of 2024, the Corporation recorded a net loss of \$742,182, This improvement was driven by reduced general and administrative expenses, lower promotional and travel costs, and operational efficiency.

c. Earnings (Loss) per Share

Earnings per share remained consistent across all periods at \$(0.01), reflecting the Corporation's pre-revenue exploration status and stable weighted average share count.

d. Total Assets

Total assets grew substantially in FY 2023 to \$1.53 million, driven by capital raised through private placements and the temporary increase in cash balances. However, assets declined to \$766,429 as of September 30, 2024, as a result of cash usage for exploration activities and operational costs, alongside the continued impairment of oil and gas assets.

e. Total Liabilities

Liabilities decreased steadily from \$667,474 in FY 2022 to \$230,663 in FY 2023, before dropping significantly to \$166,440 by Q3 2024. The reduction reflects prudent cost management and the timely settlement of accounts payable and accruals, leaving the Corporation with minimal financial obligations.

f. Dividends

The Corporation has not declared or paid any dividends during the periods under review, consistent with its strategy to reinvest available capital into exploration and asset development. As a junior exploration company, Canuc is not expected to pay dividends until it achieves commercial production or secures recurring cash flow from mineral development.

Operations of the Business

Project Descriptions, Plans, Status, and Expenditures

San Javier Silver-Gold-Copper Project (Sonora, Mexico)

The San Javier Project is Canuc's flagship mineral exploration asset, located in the state of Sonora, Mexico. The project consists of 26 contiguous concessions covering approximately 1,013 hectares. The Corporation, through its Mexican subsidiaries Minera Stramin S. de R.L. de C.V. and Minera Canuc SA de CV, holds title or pending title on all concessions.

Project Plan and Status:

Canuc's objective is to consolidate and explore a district-scale silver-gold-copper system. The current phase involves geological mapping, trenching, channel sampling, and targeted drilling, focused on breccia zones that have yielded high-grade silver values at surface. Breccia zones such as Carranza, Cerro Colorado, and the Silver Mountain zone have demonstrated strong surface mineralization and structural significance, particularly where northeast–southwest trending mineral corridors intersect with north–south fault systems.

Status vs. Plan:

As of September 30, 2024, the project is in the advanced exploration stage but remains pre-resource, with no NI 43-101 mineral resource estimate yet defined. Exploration work has moved toward the northeastern and eastern extensions, including the El Tule concession, where iron-matrixed breccia zones have been mapped over an area of 900 x 1,200 meters, remaining open laterally.

Use of Proceeds from Financing

The Corporation completed several financings in **2022 and 2023**. Below is a comparison of expected use of proceeds versus actual usage:

Financing	Gross Proceeds	Disclosed Use of Proceeds	Actual Use	Variance / Impact
Jan 2023	\$680,000	San Javier exploration, G&A	Used as intended	None
Mar 2023	\$900,000	San Javier, working capital	Used as intended	None
Jun 2023	\$1,285,000	Drilling and exploration	Exploration scaled down	Slower pace of advancement
Jul 2023	\$2,000,000	Aggressive northeast claim exploration	Activity limited to mapping/sampling	Reduced field activity due to market conditions

While all proceeds were used in alignment with general exploration and corporate plans, slower-than-anticipated capital deployment has delayed the planned definition of a resource at San Javier. However, prudent use of funds has preserved working capital and minimized dilution.

Unusual or Infrequent Events or Transactions

No infrequent events occurred or were assessed as significant during the reporting period and no material legal proceedings, environmental incidents, or corporate reorganizations occurred during the period.

Off-Balance Sheet Arrangements

As of September 30, 2024, and the date of this report, *Canuc Resources Corporation* does **not have any off-balance sheet arrangements** that are reasonably likely to have a current or future effect on its financial condition, liquidity, capital resources, or financial performance. The Corporation's financial position and disclosures reflect all known obligations, and no special

purpose entities, structured financing vehicles, or contingent funding arrangements exist outside the scope of the consolidated financial statements.