

Details for Allocation of Cost Base on Completion of Arrangement

Pursuant to the Arrangement, Foremost shareholders were issued one (1) new common share of Foremost and two (2) common shares of Rio Grande (the "**Rio Grande Shares**") for each common share of Foremost.

This summary is of a general nature only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular holder of Rio Grande Shares (a "**Holder**"). The tax consequences to any particular Holder will depend on a variety of factors including the Holder's own particular circumstances. Therefore, all Holders, and all persons affected by the Arrangement, should consult their own tax advisors with respect to their particular circumstances. The Canadian federal income tax consequences of the Arrangement are summarized in the information circular of Foremost dated November 12, 2024, as filed on the SEDAR+ website (the "**Information Circular**").

Pursuant to the *Income Tax Act* (Canada) generally, a Holder would be required to calculate the adjusted cost base ("**ACB**") of their respective new common shares of Foremost received pursuant to the Arrangement as an amount equivalent to the ACB of the Holder's Foremost shares held immediately prior to the consummation of the Arrangement, less the aggregate fair market value of the Rio Grande Shares received pursuant to the Arrangement, which reduced amount, divided by two would then be recorded as the acquisition cost of each of the Rio Grande Shares. Management of Foremost and Rio Grande estimate that, based on Foremost and Rio Grande's understanding of the fair market value of the Rio Grande Shares on the date of the Arrangement, the ACB of each post-Arrangement share of Foremost should be reduced by approximately 8.64% of its pre-Arrangement ACB and that 4.32% of the ACB of each pre-Arrangement Foremost share should be recorded as the acquisition cost of each Rio Grande Share. This fair value ACB adjustment calculation is based on the estimated relative fair market value of Foremost's assets at the time of the Arrangement and is not based on a formal business or asset valuation process. No such determination of fair market value by Foremost or allocation of ACB is binding on the Canadian tax authorities or should be considered determinative by any Holder. Accordingly, Holders are advised to seek their own independent professional advice in respect of this matter.